Meeting Agenda

Blue Ribbon Transit Recovery Task Force

Members

Monday, November 16, 2020	**9:05 AM**	**Board Room – 1st Floor (REMOTE)**

The Blue Ribbon Transit Recovery Task Force will meet on Monday November 16, 2020 at 9:05 a.m., in the Bay Area Metro Center (Remotely). In light of Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak and in accordance with Executive Order N-29-20 issued by Governor Newsom on March 17, 2020 and the Guidance for Gatherings issued by the California Department of Public Health, the meeting will be conducted via webcast, teleconference, and Zoom for Task Force members who will participate in the meeting from individual remote locations.

A Zoom panelist link for meeting participants will be sent separately to Task Force members.

The meeting webcast will be available at http://mtc.ca.gov/whats-happening/meetings Members of the public are encouraged to participate remotely via Zoom at the following link or phone number. Task Force Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. In order to get the full Zoom experience, please make sure your application is up to date.

Attendee Link:https: https://bayareametro.zoom.us/j/84953440306
Join by Telephone: 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)
Webinar ID: 849 5344 0306
International numbers available:https://bayareametro.zoom.us/u/kcpk67MycI

Detailed instructions on participating via Zoom are available at:
https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom.

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name and agenda item number in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

1. Roll Call / Confirm Quorum

A quorum of this Task Force shall be a majority of its voting members (17)

2. Chair Comments

Commissioner Jim Spering

3. Consent Calendar

3a. 20-1472   Minutes of the October 26, 2020 Meeting

Action: Approval

Attachments: Draft Meeting Minutes_BRTRTF 10_26_2020

3b. 20-1473   BRTRTF #6 Meeting Summary

Action: Approval

Attachments: BRTRTF #6 Meeting Summary Memo

4. Revised Decision Making Process

Over the remaining time of the Task Force, there may be occasions when timely actions will be required to advance development of the Public Transit Transformation Action Plan. To facilitate this decision-making process, recommendations on a revised process will be presented to the Task Force for consideration and approval.

4a. 20-1628   Revised Decision Making Process

Action: Approval

Presenter: Steve Kinsey, CivicKnit

Attachments: Revised Decision Making Memo

Decision Making Member instructions

5. Stage 3: Transformation Action Plan

Revised goals and objectives for the Transformation Action Plan will be presented to the Task Force members for consideration and approval. Additionally, a discussion on Goal 2: Advancing Equity will be initiated and we are seeking Task Force member input on the developing draft equity principles.

5a. 20-1625   Revised Goals and Objectives

Action: Approval

Presenter: Steve Kinsey, CivicKnit

Attachments: Revised Goals Intro Memo

Revised Goals and Objectives Presentation

5b.   20-1627   Advancing Equity and Development of Principles

Action: Information

Presenter: Steve Kinsey, CivicKnit and Therese McMillan, MTC

Attachments: Advancing Equity Presentation

6. Short and long term funding priorities for Voices for Public Transportation

Representatives from the Voices for Public Transportation coalition will be outlining the priorities of their members in the face of the immediate transportation funding crisis caused by Covid-19, and the long term needs for a successful transit system in the Bay Area.

6a.   20-1626   Short and long term funding priorities for Voices for Public Transportation

Action: Information

Presenter: Ellen Wu, Hayley Currier, Ian Griffiths (Voices for Public Transportation)

Attachments: Voices for Public Transportation Presentation

Transmittal letter for materials

1) Voices for Public Transportation Voter Survey Research (March 2020)

2) Regional Transportation Measure Revenue Estimates (December 2019)

3) Operations Funding for a World-Class Transit System (September 2020)

7. Public Comments / Other Business

7a.   20-1624   Correspondence Received

Attachments: Public Advocates comments to BRTRTF

7b.   20-1708   Additional Information

Action: Information

Attachments: Transit Operator Ridership Update Handout

8. Meeting Summary

8a.   20-1720   Roadmap

Action: Information

Presenter: Steve Kinsey, CivicKnit

Attachments: Roadmap-Nov-BRTRTF

9. Adjournment

The next meeting of the Blue Ribbon Transit Recovery Task Force will be held Monday, December 14, 2020 at 1:05 p.m. remotely and by webcast as appropriate.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章：MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

Metropolitan Transportation Commission

Legislation Details (With Text)

File #:	20-1472	**Version:** 1	**Name:**	
Type:	Minutes		**Status:**	Consent
File created:	9/24/2020		**In control:**	Blue Ribbon Transit Recovery Task Force
On agenda:	11/16/2020		**Final action:**	
Title:	Minutes of the October 26, 2020 Meeting			
Sponsors:				
Indexes:				
Code sections:				
Attachments:	Draft Meeting Minutes_BRTRTF 10_26_2020			

Date	Ver.	Action By	Action	Result

Subject:

Minutes of the October 26, 2020 Meeting

Recommended Action:

Approval

Attachments:

BLUE RIBBON
TRANSIT RECOVERY TASK FORCE

375 Beale Street, Suite 800
San Francisco, CA 94105

Meeting Minutes - Draft

Blue Ribbon Transit Recovery Task Force

Members

Monday, October 26, 2020	**1:05 PM**	**Board Room – 1st Floor (REMOTE)**

1. Roll Call / Confirm Quorum

Present: 30 - Member Pedroza, Member Haggerty, Member Josefowitz, Member Papan, Member Rabbitt, Member Worth, Member McMillan, Member Hursh, Member Ramacier, Member Mulligan, Member Tree, Member Whelan, Member Hartnett, Member Tumlin, Member Fernandez, Member Halls, Delegate Baker, Member Wu, Member Kinman, Member Beall, Member Chiu, Member Kim, Member Lindsay, Member Murphy, Member Currier, Member Griffiths, Member Wunderman, Member Rotchy, Member Ford, and Spering

Absent: 2 - Member Cortese, and Member Powers

2. Chair Comments

3. Consent Calendar

Upon the motion by Member Tumlin and seconded by Member Papan, the Consent Calendar was unanimously approved. The motion carried by the following vote:

Aye: 28 - Member Pedroza, Member Haggerty, Member Josefowitz, Member Papan, Member Rabbitt, Member Worth, Member McMillan, Member Hursh, Member Ramacier, Member Mulligan, Member Tree, Member Whelan, Member Hartnett, Member Tumlin, Member Fernandez, Member Halls, Delegate Baker, Member Wu, Member Kinman, Member Kim, Member Lindsay, Member Murphy, Member Currier, Member Griffiths, Member Wunderman, Member Rotchy, Member Ford and Spering

Absent: 4 - Member Cortese, Member Powers, Member Beall and Member Chiu

3a. [20-1334](#)   Minutes of the July 20, 2020 Meeting

    Action: Task Force Approval

    Attachments: [Minutes of 7_20_2020 BRTRTF Meeting](#)

3b. [20-1420](#)   Minutes of the September 14, 2020 Meeting

    Action: Task Force Approval

    Attachments: [Draft Minutes 9_14_2020_BRTRTF Meeting](#)

3c.   [20-1333](#)   BRTRTF #4 Meeting Summary

Action: Task Force Approval

Attachments: [BRTRTF #4 Meeting Summary Memo](#)

3d.   [20-1421](#)   BRTRTF #5 Meeting Summary

Action: Task Force Approval

Attachments: [BRTRTF #5 Meeting Summary Memo](#)

4. Stage 2: Near-term Transit Recovery

4a.   [20-1422](#)   Operator Survey Summary and Return-to-Transit Communications

Action: Information

Presenter: Randy R. Rentschler, MTC Staff and Sara LaBatt, EMC Research, Inc.

Attachments: [Item 4a Return-to-Transit Program Overview](#)

[Item 4a Return to Transit Research Review Report](#)

4b.   [20-1529](#)   Transit Operations Funding Overview

Action: Information

Presenter: Therese McMillan, MTC Staff

Attachments: [Item 4b BRTRTF Transit Ops Funding](#)

[Item 4b Transit Operator Ridership and Revenue Update Handout](#)

[Joint Comment Letter](#)

5. Stage 3: Transformation Action Plan

5a.   [20-1423](#)   Stage 3: Transformation Action Plan

Action: Information

Presenter: Steve Kinsey, CivicKnit

Attachments: [Item 5a Stage 3 Goals Memo](#)

[TAP Goals Objectives](#)

[Joint Comment Letter](#)

[MTC Policy Advisory Council Comment Letter](#)

6. Public Comments / Other Business

The following individuals spoke on this Item:

Peter Strauss, San Francisco Riders;

Roland Lebrun;

Richard Hedges;

Steven Dunbar; and

Monica Mallon, Silicon Valley Youth Climate Action.

20-1596   Correspondence Received

Attachments: Joint Comment Letter Labor Union

7. Meeting Summary

Adjournment

Metropolitan Transportation Commission

Legislation Details (With Text)

File #:	20-1473	**Version:** 1	**Name:**		
Type:	Report		**Status:**	Consent	
File created:	9/24/2020		**In control:**	Blue Ribbon Transit Recovery Task Force	
On agenda:	11/16/2020		**Final action:**		
Title:	BRTRTF #6 Meeting Summary				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	BRTRTF #6 Meeting Summary Memo				

Date	Ver.	Action By	Action	Result

Subject:
BRTRTF #6 Meeting Summary
Recommended Action:
Approval

Attachments:

BLUE RIBBON

**TRANSIT RECOVERY
TASK FORCE**

TO: Blue Ribbon Transit Recovery Task Force   DATE: October 26, 2020

FR: Steve Kinsey, CivicKnit

RE: BRTRTF Meeting #6 Summary

Mutual Understanding from Task Force Meeting #6 (October 26, 2020):
1) There is an urgent need for additional transit funding
2) System-wide network management actions will be a primary Task Force focus

Additional Information requested to be included in a future Task Force Meeting:
1) More information on changes that MTC has authority to make now vs. changes that require legislation
2) A clear statement on the problem that the network management and governance reform is aiming to address
3) Better understanding of how existing initiatives will integrate with Transformation Action Plan

Identified Concerns:
1) Transit agencies have an immediate need for additional funding
2) Health, economic, and business variables beyond the control of transit agencies will significantly affect the rate of returning riders.
3) Needs of transit-dependent, underserved riders, and essential workers need to be the first priority now and in future planning.

Meeting Summary
Chair Spering opened the meeting by reporting that he and Therese McMillan recently attended and spoke at a state legislators' Bay Area Caucus meeting, describing the Blue Ribbon Task Force purpose and mentioning that a network manager concept is being considered by the body. He then briefly reviewed the meeting agenda, emphasizing the importance of setting Transformation Action Plan Goals.

MTC Director Randy Rentschler and Sara LaBatt, EMC Research, Inc. representative, provided a high-level summary of rider surveys completed by transit agencies since the pandemic began. They also reported that the MTC Commission has authorized funding for further research to inform a regionwide message aimed at welcoming riders back.

Task Force member comments included 1) concerns that the research focused too heavily on commuters, 2) requests for more underserved, transit-dependent, and student bus rider input, and 3) appreciation of the summary information from small operators who couldn't otherwise afford the research.

MTC Staff confirmed that the Return-to-Transit program budget includes focus group research with the public, employers and the school community. MTC Staff will work with operators and stakeholders as the research program advances.

Therese McMillan presented MTC's Transit Operations Funding Recovery outlook. Her slide show compared pre-COVID revenues with those after the pandemic's onset, CARES Act funding status, criteria for shifting funds under MTC's control, and the limitations on re-directing funds from the state and local sales taxes. MTC is estimating operators will have an operating shortfall of $400 to $600 Million by June 2021, and could see a $1.7 Billion shortfall the following year, barring any significant changes to our situation.

Secretary Kim stated that redirecting state funds would be a long shot and would face major legislative hurdles and opposition. Responding to a question from Chair Spering, Ms. McMillan confirmed that MTC can set priorities that shift transit funds to specific purposes. This presentation and possible options may be presented to the MTC Commission as soon as next month.

Before introducing the facilitator for the Transformation Action Plan discussion, Chair Spering emphasized that a decision on Goals next month would set the course for the remainder of the task force, making the conversation a most important one. He appreciated that the item was structured so that MTC staff could present their own perspective, alongside the transit operators and other stakeholders. Given that action will be taken on the Plan Goals and Objectives at the November meeting, he said that the Task Force will revisit its voting procedures and decision-making process at the start of the November meeting.

Facilitator Steve Kinsey, CivicKnit, led the group through a series of slides intended to draw out what the Task Force wants to prioritize in its *Transformation Action Plan*. Four draft Goals were presented, followed by Task Force and Public Comment.

A cross-section of Task Force members emphasized a common theme that more funding is urgently needed now and is essential to achieve long-term improvements.

There was broad support, including from Assembly Member Chiu, for the comments raised in a letter sent to the Task Force by several members. These comments included encouraging refinement of the "transit transformation" definition, more emphasis on creating transit advantage opportunities, ensuring that the Plan's reform action step recommendations reflect long-term goals, consideration of MTC's existing initiatives to focus on their relationship to the network manager concept, and for CalSTA's perspective to be brought to the Task Force.

Comments regarding Network Management and Governance issues were frequently raised during the meeting, with members expressing a diversity of perspectives such as: the problem needs to be clearly stated before considering alternatives, labor and collective bargaining issues need to be more fully understood, past studies should not be repeated, consultant services should focus on identified hurdles, network management should be considered separately from governance issues, and the discussion of network management specifics should start sooner than January.

Other comments included the need to bring transit agency board members into the discussion sooner rather than later, enthusiasm for equity principles, including metrics and goals in equity actions, and taking into account that some transit users will not return, especially paratransit riders. Members of the public commented on new funding issues, reallocation of capital to operating funds, mergers, technological advances in data collection, and finding more operations funding now.

MTC Chair Haggerty proposed setting aside funding for agencies that are willing to come forward to advance consolidation among themselves.

At the conclusion, Chair Spering stated that this BRTRTF should concentrate on the Network Manager concept, making its recommendations to both MTC and the Legislature. If a Network Manager is established, many of the transit service issues being raised may be addressed through the role of a network manager.

A revised set of draft *Transformation Action Plan* Goals *and Objectives* will be presented for consideration and adoption at the November BRTRTF meeting.

Metropolitan Transportation Commission

Legislation Details (With Text)

File #:	20-1628	**Version:**	1	**Name:**	
Type:	Action Item			**Status:**	Committee Approval
File created:	10/28/2020			**In control:**	Blue Ribbon Transit Recovery Task Force
On agenda:	11/16/2020			**Final action:**	
Title:	Revised Decision Making Process				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Revised Decision Making Memo				
	Decision Making Member instructions				

Date	Ver.	Action By	Action	Result

Subject:

Revised Decision Making Process

Presenter:

Steve Kinsey, CivicKnit

Recommended Action:

Approval

Attachments:

BLUE RIBBON

**TRANSIT RECOVERY
TASK FORCE**

TO: Blue Ribbon Transit Recovery Task Force   DATE: November 16, 2020

FR: Steve Kinsey, CivicKnit

RE: Revised Decision Making

From the beginning of this Task Force, a shared sense of responsibility for taking thoughtful, inclusive actions when preparing the *Public Transit Transformation Action Plan* has been encouraged. The Task Force agreed in June to use practices that reinforce the goal of reaching Consensus whenever possible, including the following:

1) Adopting succinct Task Force Purpose statement with the expectation that all members are willing to actively work together towards a mutually acceptable solution.
2) Approving Meeting Summary statements that identify mutual understandings, remaining concerns, and additional information needed for further consideration.
3) Building mutual understanding by inviting a range of presenters; undertaking surveys, topical roundtables, and focus groups; obtaining public comments during Task Force meetings; and maintaining ongoing communication between the facilitator and interested parties.
4) Sufficient time to deliberate on presented information, differing views, and amendment proposals prior to taking formal action.
5) Accepting that a Task Force goal is to achieve full acceptance, not unanimous agreement.

Over the remaining time of the Task Force, there will be instances when timely actions are needed to advance development of the *Public Transit Transformation Action Plan.* Owing to the size of the Task Force, state transparency laws, and the virtual meeting format, the following decision-making revision is recommended:

When testing for consensus on specific elements and before a formal roll call vote is taken, Task Force members may be asked to indicate their level of support for a proposed action visually using one of three cards:
- Green: I support the proposal and am ready to take formal action
- Yellow: I have reservations but am willing to take formal action
- Red: I want the Task Force to delay formal action for further discussion

For our virtual meeting space, Task Force members will use a piece of paper with a single word (GREEN, YELLOW, or RED.) The Zoom layout will switch to Gallery View and, when prompted, members simultaneously will hold up their paper so it is visible to other Task Force members, public participants, and support staff.

Support staff will publicly report the tally, after which the Chair shall decide whether to proceed to a formal roll call vote or extend Task Force discussion on the matter. Formal decisions guide consideration of future topics. Minority opinion-holders may document their reasons for opposition in writing, and this will be included in an Appendix of the Plan.

BLUE RIBBON

TRANSIT RECOVERY TASK FORCE

TO: Blue Ribbon Transit Recovery Task Force   DATE: November 16, 2020

FR: MTC Staff

RE: Zoom Instructions for Task Force Members on Consensus - Test

At Monday's Task Force meeting, the Task Force will consider a proposed revision to our Decision-Making Process that will allow for consensus-testing ahead of formal roll-call votes. If approved, we may use this new tool during the discussion on Item 5a: Revised Stage 3 Goals & Objectives.

To prepare for the discussion and potential use of the new tool, we are asking Task Force members to have hard copy "cards" representing RED, YELLOW, and GREEN available for the meeting. Attached are PDF pages for you to print these "cards". If you do not have access to a color printer, you can make your own cards using materials at hand. Homemade cards need to include the word itself (for visible accessibility) and, ideally, prominent use of the respective color (for ease of tallying.)

During the meeting, Chair Spering or Facilitator Kinsey will indicate if the Red-Yellow-Green (RYG) consensus-testing method will be used. At that time, the video layout will be changed to Gallery View. Please note that in Gallery View, all Task Force members will be visible to public. The Chair then will ask members to hold up the appropriate card in response to various proposals or decision points.

NOTE: When a virtual background is enabled, Zoom may not be able to detect objects in the foreground -- such as your RYG card/paper. For your card to be better visible when you hold it up, Task Force members should disable virtual backgrounds during consensus testing.

- TURNING OFF ZOOM VIRTUAL BACKGROUND: Click the up-arrow next to the "STOP/START VIDEO" button at the bottom of your Zoom screen, then select Choose Virtual Background. When the Background & Filters pop-up window opens, select NONE as a Virtual Background, the X out of the pop-up window.

Thank you for helping to make this new consensus-testing, decision-making process work, subject to its approval by the Task Force.

GREEN

YELLOW

RED

Metropolitan Transportation Commission

Legislation Details (With Text)

File #:	20-1625	**Version:** 1	**Name:**		
Type:	Action Item		**Status:**	Committee Approval	
File created:	10/28/2020		**In control:**	Blue Ribbon Transit Recovery Task Force	
On agenda:	11/16/2020		**Final action:**		
Title:	Revised Goals and Objectives				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Revised Goals Intro Memo				
	Revised Goals and Objectives Presentation				

Date	Ver.	Action By	Action	Result

Subject:
Revised Goals and Objectives

Presenter:
Steve Kinsey, CivicKnit

Recommended Action:
Approval

Attachments:

**TRANSIT RECOVERY
TASK FORCE**

TO: Blue Ribbon Transit Recovery Task Force   DATE: November 16, 2020

FR: Steve Kinsey, CivicKnit

RE: Revised Goals & Objectives

At the October BRTRTF meeting, the Task Force and public participants were presented with and commented on four draft Goals with associated Objectives intended to define the scope of the Stage 3 *Transformation Action Plan* you are developing.

Based on the discussion at the October 26th Task force meeting, as well as an October 26, 2020 letter submitted to the Task Force by several members, and echoed by several other speakers, a set of Revised Goals and Objectives have been prepared for your review. Formal action on this is scheduled for the November 16th meeting.

If the revised language does not adequately reflect the Task Force's intentions, modifications may be proposed. If proposed language changes do not receive unanimous acceptance, the Chair may request use of the Task Force's straw poll procedure to confirm whether a proposed revision should be included in the final draft Goals and Objectives that will be acted on by a roll call vote.

In order to expedite any additional revisions to the draft Goals and Objectives, it will be helpful to provide specific language to be added or to replace portions of that which you have received. Proposed changes may also be submitted to the Facilitator in advance by sending them to steve@civicknit.com.

Once approved, these Goals and Objectives will define the boundaries of research, evaluation, and consideration of material that will inform the specific actions to be recommended in the *Transformation Action Plan.*

Attached:
Attachment A: Revised Goals and Objectives (November 9, 2020)
Attachment B: Tracked Changes of Revised Goals and Objectives (November 9, 2020)

Goal 1: Recognize Critical Recovery Challenges Facing Transit Agencies
Defer post-recovery service planning to allow Bay Area transit agencies to prioritize difficult fiscal and service choices in the midst of increasing uncertainty.
    A. Encourage timely additional MTC funding and regulatory relief during the Transit Recovery period.
    B. Advocate for timely additional federal and state funding to support Recovery.
    C. Receive quarterly Stage 2 updates from Operators and MTC.
    D. Support regional funds for inclusive rider research and return-to-transit communications.

Goal 2: Advance Equity
Integrate and be accountable to equity in policy, service delivery and advocacy recommendations, as embodied in MTC's Equity Platform.
    A. Develop specific Equity Principles to guide Transit Transformation planning.
    B. Include focused outreach to current riders, underserved populations, and persons with disabilities to inform the Transformation Action Plan.

Goal 3: Identify near-term actions to implement beneficial long-term Network Management & Governance reforms
Develop business case and identify specific next steps to deliver public transit network management and governance reforms that will fulfill long-term transit transformation.
    A. Develop a clear Problem Statement that addresses what issues or problems Network Management reforms seek to resolve.
    B. Using prior MTC analyses and experienced professionals, evaluate regionwide network management alternatives, addressing issues of legal authority, labor, scope of duties, oversight, and increased budget requirements. Recommend near-term reform actions.
    C. Using MTC staff and qualified professionals, identify and support near-term consolidation opportunities focused in smaller transit markets with multiple transit operators to provide a more connected service to the customer, where feasible.
    D. Propose state and regional policy and legislative actions to support transit transformation and expedite implementation of transit priority advantages on streets and highways.

Goal 4: Establish how current MTC and state transit initiatives should integrate with Network Management & Governance reforms
Review the scope, timing, and decision process of current MTC and state transit initiatives and identify specific actions to integrate them with Management & Governance reforms.
    A. Receive presentations on several current MTC transit initiatives and comment on their relationship to Management & Governance reforms.
    B. Receive state presentation on CalSTA initiatives that inform management and governance reform.

Attachment B
Tracked Changes Version of Revised Transformation Action Plan Goals & Objectives
November 9, 2020

Goal 1: Recognize Critical Recovery Challenges Facing Transit Agencies
Defer post-recovery service planning to allow Bay Area transit agencies to prioritize difficult fiscal and service choices in the midst of increasing uncertainty.

   E.   Encourage timely additional MTC funding and regulatory relief during the Transit Recovery period.
   F.   Advocate for timely additional federal and state funding to support Recovery.
   G.   Receive quarterly Stage 2 updates from Operators and MTC.
   H.   Support regional funds for inclusive rider research and return-to-transit communications.

Goal 2: Advance Equity
Integrate and be accountable to equity in policy, service delivery and advocacy recommendations, as embodied in MTC's Equity Platform.

   C.   Develop specific Equity Principles to guide Transit Transformation planning.
   D.   Include focused outreach to current riders, underserved populations, and persons with disabilities to inform the Transformation Action Plan.

Goal 3: ~~Propose~~ Identify near-term actions to implement beneficial long-term Network Management & Governance reforms ~~actions~~
Develop business case and identify specific ~~near-term~~ next steps to deliver public transit network management and governance reforms ~~actions to facilitate~~ that will fulfill long-term transit transformation.

   C.   Develop a clear Problem Statement that addresses what issues or problems Network Management reforms seek to resolve.
   D.   Using prior MTC analyses and experienced professionals, evaluate regionwide network management alternatives, addressing issues of legal authority, labor, scope of duties, oversight, and increased budget requirements. Recommend near-term reform actions.
   ~~C.   Using experienced professionals, evaluate which agency consolidation opportunities should advance in the near-term, and recommend next steps.~~
   E.   Using MTC staff and qualified professionals, identify and support near-term consolidation opportunities focused in smaller transit markets with multiple transit operators to provide a more connected service to the customer, where feasible.
   F.   Propose state and regional ~~institutional~~ policy and legislative actions to support transit transformation and expedite implementation of transit priority advantages on streets and highways.

Goal 4: ~~Clarify the Relationship Between MTC's Current Transit Initiatives & Transformation Planning~~ Establish how current MTC and state transit initiatives should integrate with Network Management & Governance reforms
Review the scope, timing, and decision process of current MTC and state transit initiatives and identify specific actions to integrate them with ~~Transformation Action Plan implementation~~ Management & Governance reforms.

C. Receive presentations on several current MTC transit initiatives and comment on their relationship to ~~the Transformation Action Plan~~ Management & Governance reforms.
D. Receive state presentation on CalSTA initiatives that inform management and governance reform.
B. ~~Identify relationships between MTC initiatives and regionwide Network Management Reforms.~~

TODAY'S TASK FORCE GOAL
Adopt Transformation Action Plan Goals & Objectives

Pathway to today's roll-call vote:

- Explanation of proposed revisions to Goals & Objectives

- Task Force and Public comment on revisions

- Use red light / green light as gauge to consider further revisions

- Roll-call vote to approve Transformation Action Plan Goals & Objectives

BASIS FOR REVISING GOALS & OBJECTIVES

- Task Force and Public comment at October 26 BRTRTF meeting

- Task Force support for letter sent by several Task Force organizations

- Assemblymember Chiu comments

TRANSIT TRANSFORMATION

Design, adequately invest in and effectively manage **a public transit network that is inclusive,** ~~an~~ appropriately frequent, accessible, reliable, **and integrated with unified service, fares, schedules, customer information and identity,** ~~affordable and better connected public transit network,~~ serving all Bay Area populations, resulting in increased transit ridership and reduced growth in vehicle miles traveled.

REVISED GOALS AND OBJECTIVES

1 **Goal 1: Recovery**

Basis for Revision

- Reflects broad Task Force sense of urgency for more funding

- Reflects importance of survey information and communications plan for Recovery

Goal 1: Recognize critical recovery challenges facing transit agencies

Defer post-recovery service planning to allow Bay Area transit agencies to prioritize difficult fiscal and service choices in the midst of increasing uncertainty

Objectives:

A. Encourage timely additional MTC funding and regulatory relief during the Transit Recovery period

B. Advocate for timely additional federal and state funding to support Recovery

C. Receive quarterly Stage 2 updates from Operators and MTC

D. Support regional funds for inclusive rider research and return-to-transit communications

4

REVISED GOALS AND OBJECTIVES

2 **Goal 2: Equity**

Basis for Revision

- No change proposed

Goal 2: Advance equity

Integrate and be accountable to equity in policy, service delivery and advocacy recommendations, as embodied in MTC's Equity Platform

Objectives:

A. Develop specific Equity Principles to guide transit transformation planning

B. Include focused outreach to current riders, underserved populations, and persons with disabilities to inform the Transformation Action Plan

REVISED GOALS AND OBJECTIVES

3 **Goal 3: Network Management & Governance**

Basis for Revision

- Clarify "near-term" actions contribute to long-term transit transformation

- Task Force preference to limit/ focus consolidation evaluation

- Task Force support for prioritizing transit-advantage opportunities

- Transit GM comments

- MTC comments on network management analyses

Goal 3: ~~Propose~~ **Identify near-term actions to implement beneficial long-term** network management & governance reform**s** ~~actions~~

Develop business case and identify specific ~~near-term~~ next steps to deliver public transit network management and governance reforms ~~actions to facilitate~~ that will fulfill long-term transit transformation

Objectives:

A. Develop a clear Problem Statement that addresses what issues or problems Network Management reforms seek to resolve.

~~A.~~B. Using prior MTC analyses and experienced professionals, evaluate regionwide network management alternatives, addressing issues of legal authority, labor, scope of duties, oversight and increased budget requirements. Recommend near-term reform actions.

B. ~~Using experienced professionals, evaluate which agency consolidation opportunities should advance in the near-term, and recommend next steps.~~

6

REVISED GOALS AND OBJECTIVES Continued

3 Goal 3: Network Management & Governance

Basis for Revision

- Clarify "near-term" actions contribute to long-term transit transformation

- Task Force preference to limit/ focus consolidation evaluation

- Task Force support for prioritizing transit-advantage opportunities

- Transit GM comments

- MTC comments on network management analyses

Goal 3: ~~Propose~~ **Identify** near-term **actions to implement beneficial long-term** network management & governance reform**s** ~~actions~~

Develop business case and identify specific ~~near-term~~ next steps to deliver public transit network management and governance reforms ~~actions to facilitate~~ that will fulfill long-term transit transformation

Objectives:

C. Using MTC staff and qualified professionals, identify and support near-term consolidation opportunities focused in smaller transit markets with multiple transit operators to provide a more connected service to the customer, where feasible.

~~C.~~D. Propose state and regional ~~institutional~~ policy and legislative actions to support transit transformation and expedite implementation of transit priority advantages on streets and highways.

7

REVISED GOALS AND OBJECTIVES

4 **Goal 4: Current Initiatives**

Basis for Revision

- Task Force preference to focus consideration of both state and regional initiatives on the network management reform evaluation

Goal 4: ~~Clarify the relationship between MTC's current transit initiatives & transformation planning~~ Establish how current MTC and state transit initiatives should integrate with Network Management & Governance reforms

Review the scope, timing and decision process of current MTC and state transit initiatives and identify specific actions to integrate them with ~~Transformation Action Plan implementation~~ Management & Governance reforms

Objectives:

A. Receive presentations on several current MTC transit initiatives and comment on their relationship to ~~the Transformation Action Plan~~ Management & Governance reforms

B. Receive state presentation on CalSTA initiatives that inform management and governance reform.

B. ~~Identify relationships between MTC initiatives and regionwide network management reforms~~

8

BLUE RIBBON

TRANSIT RECOVERY
TASK FORCE

THANK YOU.

www.mtc.ca.gov/mtc.ca.gov/blue-ribbon-transit-recovery-task-force

Metropolitan Transportation Commission

Legislation Details (With Text)

File #:	20-1627	**Version:** 1	**Name:**	
Type:	Report		**Status:**	Informational
File created:	10/28/2020		**In control:**	Blue Ribbon Transit Recovery Task Force
On agenda:	11/16/2020		**Final action:**	
Title:	Advancing Equity and Development of Principles			
Sponsors:				
Indexes:				
Code sections:				
Attachments:	Advancing Equity_Presentation			

Date	Ver.	Action By	Action	Result

Subject:

Advancing Equity and Development of Principles

Presenter:

Steve Kinsey, CivicKnit and Therese McMillan, MTC

Recommended Action:

Information

Attachments:

DEVELOPMENT OF EQUITY PRINCIPLES

Today's Objectives:

- Set the context for an Equity discussion

- Initiate discussion of Equity Principles to guide Transit Transformation

- Identify ways to reach underserved and transit dependent riders

GOAL 2: Advance equity

Integrate and be accountable to equity in policy, service delivery and advocacy recommendations, as embodied in MTC's Equity Platform.

Objectives:

A. Develop specific Equity Principles to guide transit transformation planning

B. Include focused outreach to current riders, underserved populations, and persons with disabilities to inform the Transformation Action Plan

EQUITY DEFINITIONS IN VARIOUS CONTEXTS

Pursuant to SFMTA's core value of social equity and access, the SFMTA shall adopt a **Service Equity Strategy every two years** on the same cycle as SFMTA's biannual budget to assess Muni service performance in select low income and minority neighborhoods, identify **major Muni transit-related challenges** impacting selected neighborhoods with community stakeholder outreach, and develop strategies to address the major challenge.

SFMTA's Commitment

All people in California live in **healthy, thriving, and resilient communities regardless of race**.

Strategic Growth Council

Racial equity means we **eliminate racial disproportionalities** so that race can no longer be used to predict success, and we increase the success of all communities.

Government Alliance on Race and Equity (GARE)

Equity means **just and fair inclusion** into a society in which all can **participate, prosper**, and reach their full potential.

PolicyLink

3

4 PILLARS to help guide equity context-setting

LISTEN & LEARN

DEFINE & MEASURE

FOCUS & DELIVER

TRAIN & GROW

LISTEN & LEARN

WHAT WE'VE HEARD IN PRIOR MEETINGS

- **Prioritize transit service for those who need it most.**

- **Don't forget paratransit and school-related public transit needs.**

- **Seek input directly from riders – and those that are most reliant on public transit.**

- **Equity should be woven throughout.**

- **Identify Equity metrics**

WHAT CAN THE DATA TELL US?

Changing Make-up of Transit Riders

Riders (in millions)

- 600,000
- 500,000 — 6.1% / 51.9% / 42.0% (2009)
- 400,000
- 300,000 — 19.0% / 48.7% / 32.3% (2017)
- 200,000
- 100,000 — ??? (2020 estimated)

Year: 2009, 2017, 2020 (estimated)

Legend: ■ Occasional Transit Riders ■ Transit Dependents ■ Choice Riders
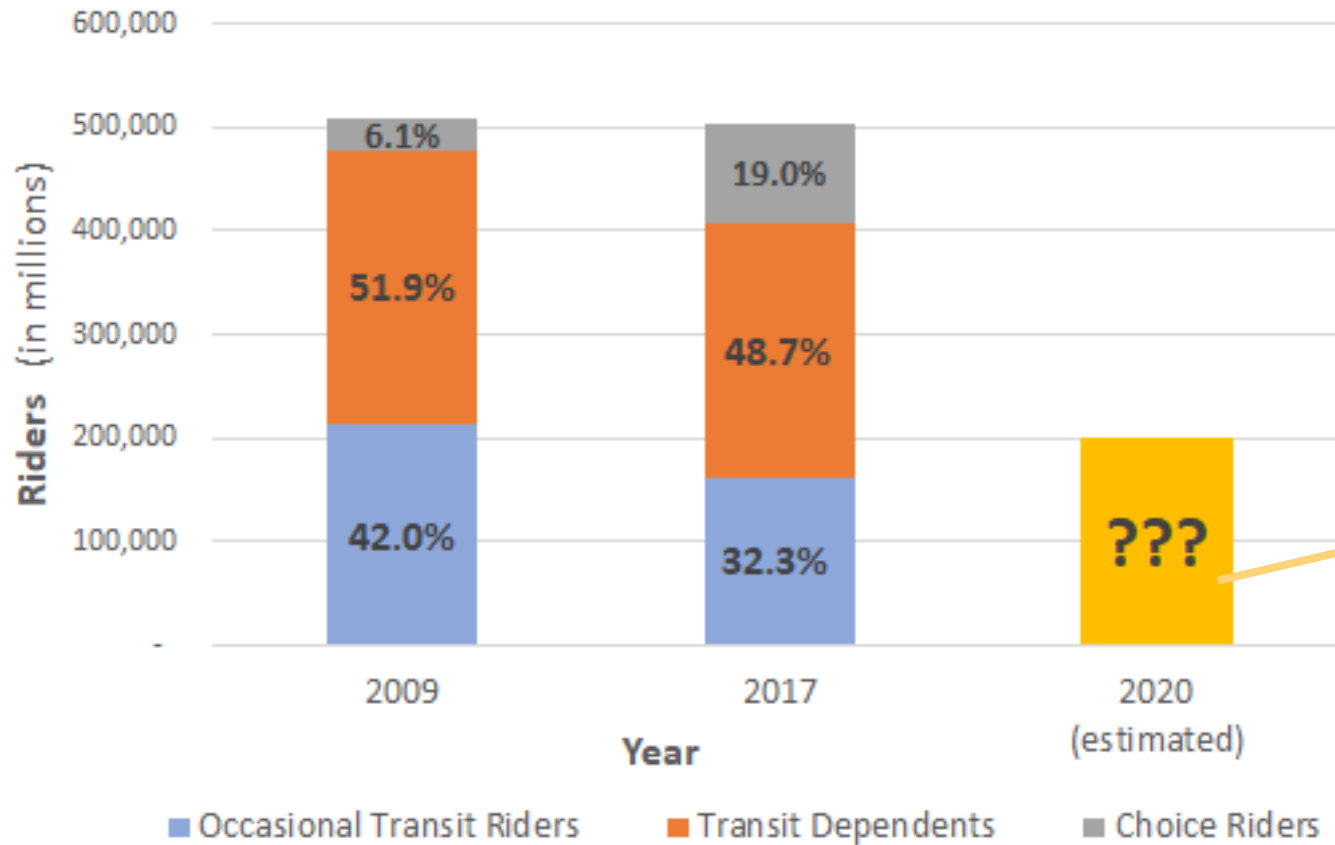
- ➢ **Who is riding transit now?**

- ➢ **How do we meet the needs of current riders?**

- ➢ **What other data do we need now and in the future?**

WHAT CAN THE DATA TELL US?

BLUE RIBBON
TRANSIT RECOVERY TASK FORCE

September 2019 Ridership (~42 million trips)

Source: National Transit Database

- SFMTA — 43%
- AC Transit — 12%
- BART — 26%
- VTA — 7%
- Other services — 12%
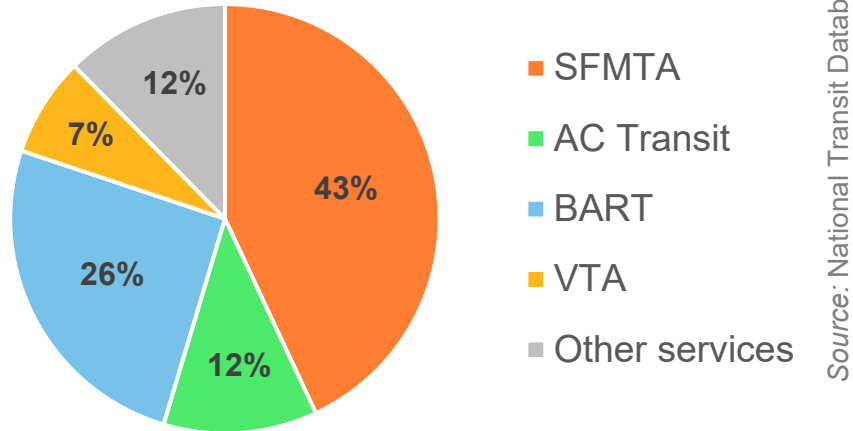
September 2020 Ridership (~10 million trips)

Source: National Transit Database

- SFMTA — 48%
- AC Transit — 20%
- BART — 13%
- VTA — 9%
- Other services — 11%
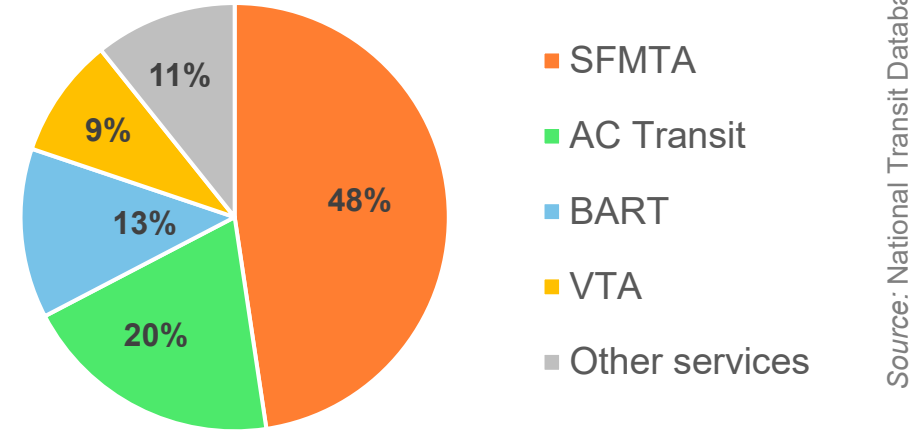
Pre-COVID Observations

- There was sizable growth in riders with a choice on transit
- Trips by riders who were transit dependent declined
- Transit service was commute-oriented

Current (pandemic) Observations

- Ridership is returning fastest on local bus services
- Peak-period commute riders may have more flexibility to work from home.
- Current telework paradigm has an unknown effect on future transit demand.

Prioritizing for transit-dependent

- Ensure that even during resource-restrained times, we are providing transit service to those who need it most.

Rebuild equitably

- As we rebuild the system, work with intention to repair the disparity between historically underserved transit riders and those with choices

8

NEXT STEPS: EQUITY PRINCIPLES

November 2020

- MTC provides Equity context
- Task Force and Public identify possible Equity Principles
- Task Force and Public offer underserved outreach ideas

December 2020

- Task Force comments on Draft Equity Principles
- Initiate underserved outreach to seek input on draft principles

January 2021

- Task Force approval of Equity Principles

EQUITY PRINCIPLES GUIDE US TOWARD OUR GOALS

BLUE RIBBON
TRANSIT RECOVERY
TASK FORCE

Define shared understanding regarding:

Core values

Problems to address

Priority policies and implementation strategies

Evaluation methodology

Process for decision-making

BLUE RIBBON

TRANSIT RECOVERY
TASK FORCE

THANK YOU.
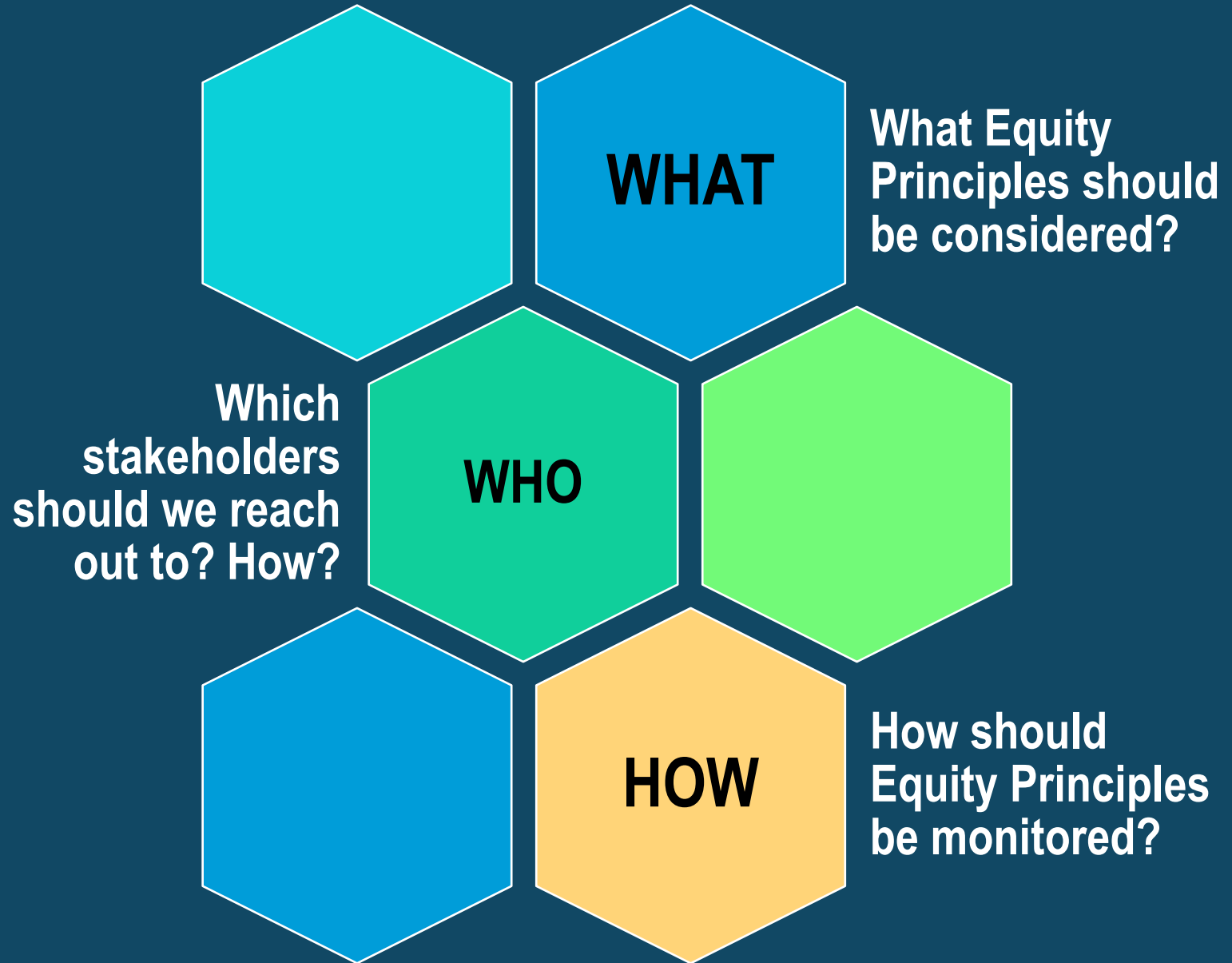
www.mtc.ca.gov/mtc.ca.gov/blue-ribbon-transit-recovery-task-force

Metropolitan Transportation Commission

Legislation Details (With Text)

File #:	20-1626	**Version:** 1	**Name:**	
Type:	Report		**Status:**	Informational
File created:	10/28/2020		**In control:**	Blue Ribbon Transit Recovery Task Force
On agenda:	11/16/2020		**Final action:**	
Title:	Short and long term funding priorities for Voices for Public Transportation			
Sponsors:				
Indexes:				
Code sections:				
Attachments:	Voices for Public Transportation Presentation			
	Transmittal letter for materials			
	1) Voices for Public Transportation Voter Survey Research (March 2020)			
	2) Regional Transportation Measure Revenue Estimates (December 2019)			
	3) Operations Funding for a World-Class Transit System (September 2020)			

Date	Ver.	Action By	Action	Result

Subject:
Short and long term funding priorities for Voices for Public Transportation

Presenter:
Ellen Wu, Hayley Currier, Ian Griffiths (Voices for Public Transportation)

Recommended Action:
Information

Attachments:

MobilizeTheBay.org

Who We Are

Voices for Public Transportation is a coalition of community-based organizations, labor, environmental, and equity advocates. As people who live, work, and travel in the Bay Area, we know that investing in our transportation system is essential for the health and wellness of our communities, environment, and economy.

Our Vision

Freedom of movement is a human right. As people who live, work, and travel in the Bay Area, we know that increased funding to our transportation system is essential for the health and wellness of our communities, environment, and economy.

Despite being part of the fifth-largest economy in the world, our transportation system is increasingly characterized by gridlock, pollution, and minimum-wage jobs.

Our vision is that residents - regardless of race, class, gender, sexual orientation, age, or ability - enjoy accessible transportation options that reliably, affordably, and conveniently get us where we need to go around the region. We have the power to do this by passing a game-changing regional funding measure that will enhance our freedom of movement, while at the same time creating good-paying green union jobs, and contributing to a clean and healthy environment by reducing car trips and carbon emissions.

Our Campaign

- Planning began January 2018
- Launch meeting in August 2018
- Anchored in our Vision and Principles
- Region wide outreach and coalition building
- Conducted extensive research and analysis
- Development of an investment framework for a regional measure
- Legislative advocacy for state enabling legislation

COVID Response & Recovery

- COVID Recovery: Regional health & safety standards
- Short and intermediate-term fiscal recovery

40 Organizational Supporters for VPT Vision & Principles

- Public Advocates
- Urban Habitat
- Friends of Caltrain
- San Francisco Transit Riders
- Seamless Bay Area
- TransForm
- Genesis
- Youth Leadership Institute
- Bike East Bay
- The East Bay Center for the Blind
- Working Partnerships USA
- San Francisco Labor Council
- Transport Workers Union, Local 250A
- Contra Costa Labor Council
- Alameda Labor Council
- ATU 265
- Green the Church

- Sunrise Bay Area
- 350.org Bay Area
- East Bay for Everyone
- Peninsula for Everyone
- Oakland Education Association (OEA)
- Amalgamated Transit Union, Local 192
- Council of Community Housing Organizations (CCHO)
- San Francisco Bicycle Coalition
- Democratic Socialists of America, East Bay Chapter
- Wellstone Democratic Renewal Club
- Richmond Progressive Alliance (RPA)
- Mountain View Coalition for Sustainable Planning
- Livable Sunnyvale
- Urban Environmentalists

- Sunflower Alliance
- Greenbelt Alliance
- YIMBY Mobility
- Mountain View YIMBY
- Transport Oakland
- Silicon Valley Youth Climate Action
- Citizen's Climate Lobby, SF chapter
- Peninsula Interfaith Climate Action
- Chinatown TRIP

Research and Analysis

- **Revenue report**
- **EMC polling**
- **Transit operations and service analysis**

REGIONAL TRANSPORTATION MEASURE REVENUE ESTIMATES

Prepared for:
Silicon Valley Community Foundation
December 6, 2019

SILICON VALLEY
community foundation®

VOICES for Public Transportation
Voter Survey Research
March 2020

EMC research

Operations Funding for a World-Class Transit System

A new report from Seamless Bay Area and Voices for Public Transportation

September 2020

Seamless Bay Area

Our priorities for a just recovery

Immediate
- Respond to the current crisis with the urgency it deserves
- Move available funds at regional level to fill immediate operations funding gap
- Pursue all available state funding sources to prevent service cuts and worker layoffs

Our priorities for a just recovery

Medium-term

- Return service to pre-Covid levels as soon as possible

However, returning to pre-Covid service levels is necessary but insufficient for meeting our climate and equity goals

Our priorities for a regional funding measure

Investments
- Dedicated and robust funding for operations, both local and regional
- State of good repair funding
- Funds for integrated, affordable fares
- Equitable outcomes that center the needs and priorities of disadvantaged communities

Revenue
- Progressive sources that call on all stakeholders to pay their fair share

Process
- Multi-stakeholder public process with public convener, such as those that have led to successful ballot measures in Seattle and LA

Investment Priority:
Increase service and protect existing service

Dedicated funding for operations, both local and regional, at sufficient levels to:

- Support transit recovery and restore service to pre-COVID levels as soon as possible, including sufficient service to allow for safe social distancing in the near term

- Expand service levels and coverage

- Protect against structural deficits

- Improve reliability

- Increase frequency

What our research shows…

Operations Funding for a World-Class Transit System

A new report from Seamless Bay Area and Voices for Public Transportation

September 2020

Seamless Bay Area

The single greatest determinant of transit ridership is service hours

In relationship to comparable regions in North America, the Bay Area provides far less service

By comparison Greater Toronto (population 7 million):
- Delivers 55% more service hours per capita than the Bay Area;
- Attracts 2.5x (163%) more transit riders per capita

To achieve service levels on par with greater Toronto, the Bay Area would need to increase transit operations funding by at **55% above pre-COVID levels**

Revenue priority:
Progressive revenue sources that the public supports

Progressive revenue sources are more equitable and have the public support we need to win at the ballot

We have identified four progressive revenue sources that have real potential to change how we fund our public transportation system

- personal income tax surcharge

- head tax

- parcel tax

- business parking levy

Revenue priority:
progressive revenue sources that the public supports

- Report created in partnership with the Silicon Valley Community Foundation outlining progressive revenue sources, their feasibility, and revenue generation potential

- Shows that it's possible to fund the transportation system we want while protecting those with the least ability to pay from being overly burdened

EMC Polling March 2020

VOICES for Public Transportation
Voter Survey Research
March 2020

- Voters indicated strong support for public transportation, even in an uncertain economy. The vast majority of respondents (87%) voiced support for a regional transportation measure to make the Bay Area's public transportation more frequent, affordable, accessible, and connected

- The highest support for any revenue source in the poll was for an income tax surcharge on incomes above $1,000,000

- Many of the progressive revenue sources tested performed well, and stronger than a sales tax

Summary

- Our top priority is to ensure adequate operating funding in the near and intermediate term to provide a bridge to a regional measure.

- The BRTF should engage at the state level to pursue opportunities for operations funding to bridge short-term operating needs

- Any future plans for a regional measure should be lead by a public entity managing a multi-stakeholder process for the development of a regional transportation funding measure

TO: Blue Ribbon Transit Recovery Task Force   DATE: November 16, 2020

FR: MTC Staff

<u>RE: Distribution of materials on behalf of Voices for Public Transportation</u>

The following documents and reference materials are being provided to the Task Force at the request of Voices for Public Transportation (VPT) as background information for VPT's November 16, 2020 presentation.

VPT would like to share the following and attached documents with the Task Force:

1) Voices for Public Transportation Voter Survey Research (March 2020)
2) Regional Transportation Measure Revenue Estimates (December 2019)
3) Operations Funding for a World-Class Transit System (September 2020)

VOICES for Public Transportation Voter Survey Research

March 2020

Purpose

▸ Identify potential support for a Bay Area regional transportation measure.

▸ Test voter reaction to various potential funding mechanisms, including some not part of earlier sales tax feasibility polling.

▸ Quantify impact of a simulated campaign effort.

Methodology

▸ Survey of likely November 2020 voters in the nine-county San Francisco Bay Area

▸ Conducted March 12-19, 2020 (Note: This project occurred during the Coronavirus outbreak)

▸ Hybrid telephone and email-to-web methodology:

  • Telephone interviews were conducted by trained, professional interviewers; landlines and mobile phones included

  • Email invitations sent with link to web survey

▸ 2,653 interviews; overall margin of error ±1.9 percentage points

  • 6 way split sample : 400+ interviews per split, margin of error ± 4.9 percentage points

▸ The survey was available in English, Chinese, and Spanish

Please note that due to rounding, some percentages may not add up to exactly 100%.

Data Collection Period

The timeline below shows potential influences of the Coronavirus outbreak on voter sentiments.

Start of Data Collection

Thursday
3/12/2020

Total U.S. cases passes 2,700

Saturday
3/14/2020

Six Bay Area counties announce "shelter in place"
President Trump recommends avoiding gatherings of more than 10 people

Monday
3/16/2020

Wednesday
3/18/2020

Cumulative # of survey responses

| 127 | 382 | 477 | 748 | 1,514 | 1,844 | 2,448 | 12,653 |

Friday
3/13/2020

Sunday
3/15/2020

Tuesday
3/17/2020

Last day of data collection

President Trump declares national emergency

The CDC recommends no gatherings over 50 people for 8 weeks

Shelter in place order begins

Thursday
3/19/2020

Key Findings

▸ A plurality of Bay Area voters are feeling pessimistic, consistent with earlier polling in 2020 and 2019.

▸ Coronavirus was a rising concern in the Bay Area as this poll was conducted. While there is no direct evidence of impact of the pandemic on voter attitudes in the poll, it is likely this environment was coloring their thinking even at that time.

▸ Voters support the big picture outcomes of a potential regional transportation measure.

▸ Support for a tax on incomes over a million dollars fluctuates right near two-thirds, while the other measures tested fall short of the threshold.

▸ Anti-tax sentiments appear to be the main driver behind opposition regardless of revenue mechanism.

▸ Regardless of revenue mechanism, support is high among typically progressive groups (transit riders, younger voters, lower income voters, and bike riders/pedestrians)

▸ Regardless of revenue mechanism, support is low among typically conservative groups (older voters, solo drivers, and men)

▸ Support for a measure is somewhat movable and especially vulnerable to opposition.

Issue Environment

Transportation Mode

9% bike

70% drive alone
16% drive with others
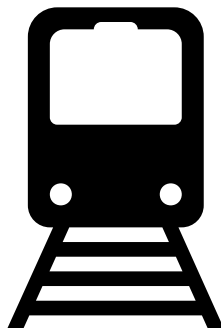
25% Public Transit
(12% BART
18% Other Public Transit Not BART)

26% walk

13% Private transit
(ie. Employee
Shuttle, Taxi, etc.)

Q27. Which modes of transportation do you use at least two to three times per week, for any purpose including commuting to school or work, or running errands.

Direction of the Bay Area Over Time

Overall pessimism has not changed since January.

— Right Direction   — Wrong Track

Jan 2020
Wrong Track: **48%**
Right Direction: **36%**

47%

38%

2014   2015   2016   2017   2018   2019   January 2020   March 2020
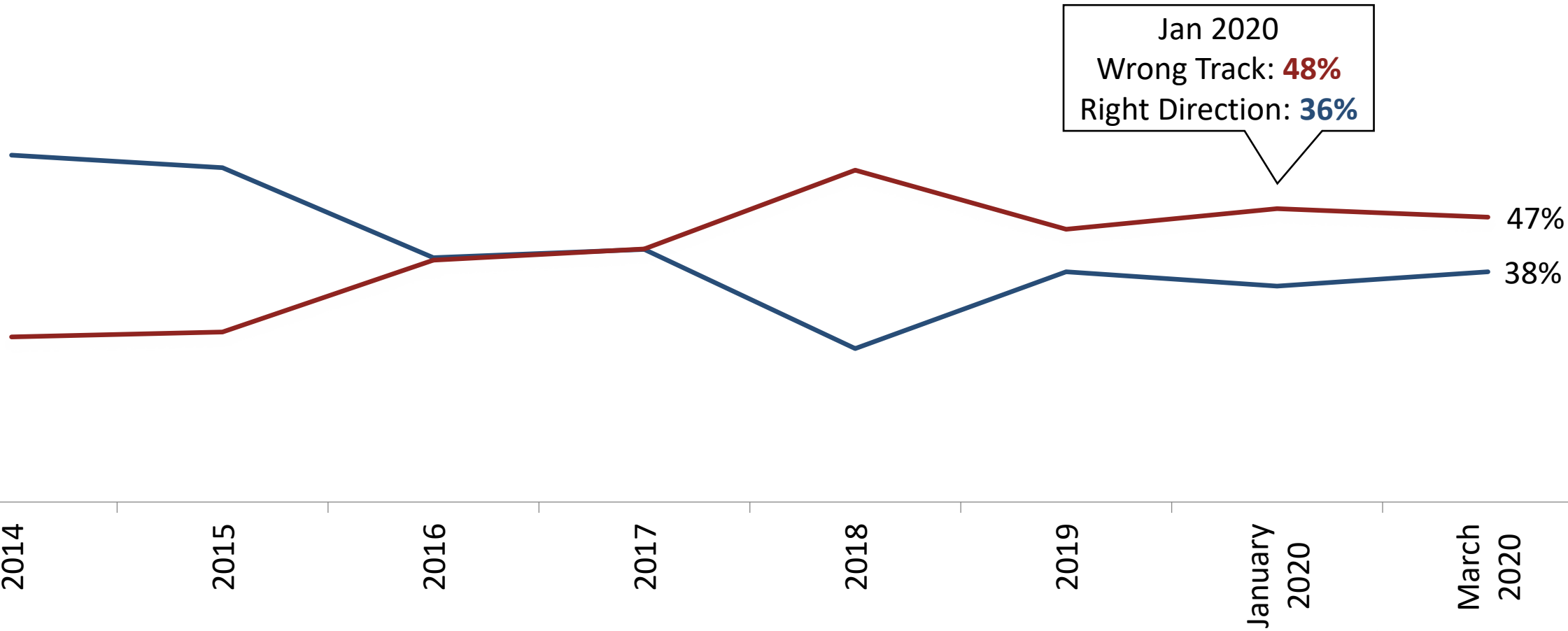
Most Important Problem in the Bay Area

Homelessness and Housing costs concerns are far eclipsing transportation as an issue.

Problem	Percentage
Homelessness	45%
Housing Crisis	41%
Traffic/Roads/Infrastructure	23%
Jobs and Economy	16%
Cost of Living	13%
Transportation/Public Transit	10%
Coronavirus/COVID-19	8%
Crime/Safety	8%
Environment/Climate Change/Pollution	8%
Healthcare/Mental Health/Elderly	8%
Taxes	7%
Government/Politicians/Leaders	7%
Education/Schools	7%
Populations/Overcrowding	3%
Immigration	3%
Laws/Legislation	2%
Drugs	2%
Other	6%
Don't Know/Unsure	2%
Refused/No Comment	7%

Coronavirus/COVID-19
Before March 16 (n=748): **7%**
On/After March 16 (n=1905): **9%**

EMC research

Regional Bay Area Transportation Measure

Six Versions of a Potential Measure Were Tested

To reduce greenhouse gases and traffic congestion; make the Bay Area's public transportation more frequent, affordable, accessible, and connected; expand bus and rail service; expand bike and pedestrian infrastructure; and reduce senior, student, low-income and disabled fares; …	…shall the measure to increase personal income taxes by 1 percent on annual earnings over $1,000,000, until ended by voters, generating approximately $900,000,000 annually, with oversight and audits, be adopted?
	…shall the measure to increase personal income taxes by 1 percent on annual earnings over $300,000 individually or $500,000 jointly, until ended by voters, generating approximately $1,700,000,000 annually, with oversight and audits, be adopted?
	…shall the measure to increase personal income taxes by 1/2 percent on annual earnings over $300,000 individually or $500,000 jointly, until ended by voters, generating approximately $860,000,000 annually, with oversight and audits, be adopted?
	…shall the measure enacting a one-cent sales tax until ended by voters, generating at least $1,600,000,000 annually, with oversight and audits, be adopted?
	…shall the measure enacting an average $195 tax for every employee levied annually on high-wage businesses, such as technology, finance, insurance and professional service firms, until ended by voters, generating approximately $200,000,000 annually, with oversight and audits, be adopted?
	…shall the measure enacting a $1 daily parking space surcharge on employers for onsite parking, excluding public-sector and businesses with less than 50 employees, until ended by voters, generating at least $600,000,000 annually, with oversight and audits, be adopted?

Initial Vote

Only the millionaires' tax nears the two-thirds threshold

1% Income Tax for $1M+
- Yes 66% (Lean 2%, 65%)
- Margin of Error range
- No 31% (Lean 1%, 30%)
- (Und) 3%
- n=447

1% Income Tax for $300K+
- Yes 63% (Lean 3%, 60%)
- No 33% (Lean 1%, 32%)
- (Und) 4%
- n=458

½% Income Tax for $300K+
- Yes 61% (Lean 3%, 58%)
- No 33% (Lean 1%, 31%)
- (Und) 6%
- n=434

One cent sales tax
- Yes 60% (Lean 2%, 58%)
- No 35% (Lean 2%, 33%)
- (Und) 5%
- n=453

Head Tax
- Yes 60% (Lean 3%, 58%)
- No 38% (Lean 0%, 37%)
- (Und) 2%
- n=426

Parking Tax
- Yes 59% (Lean 3%, 56%)
- No 37% (Lean 2%, 35%)
- (Und) 4%
- n=435
- 67%

Q6. If the election were held today, would you vote yes to approve or no to reject this measure?

Initial Vote: Income Tax vs. Sales Tax

Only the millionaires' tax nears the two-thirds threshold

1% Income Tax for $1M+

Yes 66%
Lean 2%
65%

Margin of Error range

No 31%
Lean 1%
30%

(Und) 3%

n=447

1% Income Tax for $300K+

Yes 63%
Lean 3%
60%

No 33%
Lean 1%
32%

(Und) 4%

n=458

½% Income Tax for $300K+

Yes 61%
Lean 3%
58%

No 33%
Lean 1%
31%

(Und) 6%

n=434

One cent sales tax

Yes 60%
Lean 2%
58%

67%

No 35%
Lean 2%
33%

(Und) 5%

n=453

Q6. If the election were held today, would you vote yes to approve or no to reject this measure?
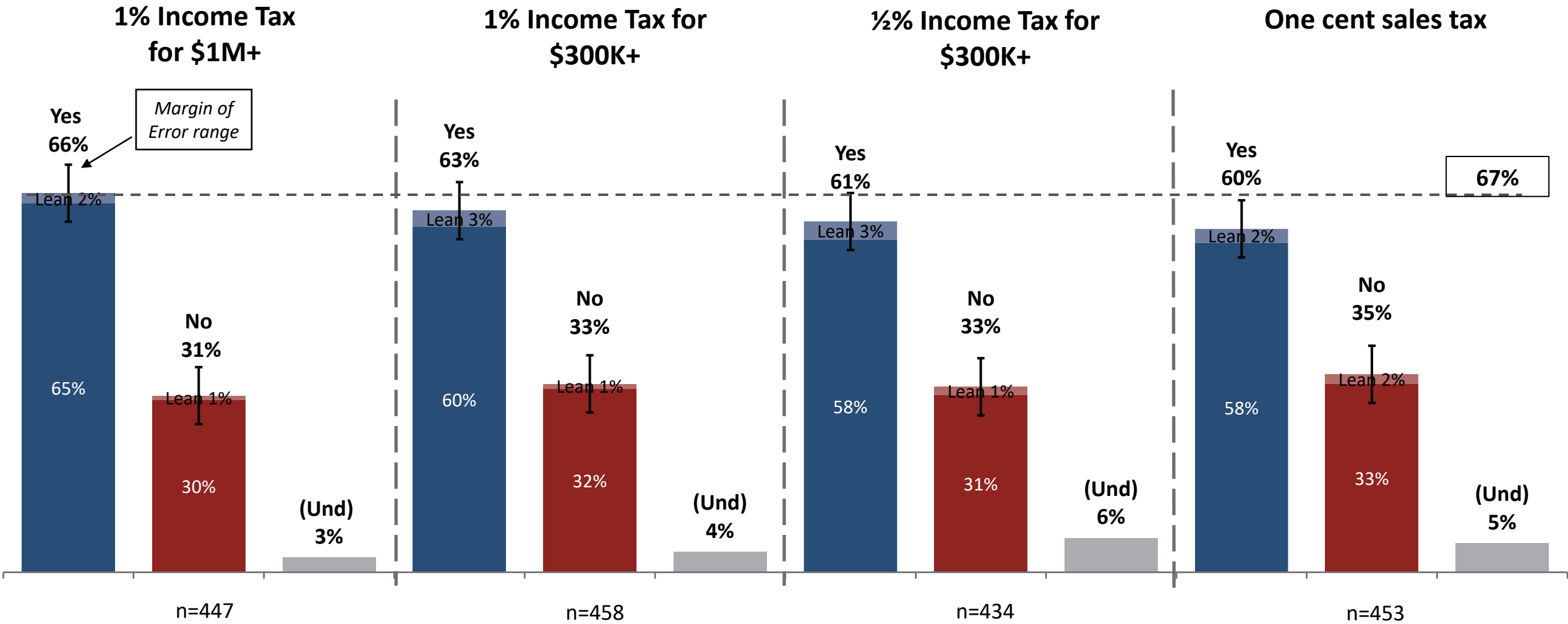
Top Reasons to Support (Open Ended Question)

Supporters of the measure, regardless of which revenue mechanism they heard, focus on the outcomes of the measure.

Top Reasons to Support
(Among supporters only, across all mechanisms)

Reason	Percent
General Support	29%
Improving Transportation/Infrastructure	16%
Current Transportation/Infrastructure Is Bad	12%
Reduce Greenhouse gases/pollution	12%
Reduce cost of transit	12%
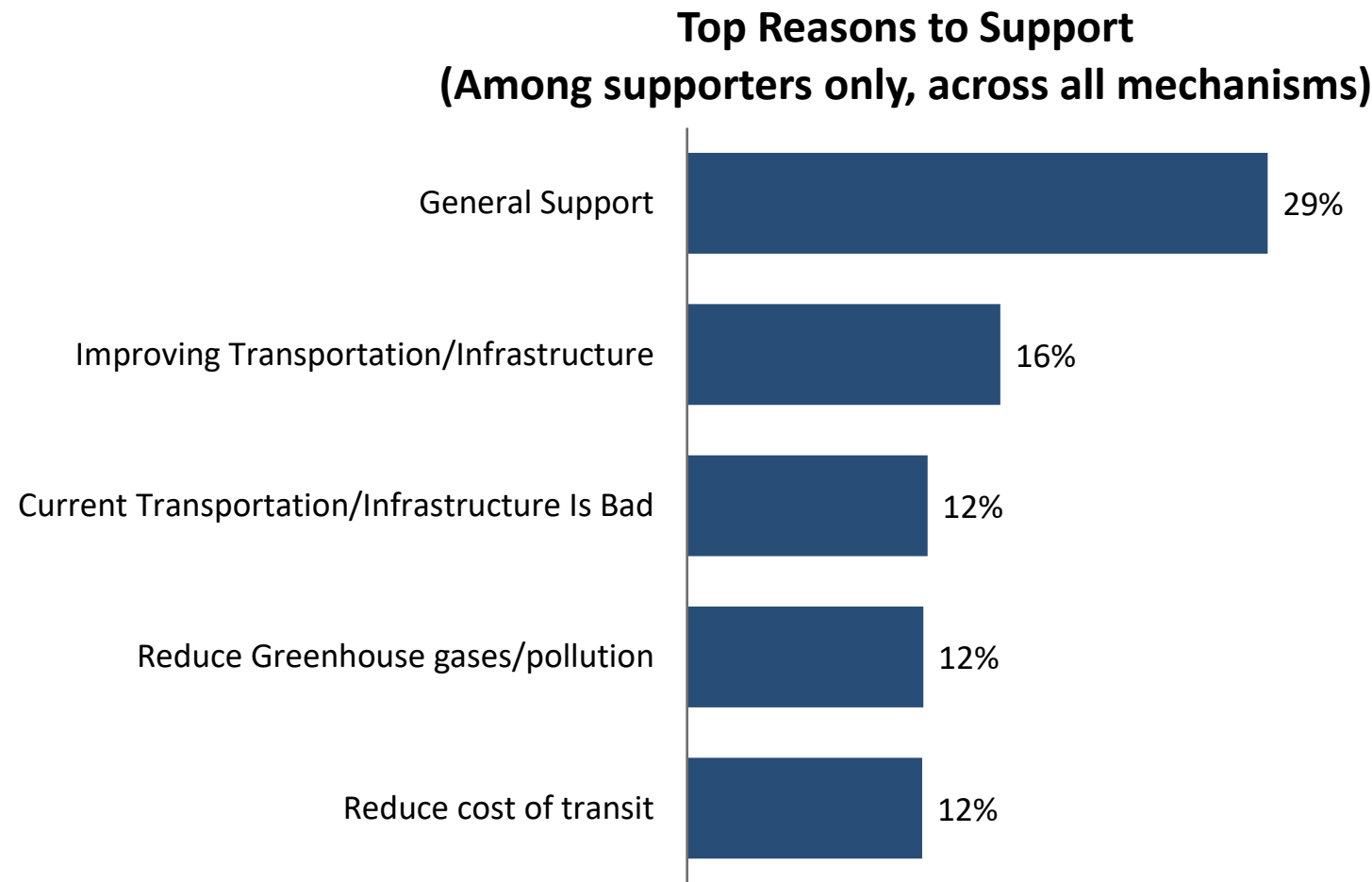
Top Reasons to Oppose (Open Ended Question)

General anti-tax sentiment is the main reason for opposition.

**Top Reasons to Oppose
(Among opponents only, across all mechanisms)**

Legend:
- Specific Tax Mechanism
- General Anti-Tax
- Transparency/Accountability
- Won't work/Not needed

	1% Income Tax for $1M+	1% Income Tax for $300K+	½% Income Tax for $300K+	One cent sales tax	Head Tax	Parking Tax
Specific Tax Mechanism	1%	1%	4%	4%	3%	7%
General Anti-Tax	60%	55%	51%	60%	55%	46%
Transparency/Accountability	5%	10%	9%	8%	10%	7%
Won't work/Not needed	22%	19%	22%	15%	18%	27%

Initial Vote: 1% Income Tax for $1M+ by Subgroups

n=447

■ Yes/Lean Yes　　■ (Undecided)　　■ No/Lean No

Subgroup	Yes/Lean Yes	(Undecided)	No/Lean No
Transit Riders (29%)	81%	2%	17%
Bike/Walk (32%)	76%	0%	24%
<$100K (40%)	74%		24%
<50 (46%)	70%	3%	27%
Female (53%)	70%	3%	27%
People of Color (34%)	70%	2%	28%
Infrequent Voter (54%)	70%	3%	28%
$100K+ (42%)	69%	2%	30%
East Bay (36%)	68%	3%	29%
Santa Clara (22%)	68%	5%	27%
San Francisco/Pen (24%)	67%	3%	30%
Overall	66%	3%	31%
Solo Drivers (65%)	66%	3%	31%
White (66%)	65%	3%	33%
65+ (26%)	64%	2%	34%
Frequent Voter (46%)	63%	2%	35%
50-64 (28%)	62%	2%	35%
Male (47%)	62%	3%	35%
North Bay (18%)	60%		40%
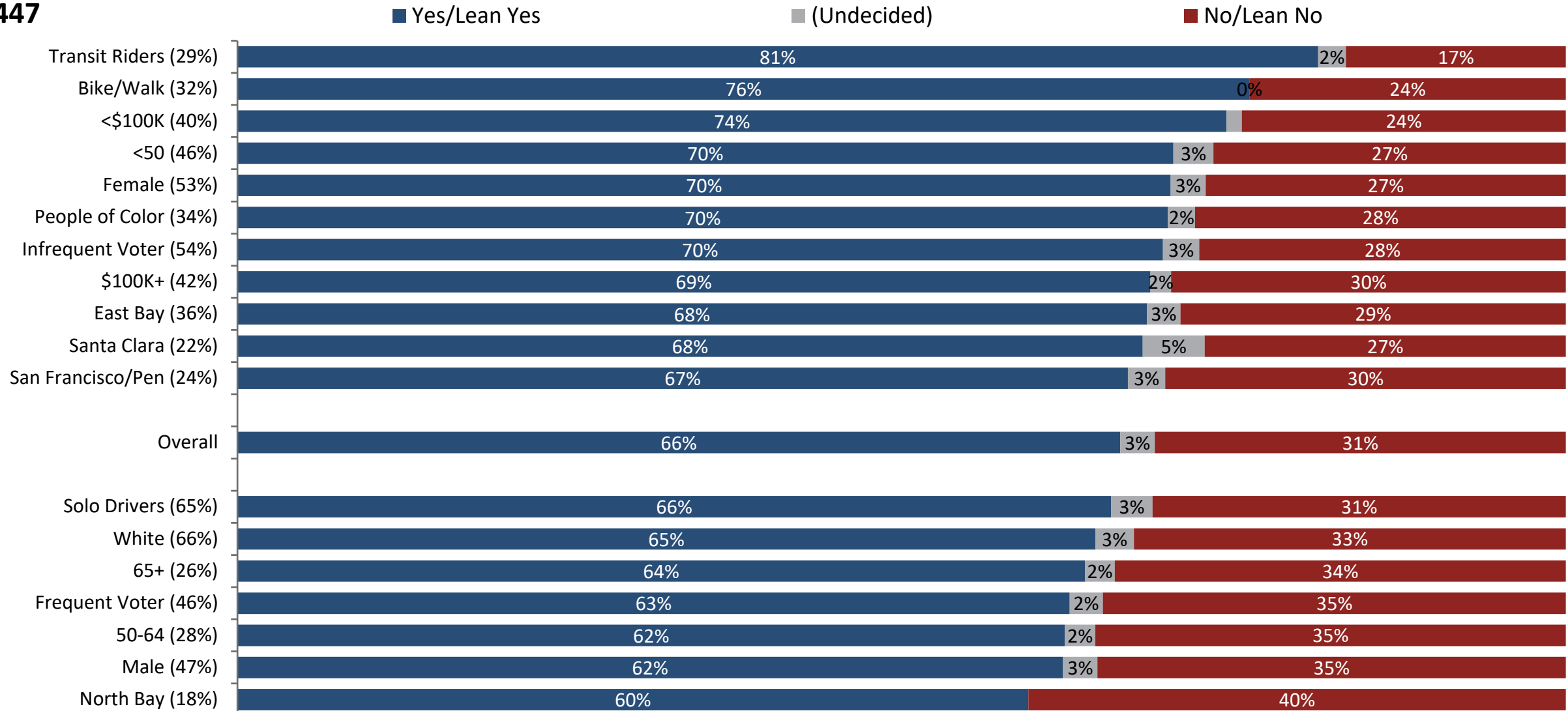
* Please note that each subgroup has a margin of error up to 11.7 points.

Q6. If the election were held today, would you vote yes to approve or no to reject this measure?

Initial Vote: 1% Income Tax for $300K+ by Subgroups

EMC research

n=458

■ Yes/Lean Yes   ■ (Undecided)   ■ No/Lean No

Subgroup	Yes/Lean Yes	(Undecided)	No/Lean No
<50 (46%)	77%	2%	21%
Transit Riders (25%)	75%	4%	21%
San Francisco/Pen (24%)	69%	2%	29%
East Bay (36%)	69%	4%	27%
Female (53%)	68%	3%	28%
Infrequent Voter (54%)	68%	3%	29%
<$100K (37%)	66%	5%	29%
Bike/Walk (29%)	66%	4%	30%
People of Color (34%)	65%	6%	29%
$100K+ (42%)	64%	2%	34%
Overall	63%	4%	33%
White (66%)	63%	2%	35%
Solo Drivers (71%)	62%	4%	35%
Male (47%)	58%	4%	38%
Frequent Voter (46%)	58%	4%	38%
Santa Clara (22%)	55%	4%	41%
50-64 (28%)	54%	3%	43%
North Bay (18%)	54%	4%	42%
65+ (26%)	49%	7%	44%

* Please note that each subgroup has a margin of error up to 10.5 points.

Q6. If the election were held today, would you vote yes to approve or no to reject this measure?

Initial Vote: ½% Income Tax for $300K+ by Subgroups

EMC research

n=434

■ Yes/Lean Yes   ■ (Undecided)   ■ No/Lean No

Subgroup	Yes/Lean Yes	(Undecided)	No/Lean No
Transit Riders (22%)	76%	7%	17%
Bike/Walk (31%)	68%	4%	28%
Santa Clara (22%)	67%	3%	30%
San Francisco/Pen (24%)	67%	7%	27%
<$100K (45%)	66%	7%	28%
65+ (26%)	65%	10%	25%
<50 (46%)	63%	6%	31%
People of Color (34%)	63%	9%	28%
Infrequent Voter (54%)	63%	7%	30%
$100K+ (38%)	63%	2%	35%
Female (53%)	63%	8%	30%
Overall	61%	6%	33%
White (66%)	61%	4%	35%
East Bay (36%)	61%	8%	32%
Male (47%)	60%	4%	36%
Frequent Voter (46%)	60%	4%	36%
Solo Drivers (71%)	58%	5%	37%
50-64 (28%)	55%	3%	42%
North Bay (18%)	50%	5%	45%

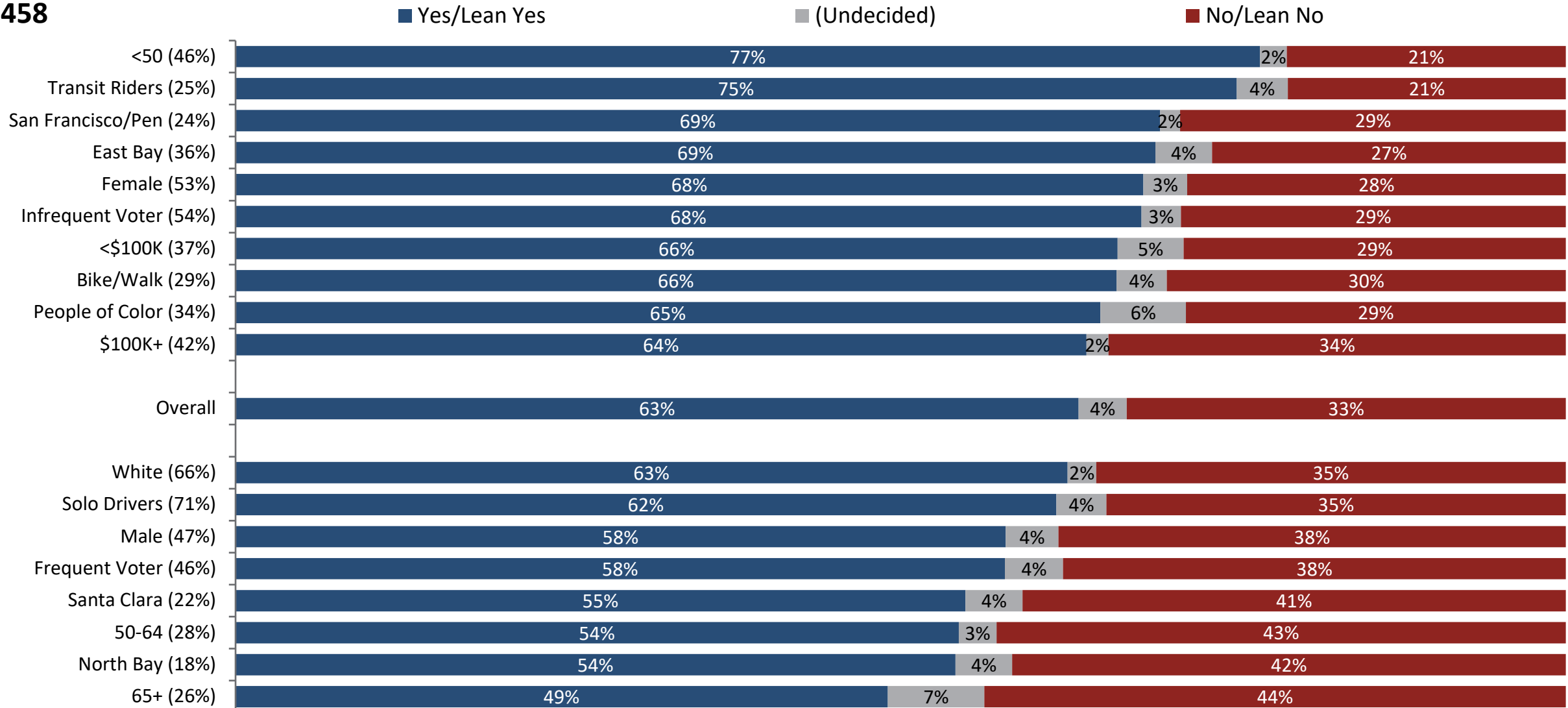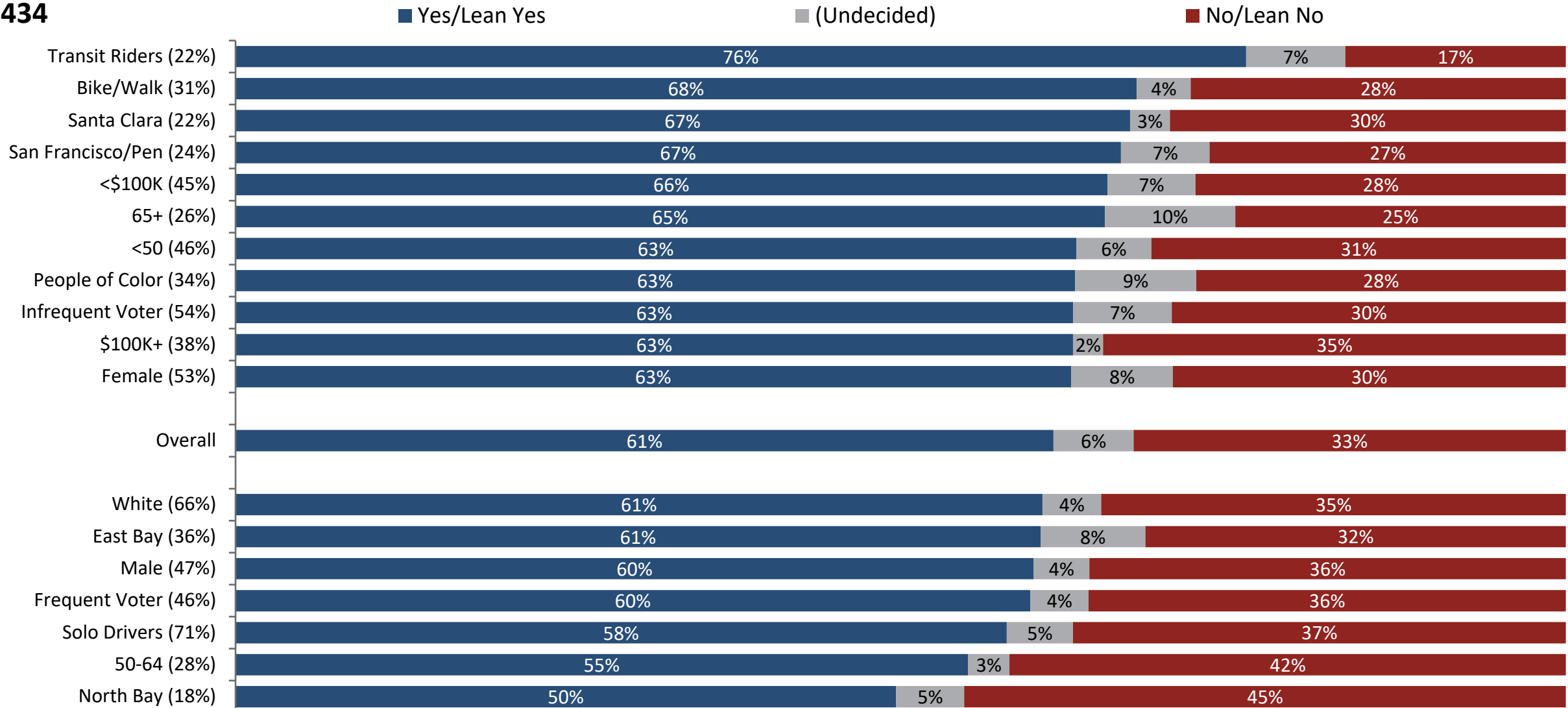* Please note that each subgroup has a margin of error up to 10.8 points.

Q6. If the election were held today, would you vote yes to approve or no to reject this measure?

Initial Vote: Combined Income Tax for $300K+ by Subgroups

n=892

■ Yes/Lean Yes   ■ (Undecided)   ■ No/Lean No

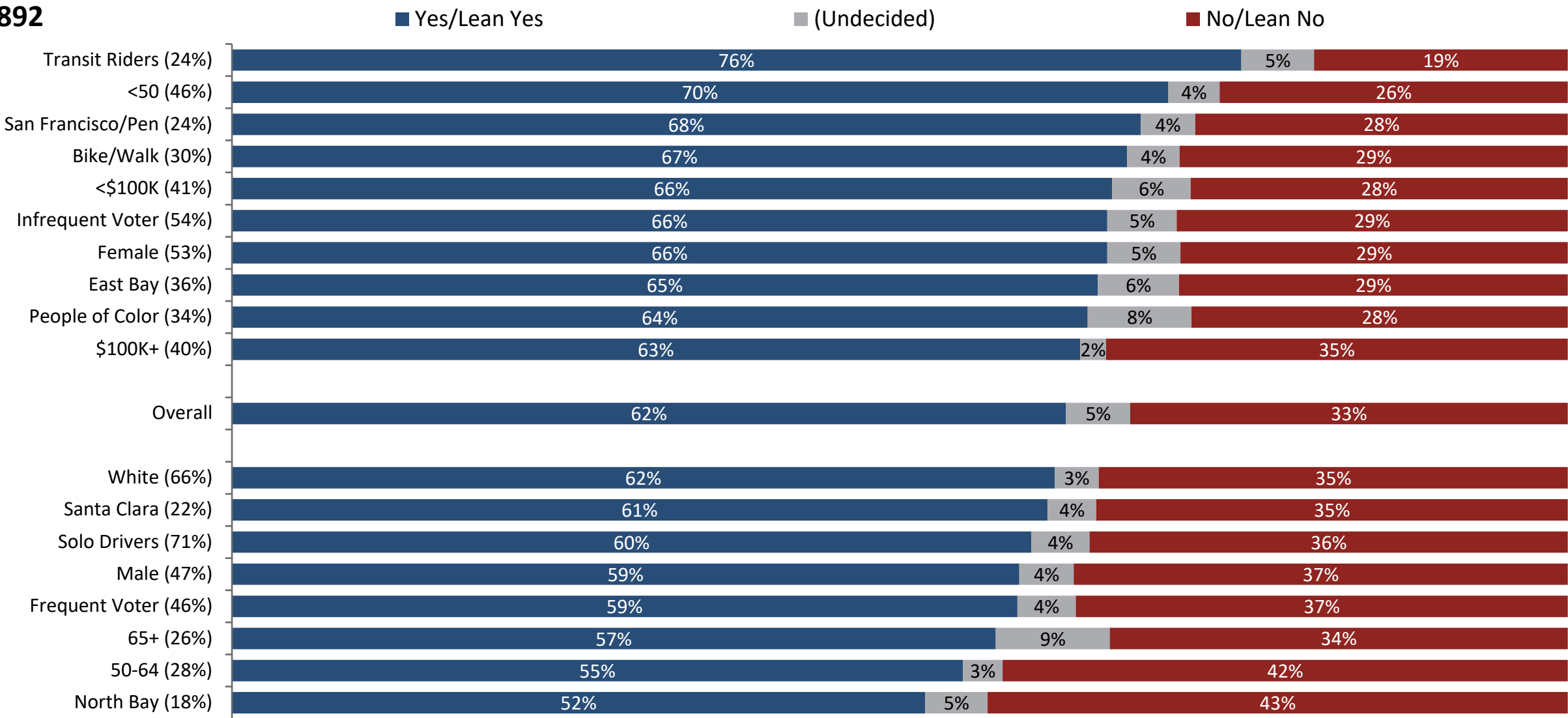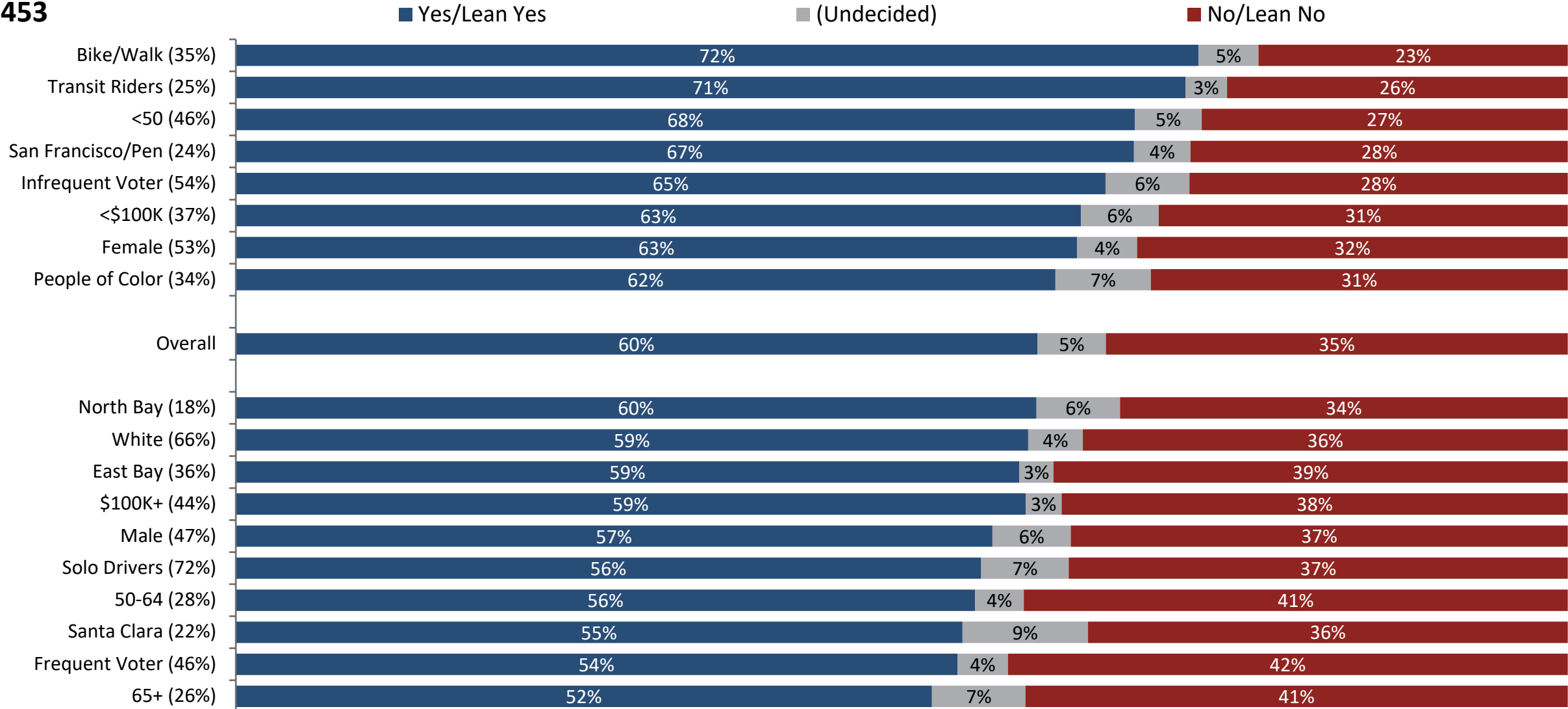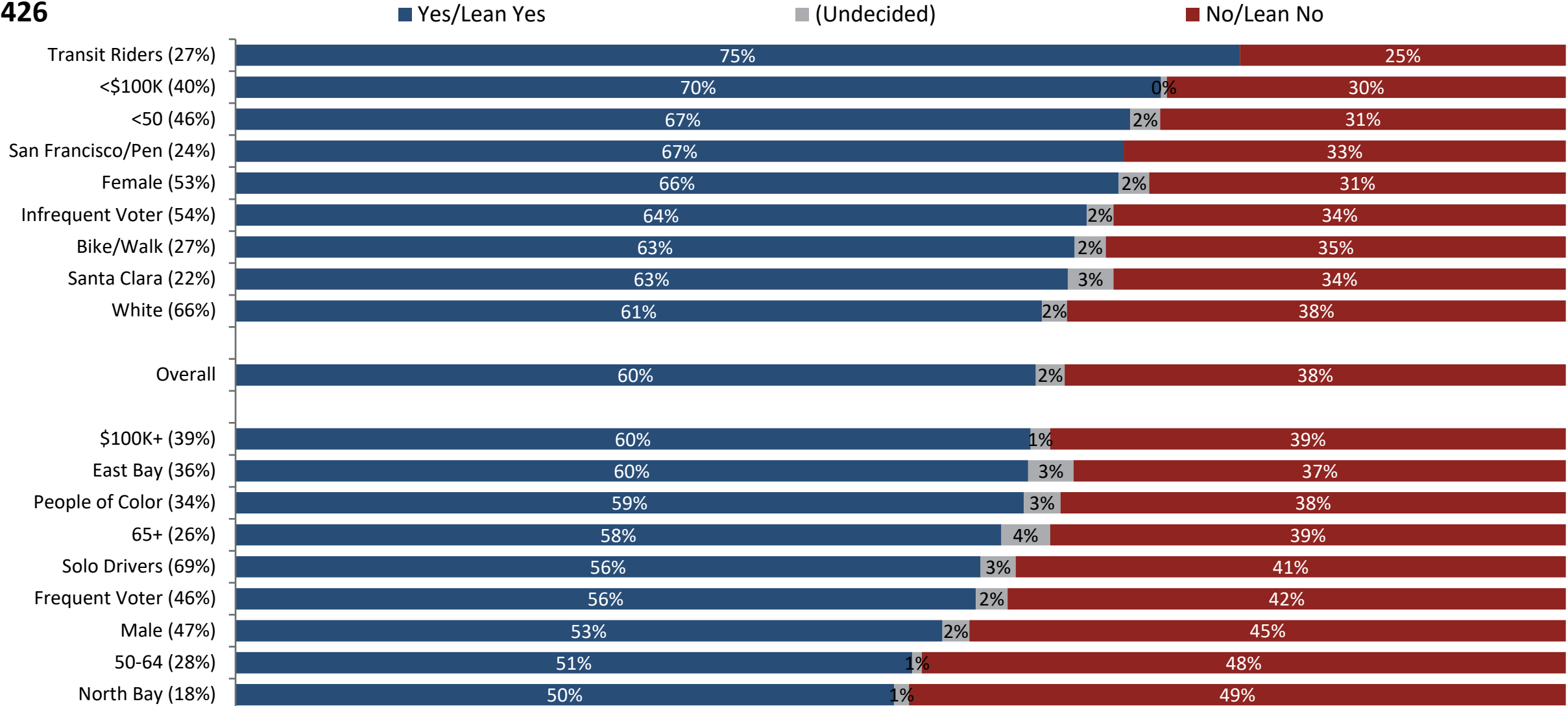| Subgroup	Yes/Lean Yes	Undecided	No/Lean No
Transit Riders (24%)	76%	5%	19%
<50 (46%)	70%	4%	26%
San Francisco/Pen (24%)	68%	4%	28%
Bike/Walk (30%)	67%	4%	29%
<$100K (41%)	66%	6%	28%
Infrequent Voter (54%)	66%	5%	29%
Female (53%)	66%	5%	29%
East Bay (36%)	65%	6%	29%
People of Color (34%)	64%	8%	28%
$100K+ (40%)	63%	2%	35%
Overall	62%	5%	33%
White (66%)	62%	3%	35%
Santa Clara (22%)	61%	4%	35%
Solo Drivers (71%)	60%	4%	36%
Male (47%)	59%	4%	37%
Frequent Voter (46%)	59%	4%	37%
65+ (26%)	57%	9%	34%
50-64 (28%)	55%	3%	42%
North Bay (18%)	52%	5%	43%

* Please note that each subgroup has a margin of error up to 7.5 points.

Q6. If the election were held today, would you vote yes to approve or no to reject this measure?

Initial Vote: One cent sales tax by Subgroups

EMC research

n=453

■ Yes/Lean Yes   ■ (Undecided)   ■ No/Lean No

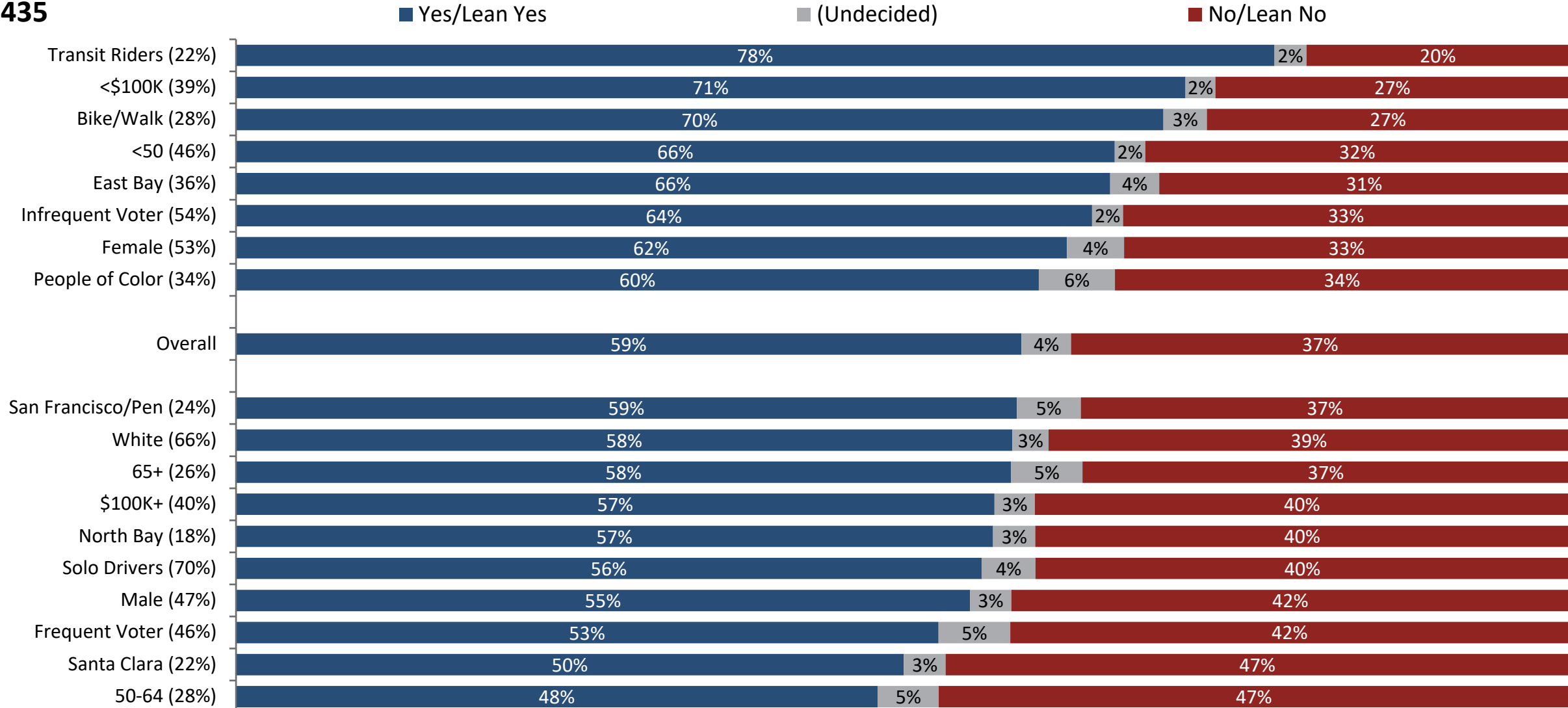| Subgroup	Yes/Lean Yes	(Undecided)	No/Lean No
Bike/Walk (35%)	72%	5%	23%
Transit Riders (25%)	71%	3%	26%
<50 (46%)	68%	5%	27%
San Francisco/Pen (24%)	67%	4%	28%
Infrequent Voter (54%)	65%	6%	28%
<$100K (37%)	63%	6%	31%
Female (53%)	63%	4%	32%
People of Color (34%)	62%	7%	31%
Overall	**60%**	**5%**	**35%**
North Bay (18%)	60%	6%	34%
White (66%)	59%	4%	36%
East Bay (36%)	59%	3%	39%
$100K+ (44%)	59%	3%	38%
Male (47%)	57%	6%	37%
Solo Drivers (72%)	56%	7%	37%
50-64 (28%)	56%	4%	41%
Santa Clara (22%)	55%	9%	36%
Frequent Voter (46%)	54%	4%	42%
65+ (26%)	52%	7%	41%

* Please note that each subgroup has a margin of error up to 10.1 points.
Q6. If the election were held today, would you vote yes to approve or no to reject this measure?
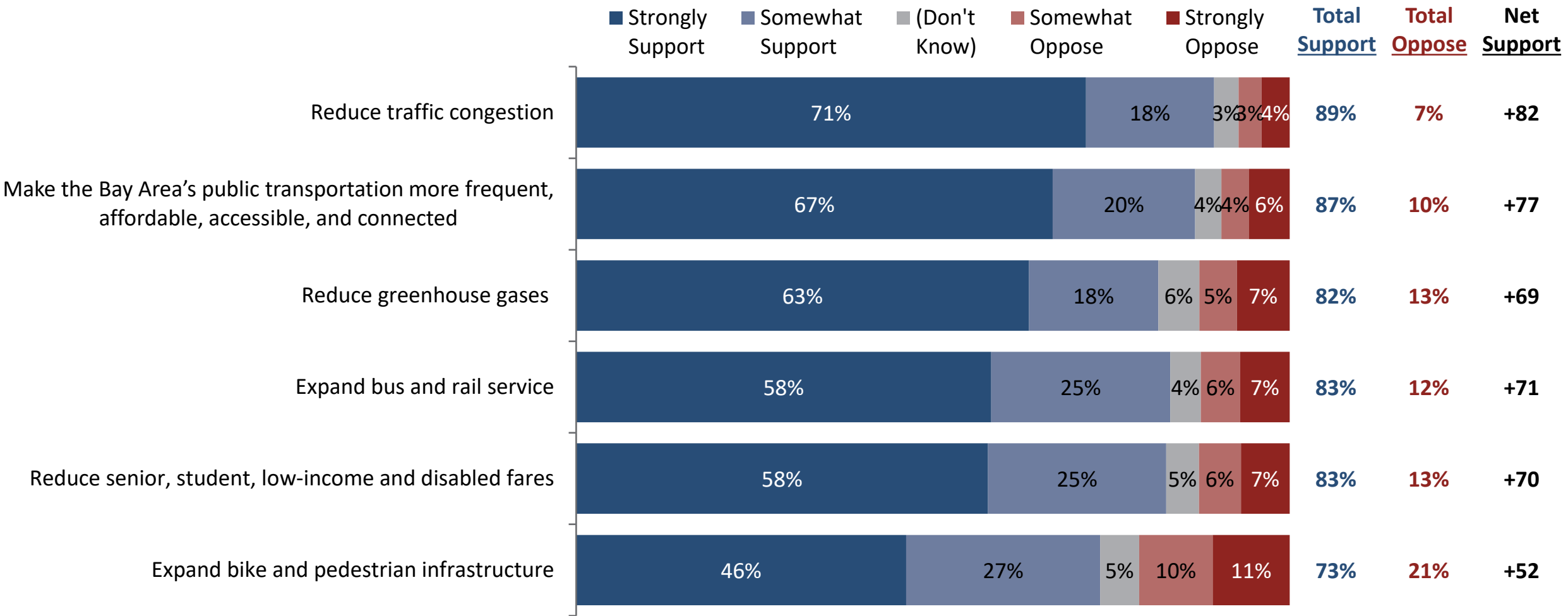
Initial Vote: Head Tax by Subgroups

n=426

■ Yes/Lean Yes　　■ (Undecided)　　■ No/Lean No

Subgroup	Yes/Lean Yes	(Undecided)	No/Lean No
Transit Riders (27%)	75%		25%
<$100K (40%)	70%	0%	30%
<50 (46%)	67%	2%	31%
San Francisco/Pen (24%)	67%		33%
Female (53%)	66%	2%	31%
Infrequent Voter (54%)	64%	2%	34%
Bike/Walk (27%)	63%	2%	35%
Santa Clara (22%)	63%	3%	34%
White (66%)	61%	2%	38%
Overall	60%	2%	38%
$100K+ (39%)	60%	1%	39%
East Bay (36%)	60%	3%	37%
People of Color (34%)	59%	3%	38%
65+ (26%)	58%	4%	39%
Solo Drivers (69%)	56%	3%	41%
Frequent Voter (46%)	56%	2%	42%
Male (47%)	53%	2%	45%
50-64 (28%)	51%	1%	48%
North Bay (18%)	50%	1%	49%

* Please note that each subgroup has a margin of error up to 11.1 points.
Q6. If the election were held today, would you vote yes to approve or no to reject this measure?
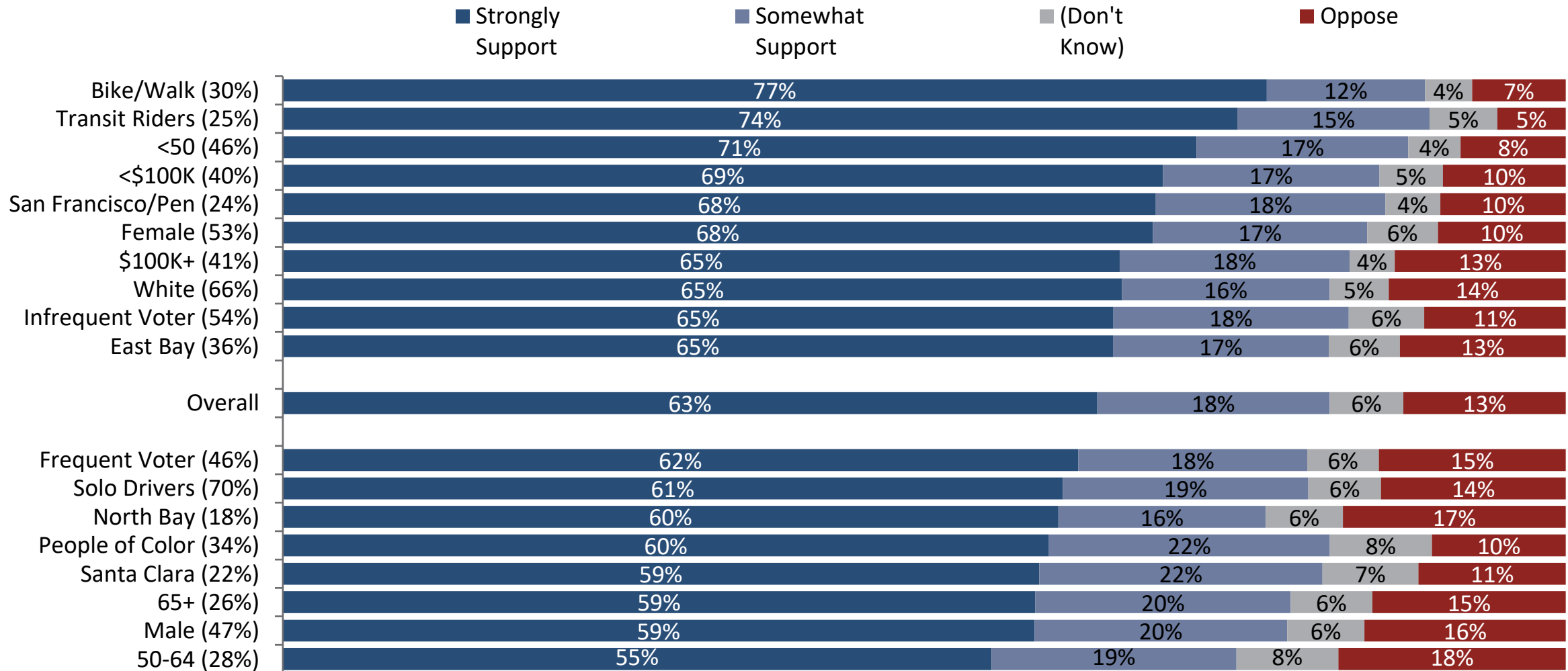
Initial Vote: Parking Tax by Subgroups

n=435

■ Yes/Lean Yes   ■ (Undecided)   ■ No/Lean No

Subgroup	Yes/Lean Yes	(Undecided)	No/Lean No
Transit Riders (22%)	78%	2%	20%
<$100K (39%)	71%	2%	27%
Bike/Walk (28%)	70%	3%	27%
<50 (46%)	66%	2%	32%
East Bay (36%)	66%	4%	31%
Infrequent Voter (54%)	64%	2%	33%
Female (53%)	62%	4%	33%
People of Color (34%)	60%	6%	34%
Overall	59%	4%	37%
San Francisco/Pen (24%)	59%	5%	37%
White (66%)	58%	3%	39%
65+ (26%)	58%	5%	37%
$100K+ (40%)	57%	3%	40%
North Bay (18%)	57%	3%	40%
Solo Drivers (70%)	56%	4%	40%
Male (47%)	55%	3%	42%
Frequent Voter (46%)	53%	5%	42%
Santa Clara (22%)	50%	3%	47%
50-64 (28%)	48%	5%	47%

* Please note that each subgroup has a margin of error up to 11 points.

Q6. If the election were held today, would you vote yes to approve or no to reject this measure?

Additional Information & Messaging

Components of Ballot Measure

Outcomes of the measure are all at least somewhat popular, although intensity is low for some.

	Strongly Support	Somewhat Support	(Don't Know)	Somewhat Oppose	Strongly Oppose	Total Support	Total Oppose	Net Support
Reduce traffic congestion	71%	18%	3%	3%	4%	**89%**	**7%**	**+82**
Make the Bay Area's public transportation more frequent, affordable, accessible, and connected	67%	20%	4%	4%	6%	**87%**	**10%**	**+77**
Reduce greenhouse gases	63%	18%	6%	5%	7%	**82%**	**13%**	**+69**
Expand bus and rail service	58%	25%	4%	6%	7%	**83%**	**12%**	**+71**
Reduce senior, student, low-income and disabled fares	58%	25%	5%	6%	7%	**83%**	**13%**	**+70**
Expand bike and pedestrian infrastructure	46%	27%	5%	10%	11%	**73%**	**21%**	**+52**

Q8-19. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.
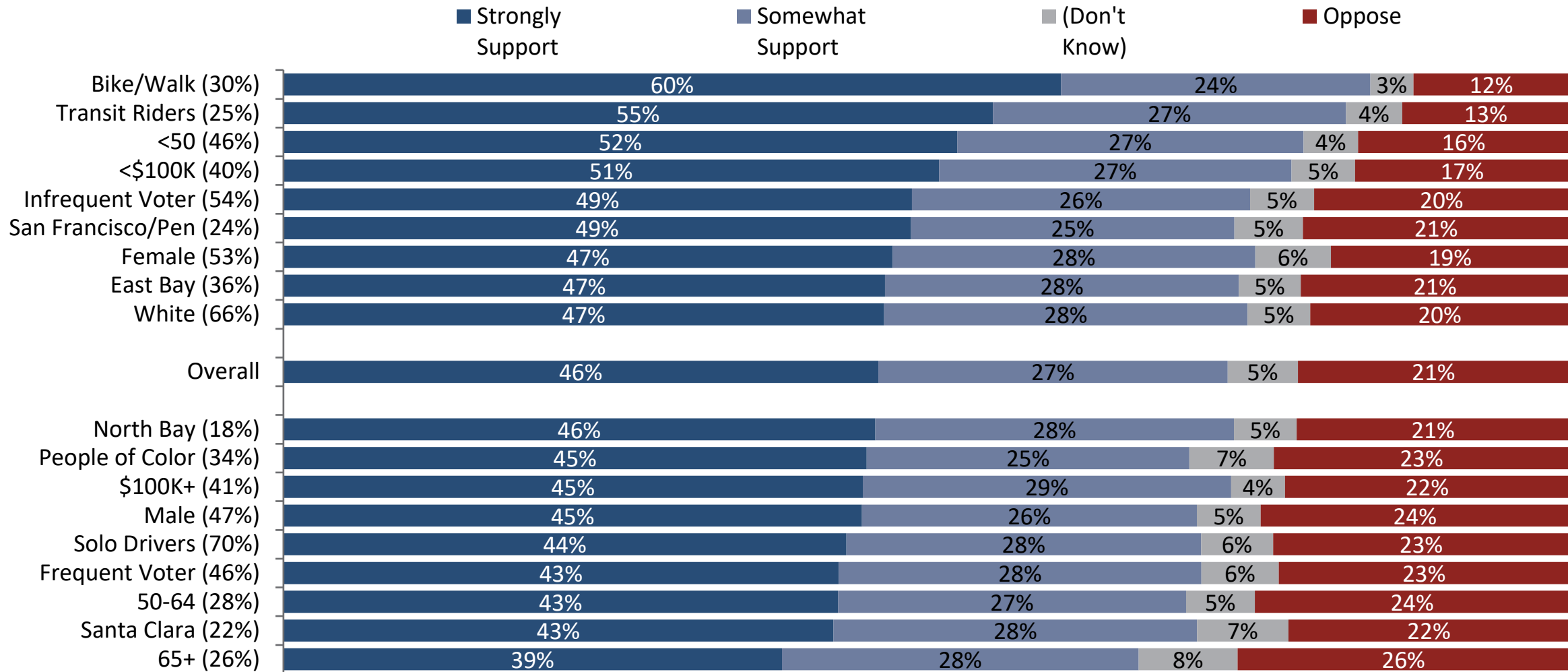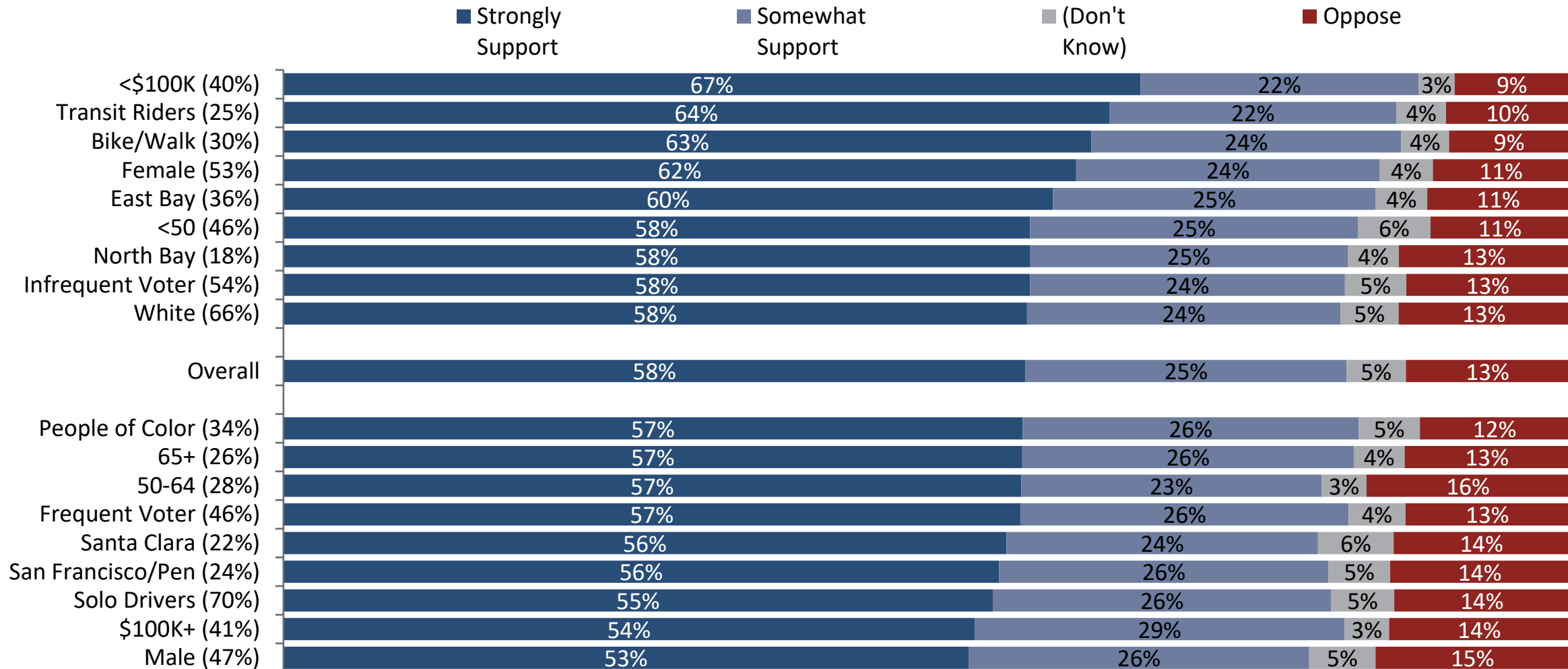
Components of Ballot Measure by Subgroups

Reduce greenhouse gases

Legend: ■ Strongly Support ■ Somewhat Support ■ (Don't Know) ■ Oppose

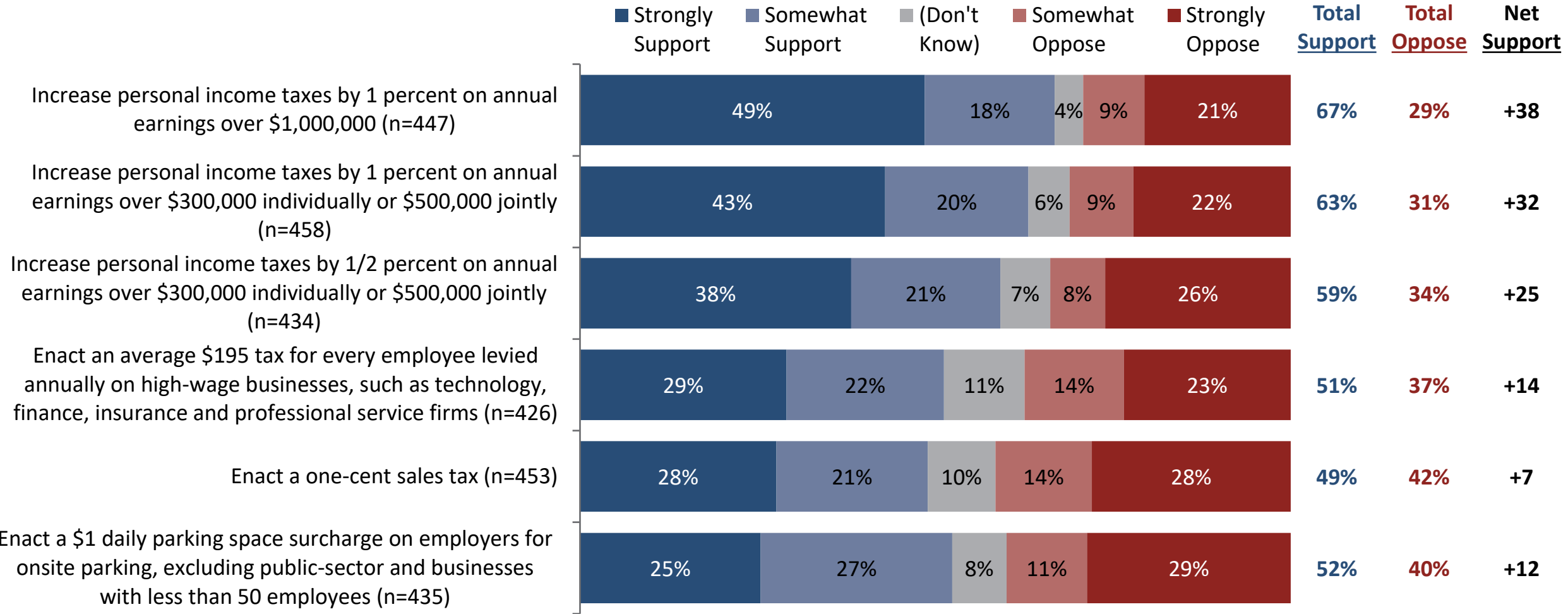| Subgroup	Strongly Support	Somewhat Support	(Don't Know)	Oppose
Bike/Walk (30%)	77%	12%	4%	7%
Transit Riders (25%)	74%	15%	5%	5%
<50 (46%)	71%	17%	4%	8%
<$100K (40%)	69%	17%	5%	10%
San Francisco/Pen (24%)	68%	18%	4%	10%
Female (53%)	68%	17%	6%	10%
$100K+ (41%)	65%	18%	4%	13%
White (66%)	65%	16%	5%	14%
Infrequent Voter (54%)	65%	18%	6%	11%
East Bay (36%)	65%	17%	6%	13%
Overall	63%	18%	6%	13%
Frequent Voter (46%)	62%	18%	6%	15%
Solo Drivers (70%)	61%	19%	6%	14%
North Bay (18%)	60%	16%	6%	17%
People of Color (34%)	60%	22%	8%	10%
Santa Clara (22%)	59%	22%	7%	11%
65+ (26%)	59%	20%	6%	15%
Male (47%)	59%	20%	6%	16%
50-64 (28%)	55%	19%	8%	18%

*Please note that each subgroup has a margin of error up to 4.4 points.

Q8. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.
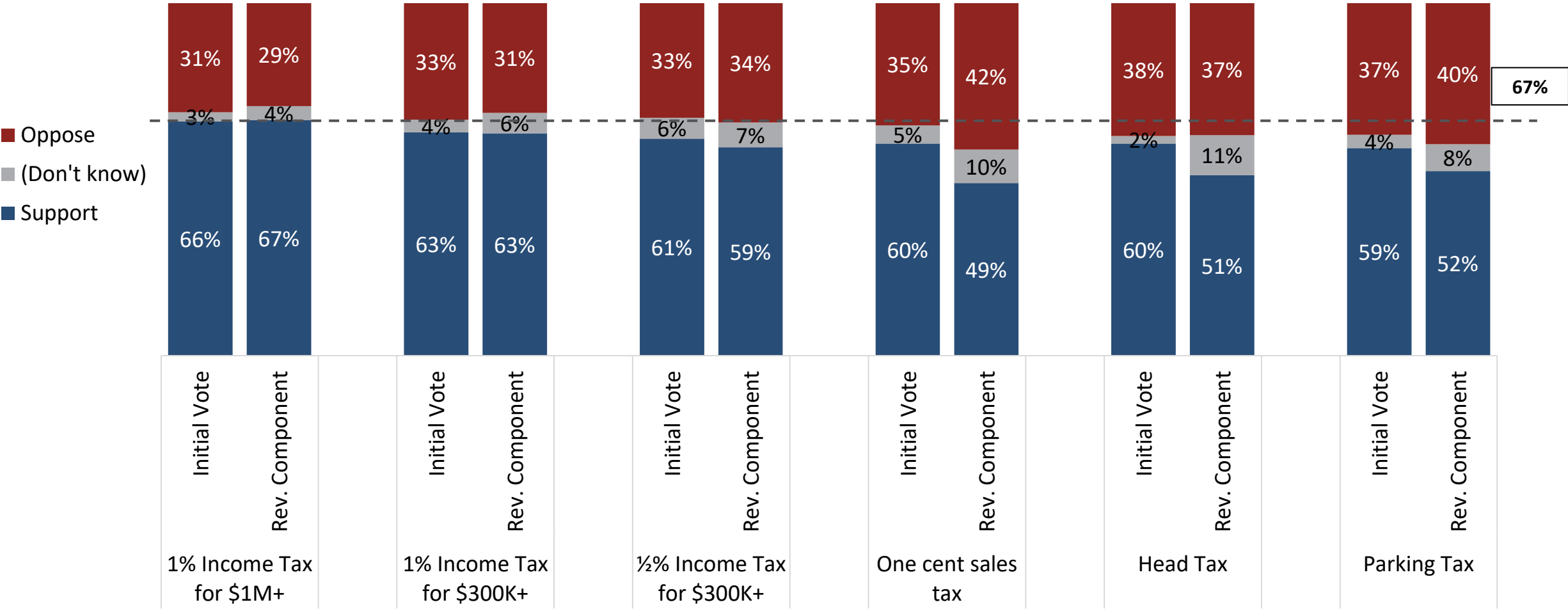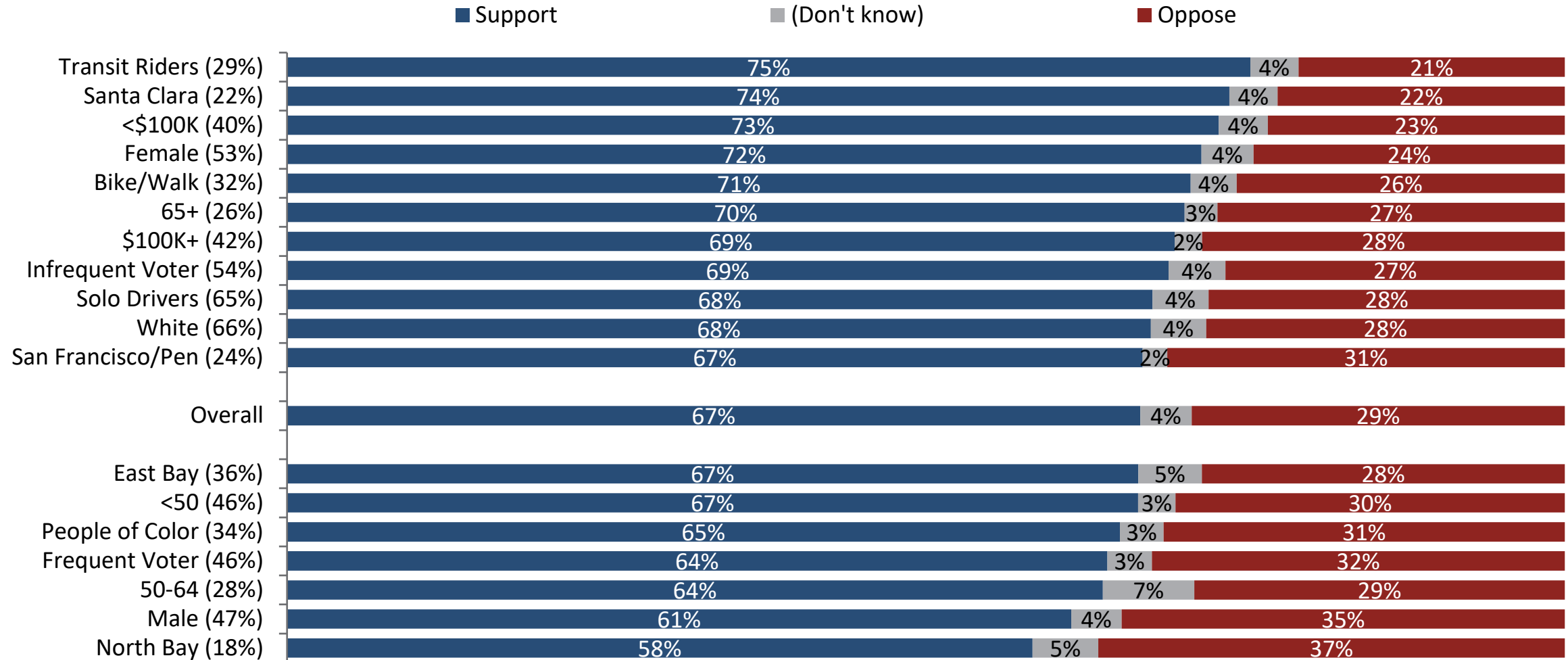
Components of Ballot Measure by Subgroups

EMC research

Reduce traffic congestion

Legend: ■ Strongly Support ■ Somewhat Support ■ (Don't Know) ■ Oppose

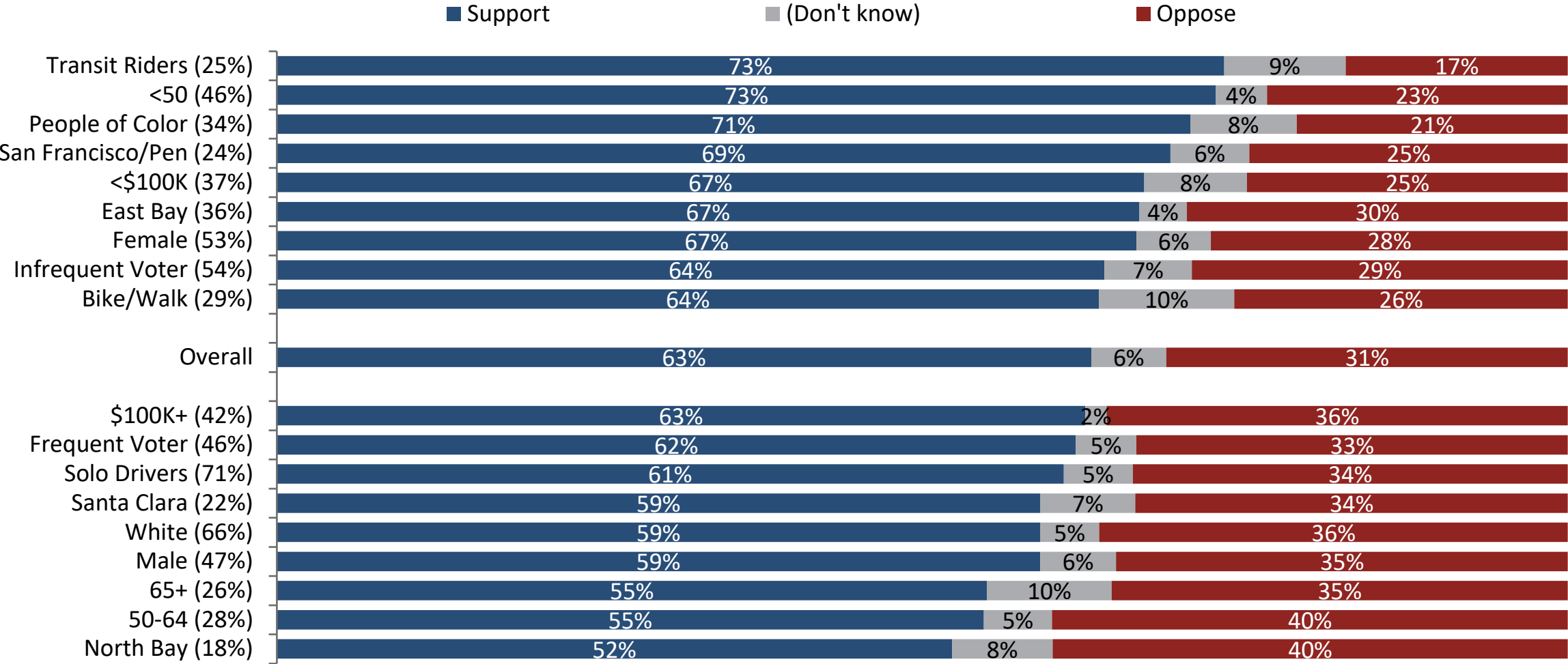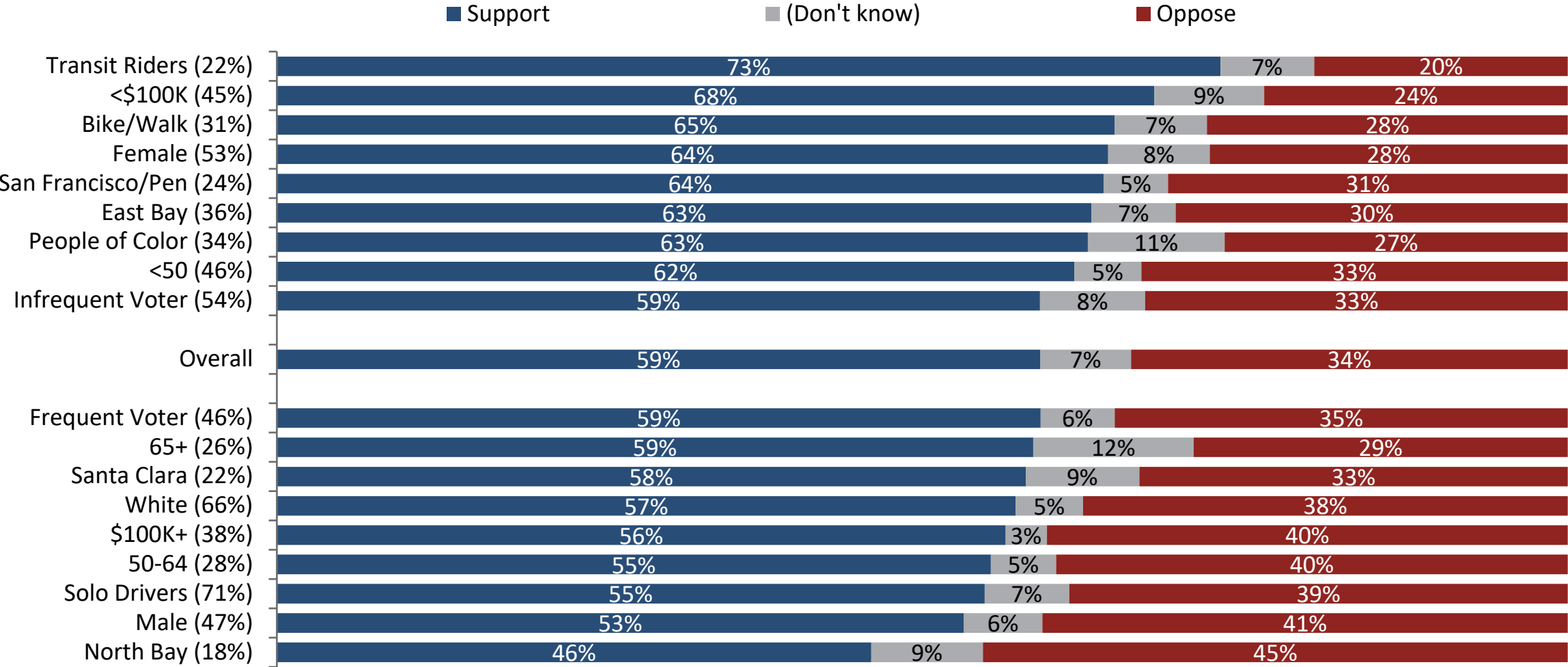| Subgroup	Strongly Support	Somewhat Support	(Don't Know)	Oppose
<50 (46%)	76%	17%	2%	5%
$100K+ (41%)	74%	17%	2%	6%
Transit Riders (25%)	74%	17%	3%	5%
Bike/Walk (30%)	73%	18%	3%	6%
Infrequent Voter (54%)	73%	18%	3%	6%
White (66%)	73%	16%	3%	7%
<$100K (40%)	73%	17%	4%	6%
Female (53%)	72%	18%	3%	7%
East Bay (36%)	72%	18%	3%	6%
Solo Drivers (70%)	72%	17%	3%	8%
Santa Clara (22%)	72%	18%	3%	7%
Overall	71%	18%	3%	7%
North Bay (18%)	71%	15%	4%	10%
Male (47%)	70%	18%	4%	8%
San Francisco/Pen (24%)	70%	20%	3%	7%
Frequent Voter (46%)	70%	18%	4%	9%
People of Color (34%)	69%	21%	3%	7%
50-64 (28%)	69%	19%	3%	9%
65+ (26%)	67%	19%	6%	8%

* Please note that each subgroup has a margin of error up to 4.4 points.
Q9. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Components of Ballot Measure by Subgroups

Make the Bay Area's public transportation more frequent, affordable, accessible, and connected

Legend: ■ Strongly Support ■ Somewhat Support ■ (Don't Know) ■ Oppose

Subgroup	Strongly Support	Somewhat Support	(Don't Know)	Oppose
Transit Riders (25%)	80%	14%	2%	4%
Bike/Walk (30%)	76%	16%	2%	6%
<50 (46%)	74%	16%	3%	7%
San Francisco/Pen (24%)	72%	18%	3%	7%
<$100K (40%)	70%	19%	4%	7%
Female (53%)	69%	19%	4%	8%
$100K+ (41%)	68%	19%	2%	10%
White (66%)	68%	18%	3%	10%
Infrequent Voter (54%)	68%	20%	4%	8%
Overall	**67%**	**20%**	**4%**	**10%**
East Bay (36%)	66%	21%	4%	9%
Santa Clara (22%)	66%	21%	4%	9%
Frequent Voter (46%)	65%	19%	4%	12%
Male (47%)	64%	21%	3%	12%
People of Color (34%)	64%	23%	4%	9%
Solo Drivers (70%)	64%	21%	4%	11%
North Bay (18%)	62%	19%	5%	14%
50-64 (28%)	61%	22%	4%	13%
65+ (26%)	61%	25%	4%	11%

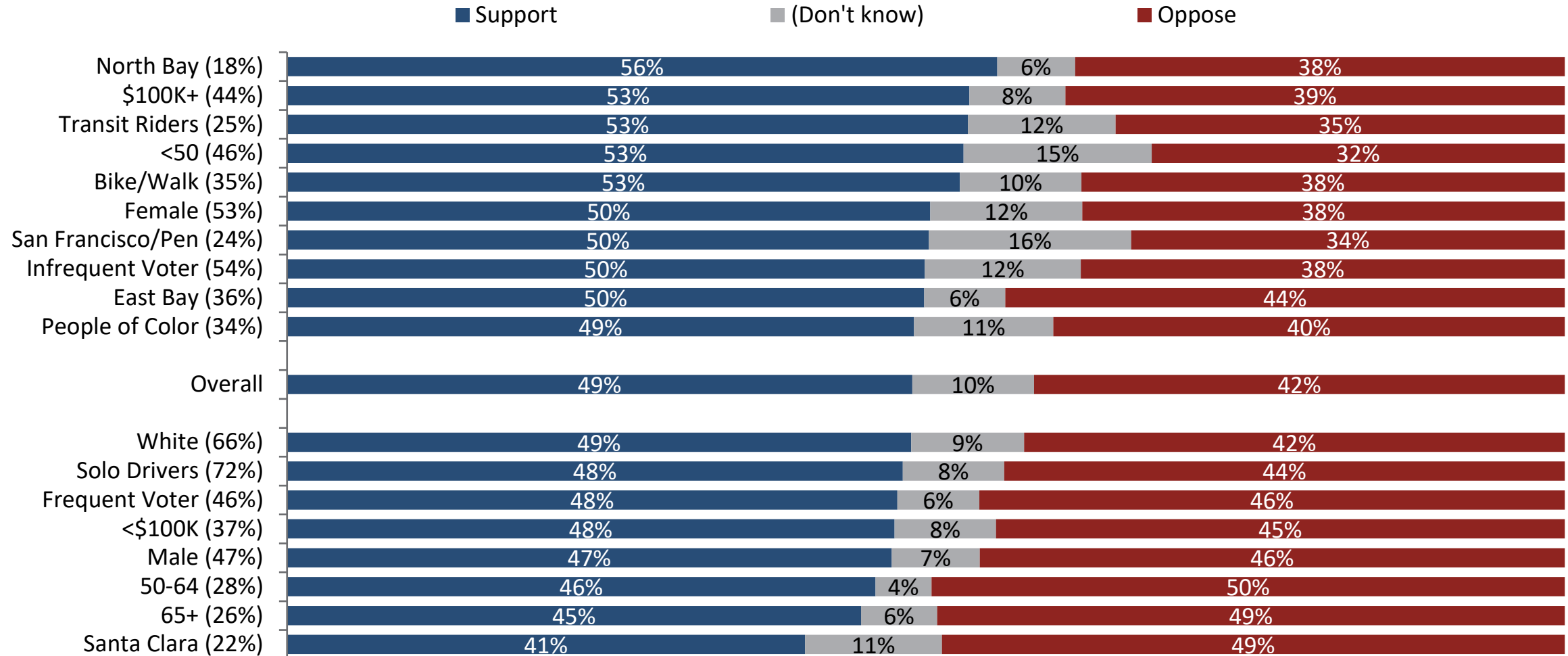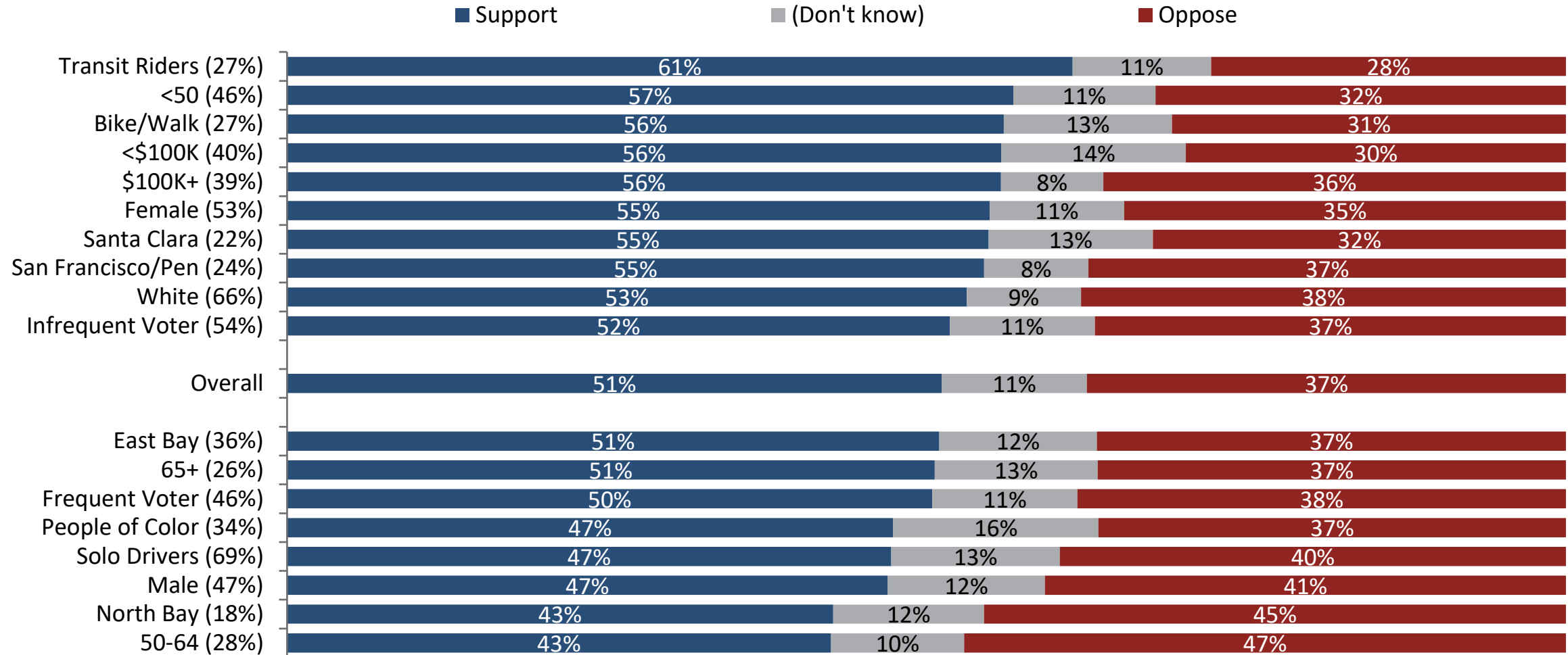* Please note that each subgroup has a margin of error up to 4.4 points.

Q10. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Components of Ballot Measure by Subgroups

Expand bus and rail service

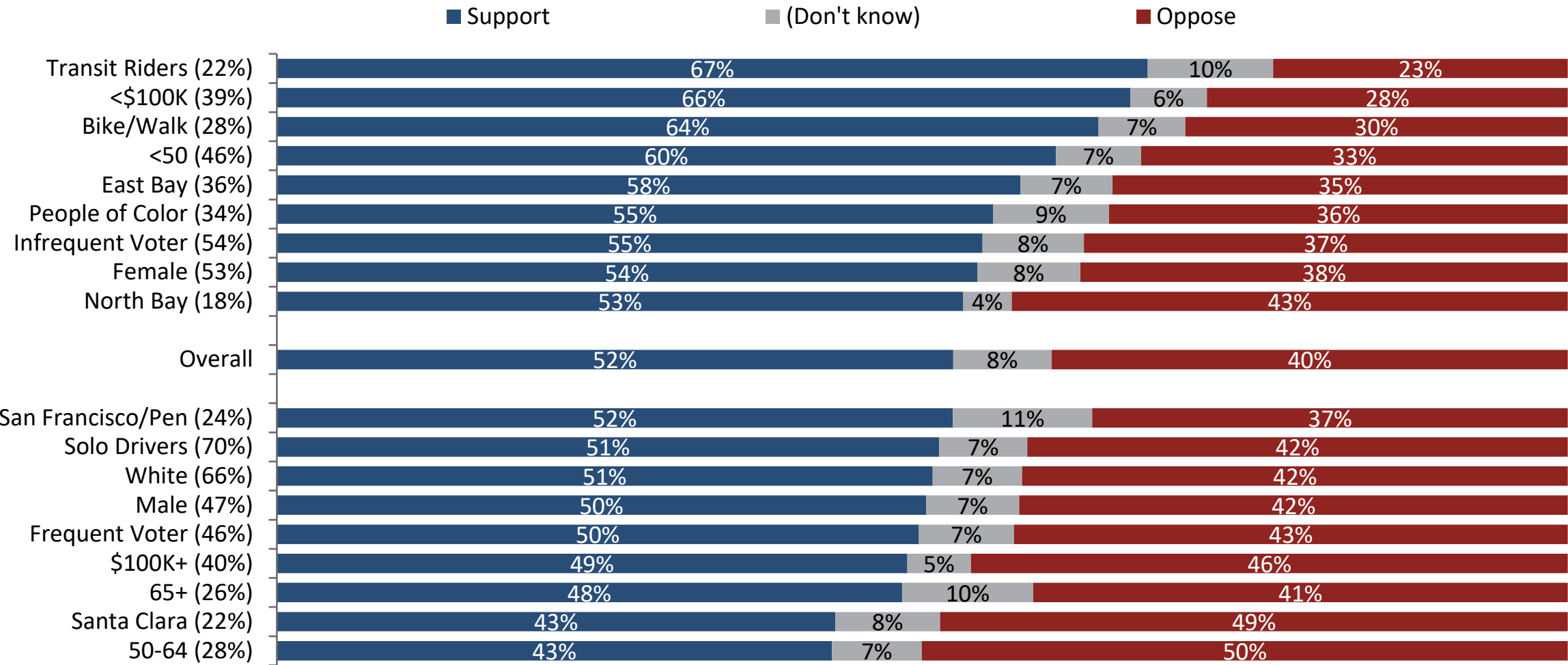|	Strongly Support	Somewhat Support	(Don't Know)	Oppose
Transit Riders (25%)	74%	19%	2%	6%
Bike/Walk (30%)	69%	21%	2%	8%
San Francisco/Pen (24%)	64%	24%	3%	9%
<50 (46%)	64%	23%	4%	9%
<$100K (40%)	62%	25%	3%	10%
$100K+ (41%)	60%	25%	3%	12%
Infrequent Voter (54%)	60%	24%	5%	11%
White (66%)	60%	24%	4%	12%
Female (53%)	59%	26%	5%	11%
Overall	58%	25%	4%	12%
Santa Clara (22%)	58%	25%	4%	13%
Male (47%)	58%	24%	4%	15%
East Bay (36%)	57%	26%	5%	12%
Frequent Voter (46%)	56%	26%	4%	14%
People of Color (34%)	55%	27%	5%	13%
Solo Drivers (70%)	55%	26%	5%	14%
50-64 (28%)	54%	26%	3%	18%
65+ (26%)	53%	28%	6%	13%
North Bay (18%)	53%	24%	5%	18%

* Please note that each subgroup has a margin of error up to 4.4 points.
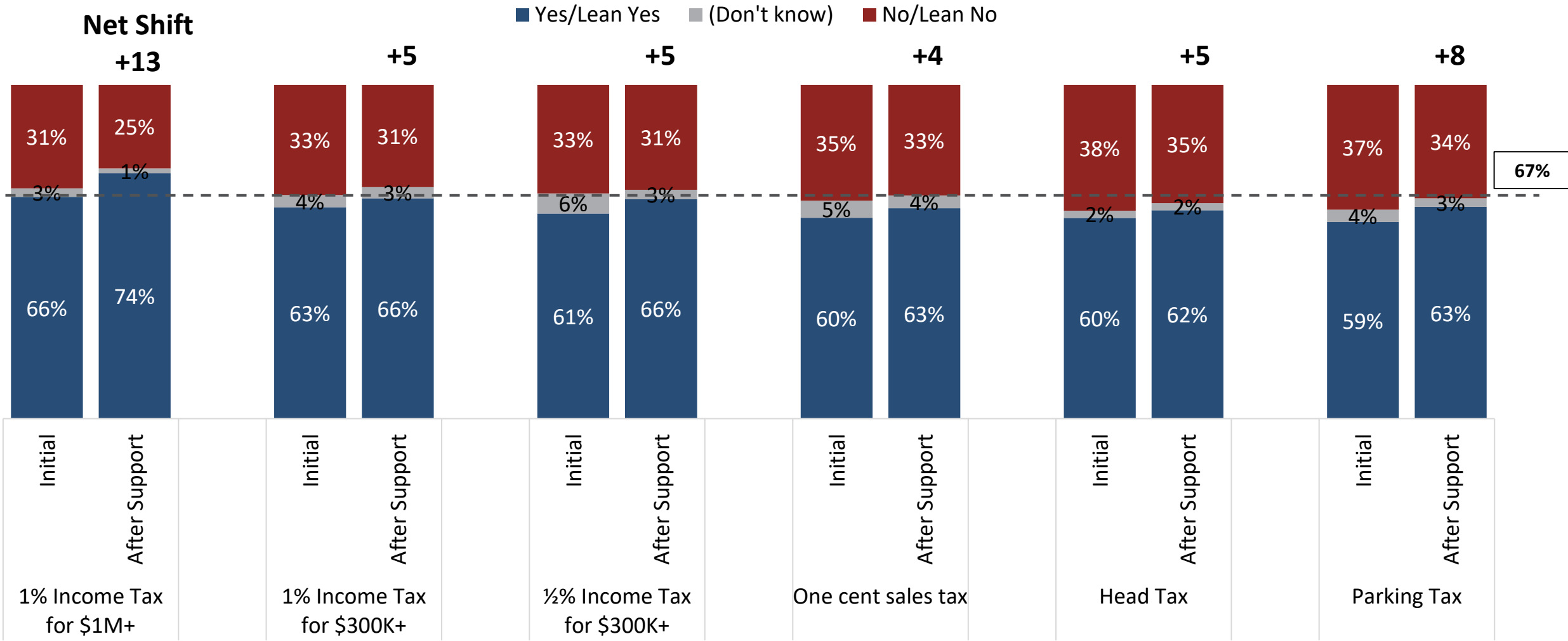Q11. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Components of Ballot Measure by Subgroups

Expand bike and pedestrian infrastructure

Legend:
- Strongly Support
- Somewhat Support
- (Don't Know)
- Oppose

Subgroup	Strongly Support	Somewhat Support	(Don't Know)	Oppose
Bike/Walk (30%)	60%	24%	3%	12%
Transit Riders (25%)	55%	27%	4%	13%
<50 (46%)	52%	27%	4%	16%
<$100K (40%)	51%	27%	5%	17%
Infrequent Voter (54%)	49%	26%	5%	20%
San Francisco/Pen (24%)	49%	25%	5%	21%
Female (53%)	47%	28%	6%	19%
East Bay (36%)	47%	28%	5%	21%
White (66%)	47%	28%	5%	20%
Overall	46%	27%	5%	21%
North Bay (18%)	46%	28%	5%	21%
People of Color (34%)	45%	25%	7%	23%
$100K+ (41%)	45%	29%	4%	22%
Male (47%)	45%	26%	5%	24%
Solo Drivers (70%)	44%	28%	6%	23%
Frequent Voter (46%)	43%	28%	6%	23%
50-64 (28%)	43%	27%	5%	24%
Santa Clara (22%)	43%	28%	7%	22%
65+ (26%)	39%	28%	8%	26%

* Please note that each subgroup has a margin of error up to 4.4 points.
Q12. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Components of Ballot Measure by Subgroups

EMC research

Reduce senior, student, low-income and disabled fares

Legend: ■ Strongly Support ■ Somewhat Support ■ (Don't Know) ■ Oppose

Subgroup	Strongly Support	Somewhat Support	(Don't Know)	Oppose
<$100K (40%)	67%	22%	3%	9%
Transit Riders (25%)	64%	22%	4%	10%
Bike/Walk (30%)	63%	24%	4%	9%
Female (53%)	62%	24%	4%	11%
East Bay (36%)	60%	25%	4%	11%
<50 (46%)	58%	25%	6%	11%
North Bay (18%)	58%	25%	4%	13%
Infrequent Voter (54%)	58%	24%	5%	13%
White (66%)	58%	24%	5%	13%
Overall	58%	25%	5%	13%
People of Color (34%)	57%	26%	5%	12%
65+ (26%)	57%	26%	4%	13%
50-64 (28%)	57%	23%	3%	16%
Frequent Voter (46%)	57%	26%	4%	13%
Santa Clara (22%)	56%	24%	6%	14%
San Francisco/Pen (24%)	56%	26%	5%	14%
Solo Drivers (70%)	55%	26%	5%	14%
$100K+ (41%)	54%	29%	3%	14%
Male (47%)	53%	26%	5%	15%

* Please note that each subgroup has a margin of error up to 4.4 points.
Q13. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly
support, somewhat support, somewhat oppose or strongly oppose it.

Revenue Components of Ballot Measure

Voters who heard about the millionaires' tax are the most supportive of that revenue component compared to those who heard about other funding mechanisms.

	Strongly Support	Somewhat Support	(Don't Know)	Somewhat Oppose	Strongly Oppose	Total Support	Total Oppose	Net Support
Increase personal income taxes by 1 percent on annual earnings over $1,000,000 (n=447)	49%	18%	4%	9%	21%	67%	29%	+38
Increase personal income taxes by 1 percent on annual earnings over $300,000 individually or $500,000 jointly (n=458)	43%	20%	6%	9%	22%	63%	31%	+32
Increase personal income taxes by 1/2 percent on annual earnings over $300,000 individually or $500,000 jointly (n=434)	38%	21%	7%	8%	26%	59%	34%	+25
Enact an average $195 tax for every employee levied annually on high-wage businesses, such as technology, finance, insurance and professional service firms (n=426)	29%	22%	11%	14%	23%	51%	37%	+14
Enact a one-cent sales tax (n=453)	28%	21%	10%	14%	28%	49%	42%	+7
Enact a $1 daily parking space surcharge on employers for onsite parking, excluding public-sector and businesses with less than 50 employees (n=435)	25%	27%	8%	11%	29%	52%	40%	+12

Q8-19. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Initial Vote vs. Revenue Mechanism

Willingness to raise income taxes may be helping to drive support, although they still don't reach the two-thirds threshold.

Legend:
- Oppose
- (Don't know)
- Support

	1% Income Tax for $1M+		1% Income Tax for $300K+		½% Income Tax for $300K+		One cent sales tax		Head Tax		Parking Tax	
	Initial Vote	Rev. Component	Initial Vote	Rev. Component	Initial Vote	Rev. Component	Initial Vote	Rev. Component	Initial Vote	Rev. Component	Initial Vote	Rev. Component
Oppose	31%	29%	33%	31%	33%	34%	35%	42%	38%	37%	37%	40%
(Don't know)	3%	4%	4%	6%	6%	7%	5%	10%	2%	11%	4%	8%
Support	66%	67%	63%	63%	61%	59%	60%	49%	60%	51%	59%	52%

67% (threshold line)

Q8-19. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Revenue Components of Ballot Measure by Subgroups

Increase personal income taxes by 1 percent on annual earnings over $1,000,000

n=447

■ Support   ■ (Don't know)   ■ Oppose

Subgroup	Support	(Don't know)	Oppose
Transit Riders (29%)	75%	4%	21%
Santa Clara (22%)	74%	4%	22%
<$100K (40%)	73%	4%	23%
Female (53%)	72%	4%	24%
Bike/Walk (32%)	71%	4%	26%
65+ (26%)	70%	3%	27%
$100K+ (42%)	69%	2%	28%
Infrequent Voter (54%)	69%	4%	27%
Solo Drivers (65%)	68%	4%	28%
White (66%)	68%	4%	28%
San Francisco/Pen (24%)	67%	2%	31%
Overall	67%	4%	29%
East Bay (36%)	67%	5%	28%
<50 (46%)	67%	3%	30%
People of Color (34%)	65%	3%	31%
Frequent Voter (46%)	64%	3%	32%
50-64 (28%)	64%	7%	29%
Male (47%)	61%	4%	35%
North Bay (18%)	58%	5%	37%

* Please note that each subgroup has a margin of error up to 11.7 points.
Q17. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Revenue Components of Ballot Measure by Subgroups

Increase personal income taxes by 1 percent on annual earnings over $300,000 individually or $500,000 jointly

n=458

■ Support   ■ (Don't know)   ■ Oppose

Subgroup	Support	(Don't know)	Oppose
Transit Riders (25%)	73%	9%	17%
<50 (46%)	73%	4%	23%
People of Color (34%)	71%	8%	21%
San Francisco/Pen (24%)	69%	6%	25%
<$100K (37%)	67%	8%	25%
East Bay (36%)	67%	4%	30%
Female (53%)	67%	6%	28%
Infrequent Voter (54%)	64%	7%	29%
Bike/Walk (29%)	64%	10%	26%
Overall	63%	6%	31%
$100K+ (42%)	63%	2%	36%
Frequent Voter (46%)	62%	5%	33%
Solo Drivers (71%)	61%	5%	34%
Santa Clara (22%)	59%	7%	34%
White (66%)	59%	5%	36%
Male (47%)	59%	6%	35%
65+ (26%)	55%	10%	35%
50-64 (28%)	55%	5%	40%
North Bay (18%)	52%	8%	40%

* Please note that each subgroup has a margin of error up to 10.5 points.
Q16. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Revenue Components of Ballot Measure by Subgroups

Increase personal income taxes by 1/2 percent on annual earnings over $300,000 individually or $500,000 jointly

n=434

■ Support ■ (Don't know) ■ Oppose

Subgroup	Support	(Don't know)	Oppose
Transit Riders (22%)	73%	7%	20%
<$100K (45%)	68%	9%	24%
Bike/Walk (31%)	65%	7%	28%
Female (53%)	64%	8%	28%
San Francisco/Pen (24%)	64%	5%	31%
East Bay (36%)	63%	7%	30%
People of Color (34%)	63%	11%	27%
<50 (46%)	62%	5%	33%
Infrequent Voter (54%)	59%	8%	33%
Overall	59%	7%	34%
Frequent Voter (46%)	59%	6%	35%
65+ (26%)	59%	12%	29%
Santa Clara (22%)	58%	9%	33%
White (66%)	57%	5%	38%
$100K+ (38%)	56%	3%	40%
50-64 (28%)	55%	5%	40%
Solo Drivers (71%)	55%	7%	39%
Male (47%)	53%	6%	41%
North Bay (18%)	46%	9%	45%

* Please note that each subgroup has a margin of error up to 10.8 points.
Q15. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Revenue Components of Ballot Measure by Subgroups

Enact a one-cent sales tax

n=453

■ Support ■ (Don't know) ■ Oppose

Subgroup	Support	(Don't know)	Oppose
North Bay (18%)	56%	6%	38%
$100K+ (44%)	53%	8%	39%
Transit Riders (25%)	53%	12%	35%
<50 (46%)	53%	15%	32%
Bike/Walk (35%)	53%	10%	38%
Female (53%)	50%	12%	38%
San Francisco/Pen (24%)	50%	16%	34%
Infrequent Voter (54%)	50%	12%	38%
East Bay (36%)	50%	6%	44%
People of Color (34%)	49%	11%	40%
Overall	49%	10%	42%
White (66%)	49%	9%	42%
Solo Drivers (72%)	48%	8%	44%
Frequent Voter (46%)	48%	6%	46%
<$100K (37%)	48%	8%	45%
Male (47%)	47%	7%	46%
50-64 (28%)	46%	4%	50%
65+ (26%)	45%	6%	49%
Santa Clara (22%)	41%	11%	49%

* Please note that each subgroup has a margin of error up to 10.1 points.
Q14. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Revenue Components of Ballot Measure by Subgroups

Enact an average $195 tax for every employee levied annually on high-wage businesses, such as tech, finance, insurance and professional service firms

n=426

■ Support   ■ (Don't know)   ■ Oppose

Subgroup	Support	(Don't know)	Oppose
Transit Riders (27%)	61%	11%	28%
<50 (46%)	57%	11%	32%
Bike/Walk (27%)	56%	13%	31%
<$100K (40%)	56%	14%	30%
$100K+ (39%)	56%	8%	36%
Female (53%)	55%	11%	35%
Santa Clara (22%)	55%	13%	32%
San Francisco/Pen (24%)	55%	8%	37%
White (66%)	53%	9%	38%
Infrequent Voter (54%)	52%	11%	37%
Overall	51%	11%	37%
East Bay (36%)	51%	12%	37%
65+ (26%)	51%	13%	37%
Frequent Voter (46%)	50%	11%	38%
People of Color (34%)	47%	16%	37%
Solo Drivers (69%)	47%	13%	40%
Male (47%)	47%	12%	41%
North Bay (18%)	43%	12%	45%
50-64 (28%)	43%	10%	47%

* Please note that each subgroup has a margin of error up to 11.1 points.

Q19. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Revenue Components of Ballot Measure by Subgroups

Enact a $1 daily parking space surcharge on employers for onsite parking, excluding public-sector and businesses with less than 50 employees

n=435

■ Support ■ (Don't know) ■ Oppose

Subgroup	Support	Don't know	Oppose
Transit Riders (22%)	67%	10%	23%
<$100K (39%)	66%	6%	28%
Bike/Walk (28%)	64%	7%	30%
<50 (46%)	60%	7%	33%
East Bay (36%)	58%	7%	35%
People of Color (34%)	55%	9%	36%
Infrequent Voter (54%)	55%	8%	37%
Female (53%)	54%	8%	38%
North Bay (18%)	53%	4%	43%
Overall	52%	8%	40%
San Francisco/Pen (24%)	52%	11%	37%
Solo Drivers (70%)	51%	7%	42%
White (66%)	51%	7%	42%
Male (47%)	50%	7%	42%
Frequent Voter (46%)	50%	7%	43%
$100K+ (40%)	49%	5%	46%
65+ (26%)	48%	10%	41%
Santa Clara (22%)	43%	8%	49%
50-64 (28%)	43%	7%	50%

* Please note that each subgroup has a margin of error up to 11 points.
Q18. I'm going to read you some of the things this measure could do. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose it.

Support Messaging

Supporters of this measure say: The health of the Bay Area depends on a well-functioning transportation system that reliably, affordably, and conveniently gets people where they need to go. This measure includes immediate actions that will decrease commute times, reduce pollution, create jobs, and make biking and walking safer. It will also make our transit systems more connected with coordinated scheduling and integrated fares. With this measure, we will be able to reduce our reliance on cars and address the impact of climate change well into the future...

1% Income Tax for $1M+	In addition, these improvements would be funded by those earning over $1 million a year, and would not increase taxes on anyone else.
1% Income Tax for $300k+	In addition, these improvements would be funded by wealthier families, and would not increase taxes on anyone else.
1/2% Income Tax for $300k+	In addition, these improvements would be funded by wealthier families, and would not increase taxes on anyone else.
One-cent Sales Tax	*(No additional information provided)*
Head Tax	In addition, these improvements would be funded by large businesses so that tech companies that have benefited the most from being in the Bay Area, have a hand in easing some of the burden.
Parking Tax	In addition, these improvements would be funded by large businesses so that tech companies that have benefited the most from being in the Bay Area, have a hand in easing some of the burden.

Vote After Support for All Measures

Positive messaging does move support up support a bit; however, only the millionaires' tax gets above the two-third threshold.

■ Yes/Lean Yes   ■ (Don't know)   ■ No/Lean No

Net Shift

	1% Income Tax for $1M+		1% Income Tax for $300K+		½% Income Tax for $300K+		One cent sales tax		Head Tax		Parking Tax	
Shift	**+13**		**+5**		**+5**		**+4**		**+5**		**+8**	
	Initial	After Support	Initial	After Support	Initial	After Support	Initial	After Support	Initial	After Support	Initial	After Support
No/Lean No	31%	25%	33%	31%	33%	31%	35%	33%	38%	35%	37%	34%
(Don't know)	3%	1%	4%	3%	6%	3%	5%	4%	2%	2%	4%	3%
Yes/Lean Yes	66%	74%	63%	66%	61%	66%	60%	63%	60%	62%	59%	63%

67%

Opposition Messaging

Opponents of this measure say: …	1% Income Tax for $1M+	The cost of living in the Bay Area is already out of control and we simply can't afford this unfair and unneeded measure. Increasing taxes on hard working people will just hurt our economy in the long term. We keep pouring money into public transit, but ridership continues to drop. In addition, voters have already approved a new gas tax and bridge tolls in recent years and we still haven't seen any of the improvements that have been promised.
	1% Income Tax for $300k+	The cost of living in the Bay Area is already out of control and we simply can't afford this unfair and unneeded measure. Increasing taxes on hard working people will just hurt our economy in the long term. We keep pouring money into public transit, but ridership continues to drop. In addition, voters have already approved a new gas tax and bridge tolls in recent years and we still haven't seen any of the improvements that have been promised.
	1/2% Income Tax for $300k+	The cost of living in the Bay Area is already out of control and we simply can't afford this unfair and unneeded measure. Increasing taxes on hard working people will just hurt our economy in the long term. We keep pouring money into public transit, but ridership continues to drop. In addition, voters have already approved a new gas tax and bridge tolls in recent years and we still haven't seen any of the improvements that have been promised.
	One-cent Sales Tax	The cost of living in the Bay Area is already out of control. This measure would increase our sales tax rate to be one of the highest in the nation, and a regressive sales tax hurts lower income families the most. We keep pouring money into public transit, but ridership continues to drop. In addition, voters have already approved a new gas tax and bridge tolls in recent years and we still haven't seen any of the improvements that have been promised.
	Head Tax	The cost of living in the Bay Area is already out of control and we simply can't afford this measure. Taxing businesses will simply increase the prices that we pay, force businesses to reduce jobs or drive businesses out of the Bay Area. We keep pouring money into public transit, but ridership continues to drop. In addition, voters have already approved a new gas tax and bridge tolls in recent years and we still haven't seen any of the improvements that have been promised.
	Parking Tax	The cost of living in the Bay Area is already out of control and we simply can't afford this measure. Taxing businesses will simply increase the prices that we pay, force businesses to reduce jobs or drive businesses out of the Bay Area. We keep pouring money into public transit, but ridership continues to drop. In addition, voters have already approved a new gas tax and bridge tolls in recent years and we still haven't seen any of the improvements that have been promised.

Vote After Opposition for All Measures

All measures are extremely vulnerable to opposition.

Net Shift from
After Support

Legend: ■ Yes ■ (Don't know) ■ No

Measure		-21			-21			-19			-27			-21			-20
	Initial	After Support	After Oppose	Initial	After Support	After Oppose	Initial	After Support	After Oppose	Initial	After Support	After Oppose	Initial	After Support	After Oppose	Initial	After Support	After Oppose
No	31%	25%	35%	33%	31%	41%	33%	31%	40%	35%	33%	46%	38%	35%	45%	37%	34%	43%
(Don't know)	3%	1%	2%	4%	3%	4%	6%	3%	4%	5%	4%	5%	2%	2%	3%	4%	3%	5%
Yes	66%	74%	62%	63%	66%	55%	61%	66%	56%	60%	63%	49%	60%	62%	52%	59%	63%	52%

67%

1% Income Tax for $1M+ · 1% Income Tax for $300K+ · ½% Income Tax for $300K+ · One cent sales tax · Head Tax · Parking Tax

Overall - Liked Aspects

Whether you support or oppose the measure, what are one or two things you like about this proposed measure?	
Supports Improving Transportation/Infrastructure	26%
Positive Financial Impact	24%
General Support	16%
Positive Environmental Impact	15%
Reduces Traffic/Congestion	12%

I like that it addresses affordability and reducing traffic resulting in bettering climate change solutions.

I want better public transit options. I want it to be so easy to take a bus or a metro to the grocery store that I don't even consider taking my car. I want my car to be more inconvenient than public transit.

I really like the reduction of fares for people who need it most and increasing public transport while decreasing congestion.

Because I think our community is stronger when you have high quality, frequent and comprehensive public transportation system.

Reduced fares and more transit in the Bay Area. It would help congestion and help people who can't afford a car. It would improve the quality of life. I would love the Bay Area to be a pedestrian safe place.

Modernizes the area and makes it better.

I like reducing greenhouse gases and integrating the public transit systems

Overall - Disliked Aspects

And whether you support or oppose the measure, what are one or two concerns you have about this proposed measure?	
Disapprove Of Taxes/ Increase Cost Of Living	30%
Fund Mismanagement/ Mistrust in Government	17%
Concerns about effectiveness of measure	13%
Needs More Information/ Transparency/Accountability Needed	13%
Transportation/Infrastructure Concerns	7%
Tax Mechanism	5%

Tax only on very high incomes will cause revenue to drop in economic downturns.

Indirectly these costs to businesses will hurt the population and drive jobs elsewhere or costs up further while not effectively following through on improvements to infrastructure.

If we do this and the results show we wasted our money when it would've been put to help low income earners or education.

The cost to business, as it's already hard to get companies to stay in [California].

That it truly is getting too expensive to live in the Bay Area, especially when it is getting so, so bad in terms of quality of life.

The amount of the tax. I'm generally not opposed to taxes that help the general population, but this is really high, and not that many people use the services being proposed.

Disliked Aspects by Different Revenue Mechanism

1% Income Tax for $1M+	%	1% Income Tax for $300K+	%	½% Income Tax for $300K+	%	One cent sales tax	%	Head Tax	%	Parking Tax	%
Disapprove Of Taxes/ Increase Cost Of Living	27%	Disapprove Of Taxes/ Increase Cost Of Living	28%	Disapprove Of Taxes/ Increase Cost Of Living	30%	Disapprove Of Taxes/ Increase Cost Of Living	41%	Disapprove Of Taxes/ Increase Cost Of Living	31%	Disapprove Of Taxes/ Increase Cost Of Living	26%
Fund Mismanagement/ Mistrust in Government	20%	Fund Mismanagement/ Mistrust in Government	17%	Fund Mismanagement/ Mistrust in Government	16%	Fund Mismanagement/ Mistrust in Government	16%	Fund Mismanagement/ Mistrust in Government	16%	Fund Mismanagement/ Mistrust in Government	15%
Concerns about effectiveness of measure	15%	Needs More Information/ Transparency /Accountability Needed	15%	Needs More Information/ Transparency/ Accountability Needed	16%	Needs More Information/ Transparency/ Accountability Needed	11%	Concerns about effectiveness of measure	13%	Concerns about effectiveness of measure	15%
Needs More Information/ Transparency/ Accountability Needed	15%	Concerns about effectiveness of measure	13%	Concerns about effectiveness of measure	11%	Concerns about effectiveness of measure	10%	Needs More Information/ Transparency/ Accountability Needed	12%	Parking Tax/Business Tax	10%
Transportation/ Infrastructure Concerns	7%	Better alternatives to proposed measure	7%	Transportation/ Infrastructure Concerns	8%	Transportation/ Infrastructure Concerns	8%	Hurts Businesses/Employees/ Economy	10%	Needs More Information/ Transparency/ Accountability Needed	9%
Income Tax	2%	Income Tax	2%	Income Tax	3%	Sales Tax	6%	Business Tax	7%	Hurts Businesses/Employees/ Economy	9%

Other Research

Comparison to Other Research: Sales Tax

Transportation One-cent, 40 years (May 2019)	Transportation One-cent, 40 years/no sunset (Nov 2019)	Transportation with Housing One-cent, until ended by voters (Jan 2020)	Public Transportation One-cent, until ended by voters (Mar 2020)
To reduce traffic congestion and make the Bay Area's transportation system more reliable, affordable, accessible, efficient and faster with: a rail network connecting major cities; creating transit hubs around the region; modernizing BART, trains, ferries, and buses to improve speed, safety and frequency; shall the measure enacting a 40 year one-cent sales tax, generating at least $1,600,000,000 annually, with oversight and audits, be adopted?	Shall an ordinance to reduce traffic congestion and make the Bay Area's transportation system reliable, affordable, accessible, connected and sustainable with: integrated regional rapid transit connecting major cities; modernized BART, trains, ferries, and buses improving speed and safety; integrated schedules and fares throughout the region; and improved bike and pedestrian safety features; by enacting a [*40 year*] one-cent sales tax [*until ended by voters*], generating at least $1,600,000,000 annually, with oversight and audits, be adopted?	To reduce traffic congestion, address housing affordability, and make the Bay Area's transportation system more reliable, affordable, accessible, efficient and faster by: building a rail/transit network connecting the region; modernizing BART, trains, ferries, and buses for speed, safety, frequency; and creating affordable housing to shorten commutes; shall the measure enacting a one-cent sales tax, until ended by voters, generating at least $1,600,000,000 annually, with oversight and audits, and commuter benefits provided by large employers, be adopted?	To reduce greenhouse gases and traffic congestion; make the Bay Area's public transportation more frequent, affordable, accessible, and connected; expand bus and rail service; expand bike and pedestrian infrastructure; and reduce senior, student, low-income and disabled fares; shall the measure enacting a one-cent sales tax until ended by voters, generating at least $1,600,000,000 annually, with oversight and audits, be adopted?
n= 409	n= 426	n=1859	n=453

Comparison to Other Research: Sales Tax

Support for a sales tax measure is lower now than in prior polling; potential contributing factors include different measure wording and the current coronavirus situation.

May 2019
n=409
- Yes 67%
- No 29%
- (Undecided) 4%

November 2019
n=426
- Yes 65%
- No 32%
- (Undecided) 3%

January 2020
n=1859
- Yes 65%
- No 31%
- (Undecided) 4%

March 2020
n=453
- Yes 60%
- No 35%
- (Undecided) 5%

67%

Note: Research from May 2019 and January 2020 was conducted for FASTER and November 2019 was conducted for BAHA

Conclusion
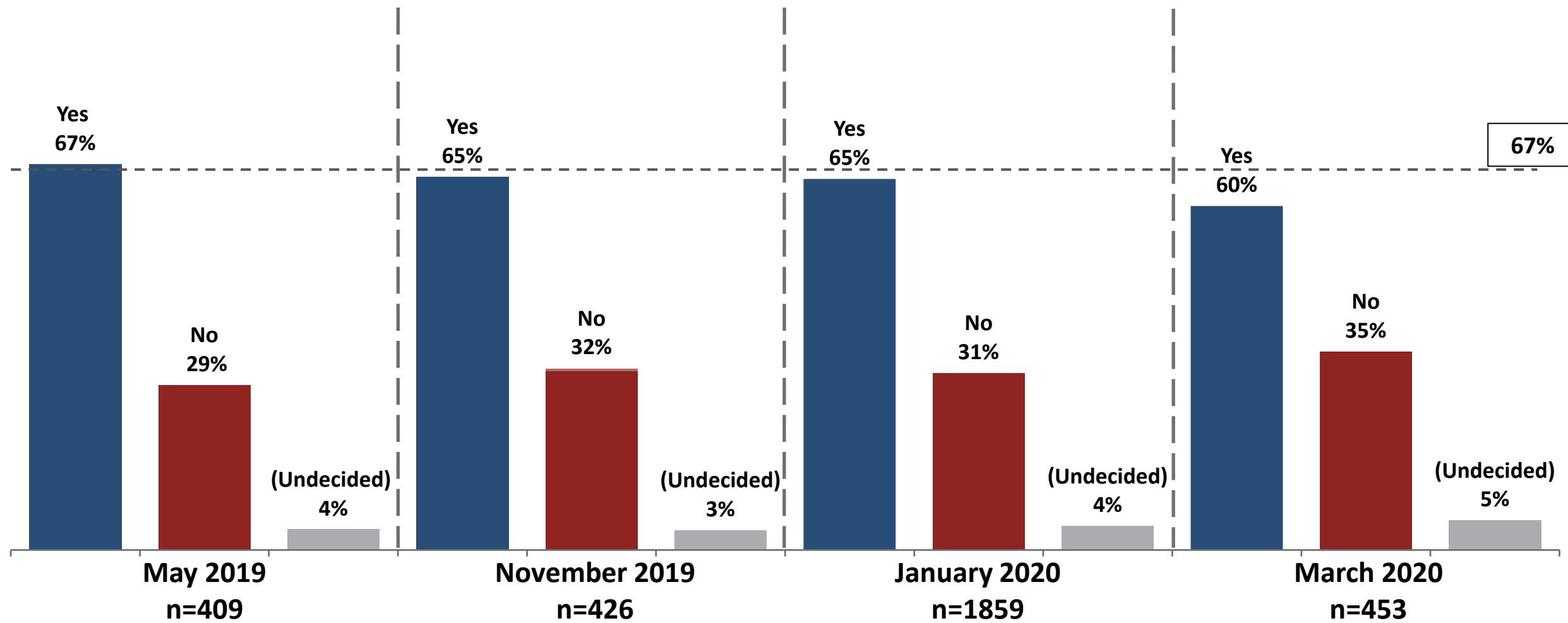
▸ Voters are supportive of regional transportation improvements.

▸ Any revenue measure will require a significant campaign effort and the right voter mood to be successful.

▸ Support for a tax on incomes over a million dollars fluctuates right near two-thirds, while the other measures tested fall short of the threshold.

▸ While the millionaire's tax is better supported than the other types of taxes tested, it is unlikely the tax itself will be the leading factor in support or opposition.

▸ With a two thirds threshold needed, any measure would have a hard time overcoming organized opposition.

EMC research

Ruth Bernstein

Ruth@EMCresearch.com

510.550.8922

Sara LaBatt

Sara@EMCresearch.com

510.550.8924

Jonathan Lee

Jonathanl@EMCresearch.com

510.550.8921

STRATEGICECONOMICS

REGIONAL TRANSPORTATION MEASURE REVENUE ESTIMATES

Prepared for:

Silicon Valley Community Foundation
December 6, 2019

SILICON VALLEY
community foundation®

TABLE OF CONTENTS

TABLE OF FIGURES

I. INTRODUCTION

In 2017, three prominent Bay Area regional membership organizations, the Bay Area Council, the Silicon Valley Leadership Group, and SPUR, began investigating a regional "mega-measure" tax that would raise approximately $100 billion to fund a fully integrated transit system for the nine-county region. This group, known as FASTER Bay Area, is working to get a measure placed on the 2020 ballot authorizing some form of increased tax or package of taxes that could meet the $100 billion goal. Recent precedents for a transit funding measure of this scale include Los Angeles Metropolitan Transportation Authority's successful Measure M, a sales tax projected to raise $120 billion over 40 years or over 1.7 billion per year,[1] and the Puget Sound region's Sound Transit (ST) 3 measure which combined revenues from increases in sales, motor vehicle, and property taxes to raise $27.7 billion from new taxes over 25 years (note this is not the full cost of the ST3 program, with other revenue sources, the entire ST3 improvement package would cost $53.8 billion).[2] Both the Los Angeles and Seattle measures were approved by voters in 2016.

FASTER Bay Area, also called "FASTER," has proposed that the funding for the mega-measure would be raised through a regional one percent sales tax increase. The new sales tax revenues would be in addition to the existing sales taxes already in effect in various cities and counties through-out the nine-county Bay Area.

While there is a clear need for increasing funding for transportation improvements in the Bay Area, the question is whether a regressive taxation method, like a sales tax, is the best option to raise these revenues. Regressive taxation is defined as a fixed tax or tax rate that captures a higher percentage of income for lower income households than for higher income households.[3] Sales taxes are regressive in that they use a single tax rate for all purchases. Additionally, sales taxes are imposed primarily on household expenditures. In California, households, rather than businesses, pay 61 percent of sales taxes,[4] and lower income households pay a higher share of their incomes in sales taxes excluding non-taxable items such as food and drug expenditures. At the same time, these households have fewer discretionary expenditures where they can decide to forego a purchase to avoid the additional taxation.

FASTER does acknowledge that a new sales tax would have negative implications for lower income residents, including seniors and youth. Therefore, the FASTER Framework[5] includes a "sales tax fairness credit" that would rebate the estimated amount of the tax to low-income residents as well as providing means based on fare discounts for transit trips.

A separate coalition consisting of transportation and environmental advocates, grassroots organizers, and labor groups has also formed to advocate for increased funding to improve the Bay Area's transit system. This coalition, called Voices for Public Transportation (Voices), supports equitable and fair funding sources, and seeks to identify alternatives to the sales tax measure funding approach specifically to address the regressive taxation issue.

Silicon Valley Community Foundation (SVCF) has commissioned this study to independently evaluate multiple revenue sources that could be incorporated into the regional measure that would, to the

---

[1] http://theplan.metro.net/wp-content/uploads/2016/11/report_prgm_mgmt_2016_11.pdf
[2] http://soundtransit3.org/calculator
[3] https://www.investopedia.com/terms/r/regressivetax.asp
[4] Phillips and Ibaid, "The Impact of Imposing Sales Taxes on Business Inputs."
[5] https://static1.squarespace.com/static/5d6ff5240d873f0001bcea5d/t/5dcb3dfc23a88b2b3c1f6ef4/1573600769992/FASTER_video+link.pdf

extent possible, mitigate regressive tax burdens by shifting more of the burden to businesses in high wage industries; identify taxing mechanisms that could be paid by higher income individuals/households; and/or use some mechanism to offset any negative tax implications for moderate to low-income households and businesses providing middle wage jobs. This analysis also considered the potential for using taxation to promote more balanced job growth throughout the region, rather than only in existing job centers. More balanced job growth across the region could also decrease future congestion and greenhouse gas emissions.

Research Approach

The research presented below began with identifying potential revenue sources, activities, or assets that that could be taxed to either replace a one percent sales tax, or work in conjunction with a lower sales tax by raising revenues from one or more additional sources. The potential tax sources were identified along with an advisory committee working with the SVCF (advisory committee members names are listed in Appendix A) and building on work already completed for the CASA initiative, the Committee to House the Bay Area. A total of 11 revenue sources were considered (see Figure 1).

The revenue sources were evaluated using a two-phase process. In Phase 1, each source was defined and investigated using case studies. Based on this information a determination was made as to whether there was a reasonable methodology for calculating an annual revenue amount based on readily available data (i.e., there is a data source on which to base a revenue estimate and the data are publicly available). Phase 2 was only conducted for those revenue sources with enough data or information that could be computed to arrive at an annual revenue estimate. Moreover, the methodology for estimating the annual revenue was structured, when possible, to mitigate any potential impacts to moderate or low-income households and/or certain types of businesses. Only six of the 11 sources were quantified for this study. The evaluation steps are further summarized below:

Phase 1: Initial Resource Definition

1. Define the revenue source.
2. Investigate case studies where this revenue source has been either considered or deployed.
3. Identify a possible methodology for calculating an annual revenue amount and determine if the necessary data is available.

Phase 2: Revenue Calculation

4. Identify a possible methodology for adjusting the revenue amount to minimize negative impacts on "vulnerable populations" as data permit. It should be noted that the vulnerable parties may vary based on the tax revenue source.

5. Addressing additional issues for consideration, including:
   - Revenue volatility
   - Financing potential (i.e., potential to use the revenue to leverage debt)
   - Ease of implementation
   - Co-benefits associated with the revenue source that would support other regional and/or state policy goals

It is important to note that the revenue estimates provided for each funding source are shown as a range, and for only one year based on the dollar value of money in the appropriate projection year. There are several reasons for this. First, each revenue source is a tax being levied against an underlying variable, such as retail sales, number of employees, etc.; and the year for which the most recent data available for each source is not the same. Second, since the underlying growth trends for each source are different, merely adjusting the revenue amounts for inflation to put the revenues in constant 2019 dollars would be meaningless. A third related reason for showing a one-year estimate is because it was beyond the scope of this study to determine a 20-year growth trend for each source.

The revenue estimates are very sensitive to the underlying assumptions, data, and tax rates used in each methodology. With respect to the actual tax rate assumptions used for each revenue source, Strategic Economics selected both a low and a high rate based on case studies and other background research. In addition, for some of the revenue sources, there were multiple options for calculating the revenue. The decision as to which approach to apply was selected based on input from the SVCF staff and the Foundation's advisory committee. Where possible, the methodologies were selected to align with other regional policy and equity concerns such as reducing greenhouse gas (GHG) emissions and traffic congestion and/or the ability to mitigate additional tax burdens on vulnerable populations.

Defining vulnerable populations and identifying approaches for mitigating impacts could also have been approached in various ways. It is difficult to account for all vulnerable groups, and the attempts made in this analysis to factor for these populations were again limited by data accessibility. Mitigating impacts on low-income households and low and middle-wage businesses was the primary focus of the methodologies used in this report because these groups can easily be quantified through American Community Survey (ACS) data and other available data sources.

The 11 revenue sources have also been sorted into three categories based on their potential implementation timing.

- **Near to Mid-term Sources:** A regional sales tax measure, a corporate head tax, a parcel tax, and a personal income tax could be structured for a ballot measure relatively quickly because these are based on existing revenue sources where data regarding the revenue being taxed is readily available. While these sources may be more quickly implemented than others, major steps may still be required to establish these revenue sources such as passing state enabling legislation and establishing a fiscal agent to collect and/or disperse the revenue.

- **Long-term Sources:** These sources represent revenue streams that could be taxed in the future, where data is currently collected, but not in the public domain, or where no data is currently collected to measure the underlying asset, activity, or revenue stream that would be taxed. Therefore, the process for accessing the necessary information and/or the process for administering the tax would require a longer lead time than the other sources. For example, in this category, not only does the vehicle miles travel (VMT) tax pose the most significant challenges for implementation, there is no current mechanism for collecting the travel information necessary to structure such a tax. Therefore, this revenue source is considered a longer-term prospect for funding regional transportation improvements.

- **Sources for Further Consideration:** The complexity of the efforts to deploy these mechanisms require that they are given further consideration, and their implementation is probably beyond the timeframe associated with this analysis.

Funding Source	Potential Implementation Timing		
	Near to Mid-term	Long-term	Further Consideration
Regional Sales Tax	X		
Corporate Head Tax	X		
Parcel Tax	X		
Personal Income Tax	X		
Business Parking Tax	X		
Payroll Tax		X	
Gross Receipts Tax		X	
Transportation Network Company Tax		X	
Vehicle Miles Traveled (VMT) Tax		X	
Land Value Return Tax			X
CEO Tax			X

There are two additional considerations that have not been addressed in this analysis. First is the necessity for state enabling legislation associated with these mechanisms. This issue has been addressed for some mechanisms, but not for others. However, a full legal analysis would be required to address any state level restrictions and to establish the appropriate enabling mechanisms for most, if not all, of these revenue sources. Second, a regional entity would be required to collect and disperse these funds similar to the Bay Area Housing Finance Authority that recently won voter approval to be established via AB 1487. A more in-depth analysis of this entity was also beyond the scope of this report.

Report Organization

This report includes four sections in addition to this introduction. Key findings for all revenue sources that could be quantified are presented in Section II. Section III describes the revenue sources with near to mid-term implementation potential. This is followed by Section IV, presenting the long-term revenue sources. Section V addresses the sources that warrant further consideration but will take considerable effort to implement. Appendix A provides the names and organizational affiliations for the advisory committee members, and Appendix B provides the sales tax rates for Bay Area cities and unincorporated communities as of July 2019.

II. SUMMARY AND KEY FINDINGS

Figure 2 summarizes the revenue estimates from the six revenue sources for which data was readily available. Note that these are preliminary estimates based on the assumptions described in the following section. In reviewing these findings, it is important to reiterate how sensitive the results are to both the actual tax rates used, and the assumptions used to estimate the size of the tax base to which the rates have been applied.

These results and the detailed analysis have informed the following key findings:

- Overall, there are multiple revenue sources that could be tapped to provide additional funding for regional transportation improvements that can be structured to offset regressive impacts for low-income households and/or businesses providing middle wage jobs. Several sources, including **the corporate head tax, business parking levy, and the parcel tax** could be structured such that businesses in high wage industries bear most of the tax burden.

- A **VMT tax** at even a lower tax rate than was modeled for this analysis could generate a very significant revenue stream. However, technical challenges associated with monitoring VMT for every vehicle registered in the region would be extremely complex and could potentially require many years to be implemented.

- It is clear why many regions chose to impose **Sales Taxes** to pay for transportation improvements. These are relatively easy to administer, and the revenue potential is significant when compared to other sources, even taking volatility into account. The drawbacks are that sales taxes are very regressive and there is no established path within California to mitigate this impact; and that the region already has many places with high sales tax rates. There may be considerable resistance to raising these rates even further.

- A **Personal Income Tax** levied across the nine-county Bay Area region has among the highest revenue generating potential among the mechanisms considered for this study. In addition, this could be one of the most equitable revenue sources because it can easily target high income persons/households similar to the existing one percent statewide surcharge on taxpayers whose income exceeds $1 million per year, which is used to pay for mental health services.

- A **Corporate Head Tax** also shows potential to raise a significant amount of revenue annually and is well suited to making a wide variety of equity accommodations. However, in an economic downturn the number of jobs in the region can decline significantly, creating a great deal of potential volatility associated with this source. There might also be considerable pressure from the business community to eliminate or greatly reduce the tax in a downturn, adding to the uncertainty.

- The **Business Parking Levy** could produce a significant amount of revenue. A notable amount of effort may be required to create an official count of the number of parking spaces or parking lot areas to be taxed. However, before an official parking audit is implemented, parking supply estimates for the region could potentially be created using GIS mapping, available parking databases, and self-reported figures by properties owners. This could more accurately assess the potential revenues as evidence in support of the tax. It is unclear what the equity implications of a business parking levy might be, since the tax would be levied on owners of parking facilities. Individual households would be affected only indirectly (to the extent that

the tax results in increased parking charges). However, since any additional cost could be passed though from the property owner to the driver, this tax could also function as a user fee. This could have a positive impact of reducing automobile commuting and therefore reduce traffic congestion and greenhouse gas emissions.

- A **Parcel Tax** could also generate significant revenues if deployed on its own, or it could also be levied at a relatively low rate and combined with other sources. This might include a low rate head tax and/or some form of parking levy to create a package of revenue sources. While a uniform tax across parcels could be regressive, there may be opportunities to create exemptions for low-income households or other vulnerable groups, although this may necessitate legislative changes at the state level.

Revenue Measure	Definition	Examples	Equity Issue	Equity Adjustment	Total Annual Revenue (Millions)	
					Low	High
Regional Sales Tax	Tax on sales of goods. Would be additive to existing local and county sale tax rates	All nine Bay Area counties and many Bay Area cities	Regressive	None*	$203.0	$812.0
Head Tax	Tax on business employee headcount	Seattle, WA and Mountain View, CA	Uniform tax rate could incentivize employers to cut lower wage jobs, or be unduly onerous for small businesses	Graduated tax rate based on county and industry; small business exemption	$103.6	$203.1
Parcel Tax	Tax on individual real estate parcels	Many Bay Area examples for green infrastructure, road improvements, transportation services, and schools	Uniform tax across parcels is regressive	Exemption for low-income households and certain commercial land uses	$19.5	$156.2
Personal Income Tax	Tax on most types of personal income	41 states and the District of Columbia levy a personal income tax	Tax rates could be varied by income bracket making this a progressive mechanism	Exemption for all except the highest income earners	$225.2	$859.1
Business Parking Levy	Tax on off-street, nonresidential parking spaces	Cities in Canada, Australia, and in the UK	Unclear. Tax paid by parking facility owner; but could be passed on to drivers as a "user fee"	None	$141.9	$567.4
VMT Tax	Tax on vehicle miles traveled (VMT)	Pilot programs in Oregon and California	Flat rate per mile for all drivers could be regressive	Exemption for low-income households	$442.5	$885.0

*The state could potentially create a tax credit for lower-income households to reimburse them for the increased sales tax (although this could also have implications statewide, including outside of the Bay Area). No equity adjustment was applied for the purposes of this analysis because it is unclear how this type of tax credit might affect sales tax revenues collected.

Source: Strategic Economics, 2019.

III. NEAR TO MID-TERM SOURCES

Regional Sales Tax

DEFINITION

California law enables cities, counties, and county transportation authorities to establish a transaction and use tax (referred to as a "local sales tax") that is additive to the existing statewide sales tax rate. County transportation authorities commonly use sales taxes to fund transportation projects in California, although they are often scrutinized as being regressive and volatile funding sources.

Under California law, cities and counties must seek voter approval to establish either a general sales tax or special purpose tax.

- **General sales taxes** are used to fund general services and operations as part of the General Fund. They require a two-thirds vote of the local City Councilor Board of Supervisors, and approval by a simple majority (50 percent plus one) of voters.

- **Transportation authority sales taxes** can be imposed by a county transportation authority. They require two-thirds approval by the Board of Supervisors and approval by a two-thirds supermajority of voters.

- **Special purpose taxes** are used to fund a specific, designated activity and require a two-thirds vote of the City Council or Board of Supervisors and approval by a two-thirds supermajority of voters.

Tax rates may be imposed at a minimum rate of 0.125 percent and in 0.125 percent increments. The combined rate of all sales taxes in a jurisdiction may not exceed 10.25 percent without special state legislation (including the 7.25 percent statewide rate).[6]

EXAMPLES

There are district sales taxes in effect in all nine Bay Area Counties and in many cities. In eight of the nine counties (all except Solano), the county transportation authority has established one or more sales taxes to fund transportation projects. Rates typically range from 0.125 to 0.5 percent.[7] In addition, the Bay Area Rapid Transit District (BART) collects a 0.5 percent sales tax in Alameda, Contra Costa, and San Francisco Counties; this tax was authorized by special state legislation in the 1970s.

EQUITY ISSUES & ADJUSTMENTS

Sales taxes are generally considered regressive because lower-income households spend a higher share of their income on taxable goods than high-income households. The introduction of new sales taxes would also place a larger tax burden on households relative to businesses. Most sales tax revenues come from households—the share of California sales taxes paid in 2017 by business inputs

---

[6] For more information, see California Department of Tax and Fee Administration (CDTFA), "Local and District Taxes," https://www.cdtfa.ca.gov/taxes-and-fees/local-and-district-taxes.htm.
[7] CDTFA, "District Taxes, Rates, and Effective Dates," July 2019, https://www.cdtfa.ca.gov/formspubs/cdtfa105.pdf.

was 39 percent.[8] Additionally, while a large share of personal and business goods are exempt from sales tax purchases, households in general have less discretion compared to businesses when paying sales tax. An estimated 13 percent of business inputs are subject to sales tax, while 21 percent of personal goods are subject to sales tax.[9] While states typically do not tax medical, educational, and housing services, other living expenses such as clothing and vehicle costs are not typically exempt. More research is needed to understand to what degree essential costs for households are taxed compared to businesses.

Any effort to mitigate the regressive impact of a sales tax rate increase would have to rely on some type of secondary mechanism, such as a rebate or tax credit. For example, the state could potentially create a tax credit for lower-income households to reimburse them for the increased sales tax (although this could also have implications statewide, including outside of the Bay Area). In addition, there is no direct way to measure the impact such mechanisms would have on low-income taxpayers based on currently available, therefore no equity adjustment was applied in this analysis. However, FASTER is currently exploring how an equity-focused rebate might be implemented with a new sales tax to mitigate impacts on low-income households.

METHODOLOGY & ESTIMATED REVENUES

Potential sales tax revenues were estimated by applying a range of potential tax rates to the total taxable sales in the nine-county region. Methodology, data sources, and estimated revenues are described below and shown in Figures 3 and 4.

- **Taxable sales:** Strategic Economics calculated the total taxable sales in the nine-county Bay Area using the most recent data (2018) available from the California Department of Tax and Fee Administration (CDTFA). Note that under California law, sales taxes are imposed on the retail sale or the use of tangible personal property at the point of sale/use, including internet sales. Services and certain goods (such as prescription medicine and food intended for consumption at home) are tax exempt.

- **Tax rates:** Tax rates were assumed to range from 0.125 percent (low) to 0.5 percent (high) of taxable sales. These rates were intended to be conservative, given that most counties already levy sales taxes for transportation (as well as a variety of other district sales taxes).

- **Estimated revenues:** Based on the assumptions described above, estimated revenues could range from $203 to $812 million a year.

FIGURE 3: SUMMARY OF KEY ASSUMPTIONS

Tax Base	Taxable sales
Equity Adjustment	None
Tax Rates	0.125 – 0.5 percent of taxable sales

---

[8] Phillips and Ibaid, "The Impact of Imposing Sales Taxes on Business Inputs."
[9] Ibid

Total Taxable Sales (Millions, 2018)	$162,399.9
Tax Rates (% of Taxable Sales)	
Low	0.125
High	0.5
Estimated Annual Revenues (Millions)	
Low	$203.0
High	$812.0

Sources: California Department of Tax and Fee Administration, 2018; Strategic Economics, 2019.

ISSUES FOR FURTHER CONSIDERATION

This section briefly discusses preliminary issues related to implementation that were raised during the analysis conducted for this report. Further research would be required to fully explore potential legal constraints and other implementation considerations.

- **Revenue volatility:** Sales tax revenues are often volatile because taxable sales fluctuate significantly with the economic cycle. This volatility has also been problematic when transit agencies are trying to prepare accurate revenue forecasts. Avoiding additional sales taxes and using other sources to increase revenue diversification may help improve stability as it widens the tax base and increases flexibility.[10]

- **Financing:** Revenues from transportation authorities and special purpose sales tax measures may be used to issue bonds and pay debt service.[11] Transportation authorities in California often issue bonds secured by sales tax revenues. However, sales tax bonds are often underwritten using conservative terms (e.g., relatively high interest rates and debt coverage ratios) because of the volatility of this source.

- **Ease of implementation:** Multicounty sales tax measures are unusual in California. Special state legislation would likely be required to establish an entity with the authority to impose and administer a regional transportation sales tax measure, and to exceed the 10.25 percent cap on total sales and use taxes in some parts of the region (See Appendix B, Figure 26). A regional increase to the sales tax rate could limit local jurisdictions' ability to levy additional local taxes, which may raise concerns from cities. Approval by a two-thirds supermajority of voters would also be required. One recent poll suggested that a regional sales tax measure for transportation purposes could meet or exceed this voter approval threshold.[12]

- **Co-benefits with other policy goals:** A regional sales tax for transportation funding would not facilitate other public policy goals. In fact, some cities may see a regional sales tax as working against their needs. Due to Proposition 13, which limits property tax increases, most cities in California rely on sales tax revenues as an important source of general fund revenues. High regional sales tax rates might incentivize consumers to shop outside of the region whenever possible.

---

[10] Whitney B., "Diversification Toward Stability? The Effect of Local Sales Taxes on Own Source Revenue."
[11] A general local sales tax measures cannot be used to issue bonds.
[12] Erin Baldassari, "Bay Area voters: 'Yes we'll pay to fix traffic' but middling support for housing plans," The Mercury News, https://www.mercurynews.com/2019/03/25/bay-area-voters-yes-well-pay-to-fix-traffic-but-not-housing-shortage/.

Corporate Head Tax

DEFINITION

Corporate head taxes are typically paid by private employers based on employee headcount. Several jurisdictions in the Bay Area already charge a corporate head tax, including Oakland, San José, Redwood City, and Mountain View. High-profile examples in Mountain View and Seattle have brought attention to this potential revenue source. Corporate head taxes are considered politically desirable because businesses, rather than individuals or households, are responsible for paying the tax. Taxing businesses seems to resonate well with voters in places like the Bay Area where technology related firms have grown rapidly, putting significant pressure on the region's transportation infrastructure as well as on housing units.

EXAMPLES

Oakland charges a variable corporate head tax based on employee count per business, ranging from $72 to $101 per employee.[13] San José also charges a corporate tax with a base (flat) rate of $200.85 charged to all firms; additional variable charges ranging from $31.80 to $63.65 per employee based on business size; and an annual cap of $159,135 per firm.

In 2018, Mountain View voters approved a head tax (Measure P) that is similar to San José's in structure. Mountain View charges rates according to different tiers based on business size. Companies are charged an initial flat rate according to their tier plus an additional amount for employees above the minimum business size within their tier (see Figure 6). The City estimates that the tax will generate $6 million annually, with proceeds going to support Mountain View's General Fund.[14] Google is the only firm with over 5,000 employees in Mountain View and is expected to contribute half of the total revenues.[15]

The Seattle City Council approved a head tax ordinance in the spring of 2018 that would have levied $275 annually, per employee, on business earning more than $20 million a year. Tax revenues were intended to fund homelessness services. The City reversed the decision less than a month later after opponents (supported by Amazon and other large companies) organized a campaign to put a repeal referendum on the November ballot.[16]

---

[13] The Committee to House the Bay area (CASA), Appendix II, CASA Compact, January 2019.
[14] City of Mountain View, "Information on November 2018 City Revenue Ballot Measure," https://www.mountainview.gov/depts/manager/2018_potential_general_revenue_measures.asp.
[15] Sarwari, "Mountain View's 'Head Tax' Measure Passes; Incumbents Siegel, Showalter Ousted by New Council Members."
[16] Semuels, "How Amazon Helped Kill Seattle a Tax On Business."

FIGURE 5: HEAD TAX EXAMPLES

City	Initial Year	Tax Rate	Fee Description
Pittsburg, PA	1965	$52 per employee	Flat rate per employee
Denver, CO	1969	$117 per employee	Flat rate per employee
Redwood City	2012	$63 (flat rate on business) + $42 per employee	Flat rate on business + additional graduated rate per employee based on business size
Oakland, CA	N/A	$72 to $101 per employee	Graduated rate based on business size
Mountain View, CA	2018	See Figure 6	Flat rate on business + additional graduated rate per employee based on business size
San Jose, CA	1986	$200.85 (flat rate on business) + $31.80 to $63.65 per employee (a)	Flat rate on business + additional graduated rate per employee based on business size
Seattle, WA	2018 (b)	$275 per employee	Flat rate per employee applied to businesses earning more than $20 million annually

(a) The City of San Jose has an annual cap of $159,135 per firm.
(b) Seattle's measure was passed in May 2018 then repealed a month later.
Source: Strategic Economics, 2019.

FIGURE 6: MOUNTAIN VIEW TAX RATES BY BUSINESS SIZE

Number of Employees	Maximum Authorized Business Registration and License Tax
1	$75
2-25	$75 + $5/employee for each employee over 1
26-50	$195 + $10/employee for each employee over 25
51-500	$445 + $75/employee for each employee over 50 employees
501-1,000	$34,195 + $100/employee for each employee over 500 employees
1,001-5,000	$84,195 + $125/employee for each employee over 1,000
5,001 +	$584,195 + $150/employee for each employee over 5,000

Source: Excerpt from Measure P Ballot Analysis, https://www.mountainview.gov/civicax/filebank/blobdload.aspx?BlobID=27115.

EQUITY ISSUES & ADJUSTMENTS

Most head tax rates are structured to vary based on business size. Presumably, this is intended to prevent the tax from creating a disproportional burden on smaller businesses with lower revenues than their larger counterparts. Also, because the cost per employee is proportionally higher for lower wage employees, there have been assertions that head taxes are a disincentive to create or retain lower wage jobs. A further consideration related to a head tax is that because it increases the cost of doing business, it might act as an incentive for firms to move away from places with higher taxes.

Because the businesses that could be most impacted by a corporate head tax are small businesses and businesses in low-wage industries, this analysis incorporates a methodology for estimating potential tax revenues based on factors related to both business size and average wages by industry.

In addition, location was taken into consideration to differentiate between areas in the region with high job concentrations versus places with lower job concentrations. Although this is not a traditional 'equity consideration," this factor was incorporated as a potential opportunity to try and shift businesses and jobs from high job concentration locations to lower job concentration locations to shorten commutes and reduce demand on the regional transportation system.

This analysis tested a range of scenarios, including variations on the following:

- Exempting **small businesses**, defined as businesses with fewer than 20 or 50 employees, depending on the scenario. For reference, Figure 7 shows the distribution of Bay Area establishments by number of employees in the economy overall and in the accommodation and food services industry, since this is an industry that is often discussed as being vulnerable to a head tax.

- Varying tax rates by **industry** based on typical median wages (See Figure 8), with businesses in industries that pay high wages paying a higher per-employee tax rate. The intention is to measure the revenue potential from pushing the tax burden onto high-wage industries which have also been the region's faster growing sectors, while minimizing the impact on industries with low- and mid-range wages job to support long-term economic diversity.

- Varying tax rates by **county**, based on the county ratio of jobs to households (J/H) and jobs to employed residents (see Figure 9). This measure is intended to help incentivize businesses to locate in areas with fewer jobs, in order to improve worker access to jobs throughout the region. Note that the Bay Area counties with the highest J/H ratio are also the counties where average wages are the highest.

FIGURE 7: ESTABLISHMENTS BY SIZE: NINE-COUNTY BAY AREA, 2016
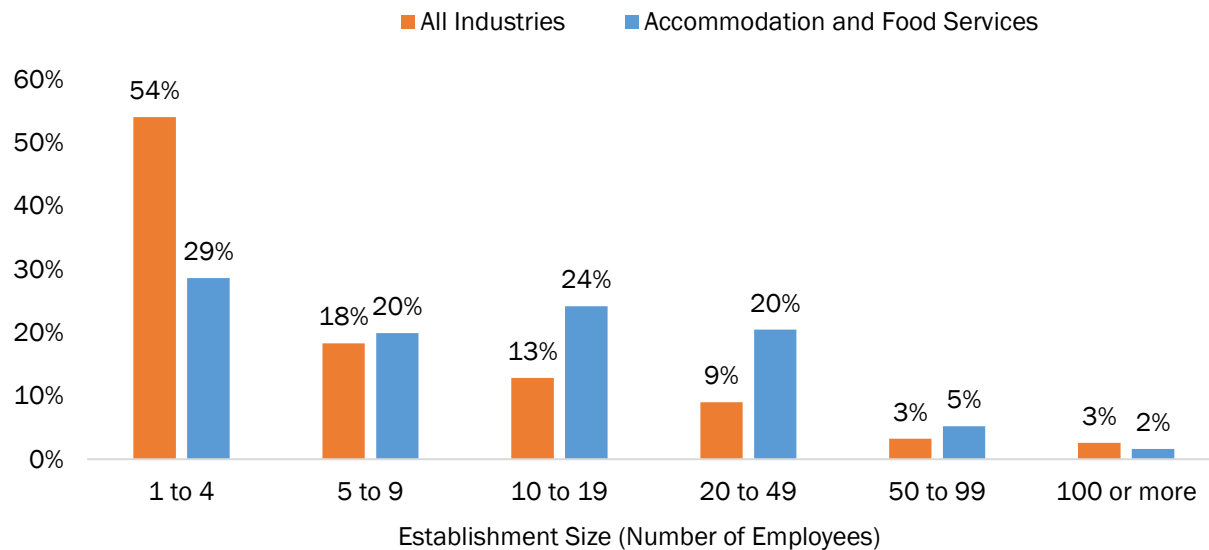
Sources: County Business Patterns, 2016; Strategic Economics, 2019.

FIGURE 8: INDUSTRIES BY TYPICAL WAGE LEVELS

Low-Wage Industries	Medium-Wage Industries	High-Wage Industries
Accommodation & Food Services	Transportation & Warehousing	Information
Agriculture, Forestry, Fishing & Hunting	Health Care & Social Assistance	Finance & Insurance
Retail Trade	Real Estate, Rental & Leasing	Professional, Scientific, & Technical Services
Arts, Entertainment, & Recreation	Wholesale Trade	Management of Companies & Enterprises
Administrative & Waste Services	Educational Services	
Other Services	Construction	
Utilities	Manufacturing	
Unclassified	Mining	
Exempt		
Public Administration/Government Employees		

Sources: California Employment Development Department, Occupational Employment Statistics (OES) Wages and Employment by Occupation and Industry, Q1 2019; Strategic Economics, 2019.

	Jobs	Households	Employed Residents	Jobs: Households Ratio	Jobs: Employed Residents Ratio	Median Hourly Wage (by MSA)*
9-County Region	3,454,722	2,684,352	3,781,124	1.29	0.91	
Counties with High J/H Ratio (Above Regional Average)						
San Mateo	374,251	261,010	395,999	1.43	0.95	$29.80
Santa Clara	1,021,748	626,579	938,545	1.63	1.09	$29.55
San Francisco	627,915	356,797	488,560	1.76	1.29	$29.80
Counties with Low J/H Ratio (Below Regional Average)						
Solano	111,150	145,315	191,173	0.76	0.58	$20.32
Contra Costa	325,864	387,540	521,577	0.84	0.62	$24.15
Sonoma	168,218	189,043	243,985	0.89	0.69	$20.72
Marin	100,530	104,400	130,366	0.96	0.77	N/A
Alameda	662,511	564,293	801,026	1.17	0.83	$24.15
Napa	62,535	49,375	69,893	1.27	0.89	$20.53

*Median hourly wage for workers employed in the MSA. Note that San Francisco-San Mateo, Santa Clara-San Benito, and Alameda-Contra Costa MSAs each include multiple counties. Median wages not available for the Marin MSA.
Sources: American Community Survey, 2016; County Business Patterns, 2016; California Employment Development Department, Occupational Employment Statistics (OES) Wages and Employment by Occupation and Industry, Q1 2019; Strategic Economics, 2019.

METHODOLOGY & ESTIMATED REVENUES

Potential corporate head tax revenues were estimated by applying a range of tax rates to the number of employees in the nine-county region with exemptions. Methodology, data sources, and estimated revenues are described below and shown in Figure 10-12.

- **Private Employees:** The number of private (non-governmental) employees in low and high J/H counties was estimated using data from the U.S. Census' County Business Patterns (CBP) data set (2016). CBP provides economic data by industry, establishment size, and geographic area (including county and zip code).[17] Note that due to data constraints, non-profit employment was not included.

- **Tax rate structures:** Three tax rate structures were tested (Figure 10):

    o **Flat rates** – rates vary by county (low v. high J/H counties) but do not vary by industry.

    o **Graduated rates** – rates vary by county and typical industry wage level.

---

[17] CBP excludes most establishments reporting government employees. See https://www.census.gov/programs-surveys/cbp.html for more information.

o **Tax on high wage industries only** – rates vary by county, but only high-wage industries are subject to the tax (see Figure 8) for a list of industries by wage categories).

Flat and graduated rates were set to generally reflect twice the typical median hourly wage across counties and industries. Rates were initially tested at a rate approximately equal to one of the median hourly wage per industry group (low, medium, or high wage) but the rates were increased to more closely resemble the rates already adopted in several cities today (Figure 5). Although the rates used in this analysis are still somewhat lower than those currently used in other cities, this conservative approach is intended to reflect tax rates that could be more palatable to voters and businesses spanning a diverse industry mix across the entire Bay Area region. The tax rate for the High Wage Industries Only scenario was set to generate about the same projected amount as the flat rate and graduated rate scenarios that do not except small businesses, around $200 million.

- **Exemptions:** Three scenarios were tested:

    o **Scenario 1** exempts businesses with fewer than 20 employees from paying the tax.

    o **Scenario 2** exempts businesses with fewer than 50 employees from paying the tax.

    o **Scenario 3** does not exempt small businesses and is shown for comparison.

    Figure 11 shows the number of employees that would be subject to the tax in each scenario.

- **Estimated revenues:** Figure 12 summarizes the estimated revenues, which range from about $103 to $203 million a year, depending on the scenario and tax rate structure.

FIGURE 10: TAX RATE ASSUMPTIONS (ANNUAL TAX PER EMPLOYEE)

Industry Wage Level	Flat Rates (Does Not Vary by Industry)		Graduated Rates (Varying by Industry)		Tax on High Wage Industries Only	
	Low J/H Counties	High J/H Counties	Low J/H Counties	High J/H Counties	Low J/H Counties	High J/H Counties
Low-Wage Industries	$40	$60	$30	$40	$0	$0
Medium-Wage Industries	$40	$60	$50	$60	$0	$0
High-Wage Industries	$40	$60	$70	$100	$180	$220

Source: Strategic Economics, 2019.

FIGURE 11: CALCULATION OF ANNUAL HEAD TAX REVENUES BY SCENARIO

	Estimated Employment Subject to Tax			Annual Revenues (Millions)		
	Low J/H Counties	High J/H Counties	Total	Flat Rates	Graduated Rates	Tax on High Wage Industries Only*
Scenario 1: Exempt Businesses with Fewer than 20 Employees						
Low Wage Industries	424,665	490,783	915,448	$46.4	$32.4	N/A
Medium Wage Industries	494,794	470,555	965,349	$48.0	$53.0	N/A
High Wage Industries	194,498	547,612	742,110	$40.6	$68.4	N/A
Total	1,113,956	1,508,950	2,622,906	$135.1	$153.7	N/A
Scenario 2: Exempt Businesses with Fewer than 50 Employees						
Low Wage Industries	277,833	340,294	618,127	$31.5	$21.9	N/A
Medium Wage Industries	383,048	375,232	758,280	$37.8	$41.7	N/A
High Wage Industries	150,580	469,780	620,359	$34.2	$57.5	N/A
Total	811,460	1,185,305	1,996,765	$103.6	$121.1	N/A
Scenario 3: Do Not Exempt Small Businesses						
Low Wage Industries	600,888	672,224	1,273,112	$64.4	$44.9	N/A
Medium Wage Industries	672,609	633,605	1,306,214	$64.9	$71.6	N/A
High Wage Industries	282,658	667,061	949,719	$51.3	$86.5	$197.6
Total	1,556,155	1,972,890	3,529,044	$180.6	$203.1	$197.6

*This tax rate was applied only to Scenario 3 (no exemptions for small businesses) to evaluate the implications of only charging high wage firms the tax.

Sources: County Business Patterns, 2016; Strategic Economics, 2019.

	Flat Rates	Graduated Rates	Tax on High Wage Industries Only
Scenario 1: Exempt Businesses with Fewer than 20 Employees	$135.1	$153.7	$155.5
Scenario 2: Exempt Businesses with Fewer than 50 Employees	$103.6	$121.1	$130.5
Scenario 3: Do Not Exempt Small Businesses	$180.6	$203.1	$197.6

Source: Strategic Economics, 2019.

ISSUES FOR FURTHER CONSIDERATION

This section briefly discusses preliminary issues related to implementation that were raised during the analysis conducted for this report. Further research would be required to fully explore potential legal constraints and other implementation considerations.

- **Appropriate tax structure and exemptions:** Additional analysis and polling would be required to determine the appropriate tax rate structure and exemptions. In addition to the variations modeled in this analysis, other potential permutations could include varying rates by city (rather than county) J/H ratio, varying rates based on location within a transit priority area, and/or capping the tax based on a firm's gross receipts.[18]

- **Revenue volatility:** Because a corporate head tax would be tied to employment count, revenues would likely vary significantly with the economic cycle. A tax that only applies to high wage industries is likely to be the most volatile, since the tax base would be relatively small.

- **Financing:** Strategic Economics is not aware of any examples of corporate head tax revenues being used for financing major capital improvements. Additional research is required.

- **Ease of implementation:** State legislation would be needed to establish a regional entity to collect and administer the tax. Voter approval would also be needed to implement the tax. Further consideration of how the tax would be administered is also required. Many individual cities in the Bay Area administer their own business registration systems for the purposes of charging a business license tax. Statewide, all firms register with the California Employment Development Department (EDD) for the purpose of paying employment insurance and other state employment taxes.

- **Co-benefits with other policy goals:** By charging higher rates for counties (or cities) with a higher jobs/housing ratio, a head tax could potentially create an incentive for businesses to locate in areas with fewer jobs. This type of tax structure could also potentially incentivize jurisdictions and firms to support increased housing production in order to be eligible for a lower head tax rate. In turn, the tax could help improve the spatial distribution of jobs in relation to housing, potentially reducing traffic congestion and transit overcrowding. However, further research is required to assess whether a head tax would serve as an effective incentive for businesses to reconsider their relative location within the region. In general, firms in California rarely move, and when they do they typically move to the same type of place (city to city or suburb to suburb).[19] Access to an appropriate workforce appears to be the most important factor in firm

---

[18] Data for modeling these scenarios was not available for this analysis. In general, obtaining accurate, comprehensive, and detailed employment data below the county level is challenging, and there is no data source for business gross receipts at the regional level.
[19] Chapple and Makarewicz, "Restricting New Infrastructure."

location decisions,[20] while monetary incentives have been found to have a limited effect on business decision locations.[21]

Parcel Tax

DEFINITION

A parcel tax is a tax on parcels of land. Under California law, parcel taxes may not be charged on an *ad valorem* basis (i.e., based on the value of property). The uniformity or property taxation provision in the California constitution states that parcel taxes must be assessed at a flat tax rate that is levied on parcels without regard for parcel size or other characteristics. Parcel taxes may be levied by counties, cities, school districts, and special districts (such as or Mello-Roos Community Facilities Districts, or CFDs). Revenues are commonly used for school operations and emergency medical and fire services, but there are a variety of other examples, including, parcel taxes for green infrastructure, road improvements, and transportation services.

In California, parcel taxes are designated as "special taxes," and require two-thirds resident voter approval. While the standard for enacting a parcel tax is high, they are generally well received by voters. About 10 percent of cities and school districts in California have imposed some type of parcel tax, and from 2003 to 2018, about 57 percent of proposed parcel taxes were approved across the state.[22]

EXAMPLES

In the Bay Area, only a few parcel taxes span multiple counties, including several parcel tax measures that include jurisdictions in both Alameda and Contra Costa Counties. The most recent examples include Measure FF and Measure C1. Measure FF applies to the East Bay Regional Park District. In 2018, the measure passed by 86 percent voter approval and charges an annual rate of $12 per parcel. Measure C1 applies to the Alameda Contra Costa Transit District and funds AC Transit operations. The measure passed by 82 percent of voters in 2016 with an annual rate of $96 per parcel and an exemption for vacant parcels.

Measure AA, the Clean Water, Pollution Prevention and Habitat Restoration Measure, approved in 2016, is the only example of a parcel tax that includes all nine Bay Area counties. Measure AA passed with 70 percent voter approval and levies an annual rate of $12 per parcel with no exemptions.

EQUITY ISSUES & ADJUSTMENTS

Most parcel taxes are considered regressive because they apply the same fee to each parcel regardless of property value or size. However, allowing exemptions for certain parcels, such as parcels owned by seniors (those age 65 or older) or those with a disability, is common. The City of Berkeley levies a parcel tax on the square footage of improvements and allows exemptions for parcels owned and occupied by very low-income households. Annual refund programs could also help reduce overall property tax burdens for low-income households.

This analysis only includes an adjustment for low-income homeowner because there is readily available data to do so. If other data regarding land use and property ownership were available, further

---

[20] Chapple and Makarewicz.
[21] For example, see Donegan, Lester, and Lowe, "Striking a Balance."
[22] Sonstelie, "Parcel Taxes as a Local Revenue Source in California"; "Parcel Tax Elections in California."

adjustments could be made to differentially distribute the tax burden across a range of property asset classes i.e., certain kinds of property, like small apartment buildings or industrial uses could be charged different rates than office space. The major issue would be to assign the tax rates based on use, not assessed value.

METHODOLOGY & ESTIMATED REVENUES

A range of annual revenue estimates were calculated according to the methodology described below and shown in Figure 13-14.

- **Taxable parcels:** The total number of taxable parcels in the region was estimated at 2,083,333. This estimate is based on information available from the Measure AA (2016) ballot measure.

- **Exemption for low-income homeowners:** Low-income homeowners (those earning 80 percent or less of the area median household income [AMI]) were assumed to be exempt from tax. The number of low-income homeowners in the Bay Area was estimated using American Community Survey (ACS) data (2017).[23]

- **Tax rates:** A range of rates were tested based on recently passed parcel taxes that span multiple Bay Area counties. The low end of the rage ($12 per parcel annually) is based on Measure AA (2016), and the high end ($96 per parcel annually) is based on Measure C1 (2016).

- **Estimated revenues:** A parcel tax that provides an exemption for low-income households would generate estimated annual revenues of $19.5 to $156.2 million.

FIGURE 13: KEY ASSUMPTIONS SUMMARY

Tax Base	Taxable parcels
Equity Adjustment	Exemption for low-income homeowners
Tax Rates	$12 – $96 per parcel annually

FIGURE 14: ESTIMATE OF POTENTIAL ANNUAL PARCEL TAX REVENUES

	Total	With Exemption
Bay Area Parcels		
Taxable	2,083,333	1,626,959
Exempt (Low-Income Homeowners)	0	456,374
Tax Rates (Per Parcel Annually)		
Low	$12	$12
High	$96	$96
Estimated Annual Revenues (Millions)		
Low	$25.0	$19.5
High	$200.0	$156.2

Sources: American Community Survey, 2017; Strategic Economics 2019.

---

[23] All homeowners earning less than $75,000 (approximately 80 percent of the regional AMI) were assumed to qualify as low-income for the purposes of this analysis.

ISSUES FOR FURTHER CONSIDERATION

This section briefly discusses preliminary issues related to implementation that were raised during the analysis conducted for this report. Further research would be required to fully explore potential legal constraints and other implementation considerations.

- **Uniformity principle:** Multiple state statutes authorize parcel taxes, and at least some of these statutes require that the taxes "apply uniformly to all taxpayers or all real property." Legal advice will be required to determine what tax structures, including exemptions, may be permissible under California law. Eliminating the uniformity clause could allow tax rates to vary based on asset class, i.e., Class A office building could be assessed at a different rate that single family homes, or industrial buildings.

- **Revenue volatility:** Parcel taxes are a stable revenue source because the number of parcels in a jurisdiction does not change significantly over time. However, parcel taxes typically include a sunset date, at which point the tax would terminate.

- **Financing:** A parcel tax can be levied to make debt payments, and there are several examples of this in the Bay Area. For example, community facilities districts (CFDs) sometimes issue bonds for capital improvements backed by a parcel tax.

- **Ease of implementation:** Special state legislation may be required to establish an entity with the authority to impose and administer a regional parcel tax measure. Any new parcel tax would require two-thirds voter approval. Once approved, parcel taxes are relatively easy and less costly to administer compared to other taxes. Each county already maintains a list of parcel owners and distributes an annual property tax bill, to which a parcel tax can be added.

- **Co-benefits with other policy goals**: A regional parcel tax for transportation funding would not aid other regional policy efforts.

Personal Income Tax

DEFINITION

In California, most types of income, including wages and capital gains, are taxed based on a percentage of income. The tax rate, or percentage, varies by income range, or tax bracket. Tax brackets also vary by "filing type," (e.g., married couples have different tax rates than individuals). An additional one percent surcharge is imposed on filers whose income exceeds $1 million per year.[24] In California, income taxes are currently levied only at the state level, and new state legislation would be required to allow local jurisdictions, such as counties, to apply additional income taxes on their residents. In other states, local jurisdictions, including counties, can impose local income taxes. [25]

EXAMPLES

Today, 41 states and the District of Columbia levy a personal income tax. The actual tax rates vary considerably. However, based on the highest tax bracket and including the one percent surcharge, California has the highest income tax rate at 13.3 percent, followed by Hawaii at 11 percent. At the

---

[24] "California Tax Guide."
[25] Walczak, "Local Income Taxes in 2019."

low end of the tax spectrum, Pennsylvania charges a 3.07 percent flat tax (i.e., all taxpayers pay the same rate regardless of income).[26]

California's one percent surcharge applies to those making $1 million or more and is a current example of a personal income tax increase on the highest earners for a specific funding purpose, but at the statewide level. The additional tax, referred to by some as a "millionaire tax," is the result of the 2004 statewide Proposition 63, the Mental Health Services Act (MHS), which provides funding for mental health services.[27] At the county level, in 2016 the Los Angeles County Board of Supervisors voted to pursue new state legislation that would allow them to levy a 0.5 percent increase on incomes of $1 million and more in Los Angeles County to fund housing programs and homeless services. One poll suggested that 76 percent of County residents were in favor of the tax, a rate that was even higher than the support for a 0.5 cent sales tax increase option, which 68 percent of residents supported.[28] But the tax never came to a vote because the state rejected the County's motion, preventing the local income tax initiative from moving forward.[29] 16 other U.S. states permit cities and/or counties to levy some type of income tax, 11 of which allow a local tax on annual incomes (adjusted gross income).[30]

EQUITY ISSUES & ADJUSTMENTS

California's personal income tax is structured progressively so that those earning higher incomes are taxed at a higher percentage than those earning less. Of all the state tax systems, California was ranked the least regressive by one report because of its graduated income tax rates and limited tax breaks for the highest earners.[31]

Since the current California personal income tax is graduated, a uniform increase across all tax brackets would retain this quality. However, a uniform increase itself would be regressive and it would place an increased burden on low-income households. One alternative option is to levy an increase solely on the top income earners, which is the approach taken in this analysis.

METHODOLOGY & ESTIMATED REVENUES

Potential revenues from an increase in personal income tax for Bay Area residents was estimated by applying a range of rates to the taxable incomes of those with the highest incomes.

- **Taxable income:** Income tax rates are levied against a taxpayer's taxable income. Taxable income is gross income that has been adjusted first to subtract out certain specific expenses, such as business or medical costs (gross income minus these allowable expenses is called adjusted gross income [AGI]); then further reduced by subtracting itemized or standardized deductions. In California, the California Franchise Tax Board (FTB) publishes annual AGI statistics broken out by county and income categories but does not provide comparable information for taxable income. However, the FTB publishes taxable income totals for the entire state annually. In comparing total state AGI to total state taxable income in the last five years of available data (2011–2016), the state's total taxable income has been approximately 87 percent of AGI.

---

[26] "States with the Highest and Lowest Taxes."
[27] "Mental Health Services Act (MHSA)."
[28] Tinoco, "L.A. County Is Proposing To Tax Millionaires In Order To End Homelessness."
[29] Sewell, "Gov. Jerry Brown Again Refuses to Declare a State of Emergency on Homelessness."
[30] Walczak, "Local Income Taxes in 2019."
[31] "Who Pays? A Disributional Analysis of The Tax System in All 50 States."

This analysis estimated taxable income for the Bay Area by multiplying AGI by 0.87. This likely produces a more conservative estimate of taxable income when applied to the highest income categories since standard deductions are fixed and itemized deductions are somewhat fixed and therefore likely to have a declining impact on the ratio between AGI and taxable income at higher income levels. Additionally, the most recently available data from FTB is from 2016, and more current data would likely result in higher estimates.

However, the resulting taxable income estimates will also overestimate projections in other ways. FTB does not provide a breakdown of income within each income category at each marginal rate, and therefore this analysis applies a rate increase to the total taxable amount, instead of just the income at the top marginal rate for the income category. Furthermore, the income categories by AGI would likely include more income than would otherwise be accessed at lower income brackets when sorted by taxable income. A final note regarding FTB data is that AGI totals are not broken down by single and joint filing status, and AIG income categories in this analysis include both single and joint filler taxable incomes. This also overestimates revenues since single and joint filers would ideally be subject to different tax rate structures (e.g. joint filers earning less than $500,000 would be exempted while single filers earning less than $300,000 are exempted). Access to taxable income data segmented by marginal tax rates and single and joint filer totals for income categories by county would be needed to create more accurate revenue estimates.

- **Tax rates**: Rates were assumed to range from 0.25 percent (low) and 0.5 percent (high) and are based in part on the 2016 LA County personal income tax increase proposal, which saw favorable polling for a 0.5 percent increase on those earning $1 million or higher. The rates are also intended to be conservative to compensate for the taxable income estimate challenges described above and because the top tax bracket in California is currently the highest in the nation (12.3 percent) and already includes an additional one percent surcharge as result of the MHS. In addition to different rates, flat and graduated tax structures were also tested.

  - **Flat Rates**: a low rate (0.25 percent) and high rate (0.5 percent) were tested as uniformly applied to income categories at and above $300,000.[32]

  - **Graduated Rate**: applies a 0.5 percent rate to those making $1 million or more and a 0.25 percent rate to incomes categories between $300,000 to $1 million or $500,000 to $1 million depending on the scenario.

  - **Estimated revenues**: Estimated revenues were based on three scenarios and are shown in Figure 17. Projections range from $225 million to $859 million a year.

---

[32] This includes single filers and joint filers earning above $300,000.

Tax Base	Taxable Income
Equity Adjustment	Tax only on highest incomes
Tax Rates	0.25 percent – 0.5 percent of income

FIGURE 16: CALCULATION OF ANNUAL PERSONAL INCOME TAX REVENUES

Adjusted Gross Income Category	Taxable Income (Millions)	Annual Revenue Estimates (Millions)	
		Low Rate (0.25%)	High Rate (0.5%)
$300K to $499K	$27,568.3	$68.9	$137.8
$500K to $999K	$54,166.2	$135.4	$270.8
$1M and above	$90,087.7	$225.2	$450.4
Total	**$171,822.3**	**$429.6**	**$859.1**

Note: FTB does not separate single and joint filer AGI totals and therefore this analysis assumes both filing types pay the same rate.
Source: California Franchise Tax Board, 2016; Strategic Economics, 2019.

FIGURE 17: PROJECTED ANNUAL REVENUE BY SCENARIO (MILLIONS)

	Low Flat Rate	High Flat Rate	Graduated Rate*
Scenario 1: Incomes of $1 million and above	$225.2	$450.4	N/A
Scenario 2: Incomes of $500K and above	$360.6	$721.3	$585.9
Scenario 3: Incomes of $300K and above	$429.6	$859.1	$654.8

*The graduated rate applies the high rate (0.5%) to the $1 million and above category and low rate (0.25%) to all other categories.

ISSUES FOR FURTHER CONSIDERATION

This section briefly discusses preliminary issues related to implementation that were raised during the analysis conducted for this report. Further research would be required to fully explore potential legal constraints and other implementation considerations.

- **Revenue volatility:** Personal income taxes are a volatile revenue source since incomes typically fluctuate greatly with market cycles, and a tax leveraged solely on the highest incomes would be especially volatile since top earners typically have highly volatile incomes. A significant share of the incomes for top earners comes from sources like capital gains, dividends, interest, and rent which can vary dramatically year after year. Revenues from the MHS tax levied in 2004 have been volatile, demonstrating the sensitivity of an income tax on high earners to economic trends. Revenues for the program dropped by more than half during the Great Recession, decreasing from 1.5 billion to 0.7 billion from 2007 to 2009.[33]

- **Financing:** Personal income tax revenues collected by a region could theoretically be used for financing major capital improvements.

- **Ease of implementation:** A locally administered personal income tax would require legislative changes at the state and local level. So far, the state has been unwilling to allow local

---

[33] Varner and Young, "Millionaire Migration in California: The Impact of Top Tax Rates."

jurisdictions to levy their own incomes taxes as demonstrated by the dismissal of LA County's proposal in 2016. Should a jurisdiction gain approval from the state, the personal income tax initiative would then need to pass a two-thirds supermajority by resident voters.

- **Co-benefits with other policy goals**: A personal income tax increase for the Bay Area region would not benefit other explicit regional public policies goals, although it would create a form of income redistribution. On the other hand, a personal income tax increase might inspire fears of discouraging wealthy residents from residing in the region. However, this concern may be unfounded. In 2012, the Stanford Center on Poverty and Inequality looked at the impact of California's top tax rate, and specifically at the one percent MHS surcharge, on the migration of millionaires in out of the state. The authors found no evidence that the top tax rates had any effect on migration behavior.[34] However, this looks at the impact of migration at the state level, and the relocation at the regional scale may differ. But the Stanford authors also add that those who earn $1 million or more do not typically earn that amount consistently year after year, and rather may just have a good year or few good years. As earnings in the millions of dollars is unpredictable for most, high income taxes may not have a strong influence on migration behavior.

Business Parking Levy

DEFINITION

A parking levy is typically applied to off-street, nonresidential parking facilities, including surface parking lots and structured parking garages and can be charged based on the number of parking stalls or the surface area of a lot. However, parking area is typically used to reduce instances of tax avoidance. In most examples, the tax is assessed and collected at the city level and paid by private property owners with funds going to help pay for public transportation. A business parking levy can be an effective method not only for collecting revenues, but also for disincentivizing commuting by car, since parking facility owners may pass costs on to car commuters by increasing parking prices. Most cities that implement a parking levy view the tax as a congestion relief strategy. Businesses may also be encouraged to offer greater incentives to employees to not drive in order to reduce demand for parking and reduce the number of owned parking spaces over the long term

EXAMPLES

Cities in Canada, Australia, and the United Kingdom have a parking levy tax in place. Annual rates vary among the different cities (see Figure 18), and these programs often feature different rates for parking facilities located in different areas of a city. For example, a city might charge a lower rate in a local business district and a higher rate in the downtown. The City of Nottingham in the UK charges a flat rate for all locations but provides an exemption for employers with 10 or fewer parking spaces.[35]

---

[34] Varner and Young.
[35] Clayton, "Funding and Financing Inclusive Growth in Cities."

Location	Initial Year	Annual Rate Range Per Stall	
		Low	High
Montreal, Canada	2010	$303	$1,212
Sydney, Australia	1992	$880	$2,490
Melbourne, Australia	2005	$950	$1,340
Nottingham, United Kingdom	2012	N/A	£375

Note: Fees are displayed in the currency of the respective country and are current as of 2016.
Source: Evaluating Seattle Parking Tax Options." Victoria Transport Policy Institute, December 2010.; Clayton, Naomi. "Funding and Financing Inclusive Growth in Cities." Centre for Cities, December 2017.

EQUITY ISSUES & ADJUSTMENTS

Business parking levies are usually paid by parking lot owners, not directly by households or employees. This makes it difficult to evaluate potential disparate impacts on different groups and distribute the tax progressively. Accordingly, no equity adjustments are reflected in the methodology below.

METHODOLOGY & ESTIMATED REVENUES

Revenue estimates for a business parking levy depend on having an accurate understanding of an area's parking supply and creating an inventory of parking is a complex process. Other regions and cities have used intensive methodologies or leveraged exiting data sources to calculate parking supply estimates. The regional transportation agency in the Province of Ontario, Metrolinx, used a geographic information systems (GIS) methodology to create an estimate of 4.1 million non-residential, off-street parking spaces in the Greater Toronto and Hamilton Area.[36] The City of Toronto also used the Metrolinx parking inventory estimate along with data from Toronto Parking Authority to create an estimate for the city.[37] The City of San Francisco has also competed an inventory study by compiling data about parking from various sources including the SFpark Off-Street Parking Census, Costar private commercial real estate database, and public and private garage parking data.[38]

A database of the Bay Area's parking supply does not currently exist, and surveying the region's nonresidential, off-street parking supply would require substantial time and effort. Therefore, for purposes of this analysis, parking supply and revenues were estimated using the methodology described below.

- **Off-street parking spaces:** Strategic Economics estimated the number of privately owned, nonresidential parking spaces by estimating the number of cars used by non-public sector employees to commute to work. Estimates were created using data on where people work and their commute mode from the American Community Survey (2017). Employees that work in educational services, health care, social assistance, public administration, and the armed forces were assumed to be public sector employees and excluded from the model. Additionally,

---

[36] "Big Move Implementation Economics: Revenue Tool Profiles."
[37] "City of Toronto Revenue Options Study: Appendix C."
[38] Schwartz, "San Francisco Parking Supply and Utilization Study."

half of the employees who said they carpooled were excluded, assuming the average carpool size is two people. Finally, the number of off-street parking spaces was estimated based on a study that suggested 75 percent of commuters typically park in a paid or unpaid off-street space.[39]

- **Tax rates**: A range of low and high tax rates were based on the rates considered in a recent parking tax study in Toronto, Canada.[40] Rates were assumed to range from $0.25 (low) to $1.00 (high) per day per stall, or $91 to $365 per stall per year.

- **Estimated revenues**: Annual revenue estimates range from $141 million to $567 million.

Without an actual survey or database of the region's parking supply and due to other data limitations, the total regional parking supply is likely not captured in this methodology. For example, customer parking provided by larger retailers could not be calculated. Therefore, the estimated revenues are conservative. Additionally, this methodology excludes parking spaces owned by a public agency, but whether places such as hospitals and school should also be taxed for their employee parking would depend on further policy analysis.

FIGURE 19: OFF-STREET PARKING ASSUMPTIONS

Total Employees Who Commute by Car	2,946,152
Non-public Sector Employee Who Commute by Car	2,229,929
Public Sector Employee Who Commute by Car	716,223
Carpool Factor	0.5
Percent Off-street Parking	75%

FIGURE 20: KEY ASSUMPTIONS SUMMARY

Tax Base	Off-street parking spaces
Equity Adjustment	None
Tax Rates	$91 – $365 per space

---

[39] "Increase Cost of Parking in the Manhattan Central Business District."
[40] "City of Toronto Revenue Options Study: Appendix C."

	Total	With Exemption
Off-street Parking Spaces		
Taxable	$2,056,963	1,554,543
Exempt (Government Owned)	0	502,420
Daily Tax Rates		
Low	$0.25	$0.25
High	$1.00	$1.00
Annual Tax Rates		
Low	$91	$91
High	$365	$365
Estimated Annual Revenues (Millions)		
Low	$187.7	$141.9
High	$750.8	$567.4

Sources: 2017 American Community Survey; Strategic Economics 2019.

ISSUES FOR FURTHER CONSIDERATION

This section briefly discusses preliminary issues related to implementation that were raised during the analysis conducted for this report. Further research would be required to fully explore potential legal constraints and other implementation considerations.

- **Revenue volatility:** The share of those who commute by car has remained relatively constant in the last few decades, although there was a decrease of about 6 percentage points from 2000 to 2016. This suggests there will continue to be a steady demand for commuter parking, making a parking levy a potentially stable revenue source. However, imposing the tax may lead to an increase in the cost of parking for employees and therefore disincentive commuting by car, potentially lowering tax revenues.

- **Financing:** Tax revenues are often imposed to public transit improvements and infrastructure. Strategic Economics did not find examples of parking levy revenues being used for financing major capital improvements.

- **Ease of implementation:** Special state legislation would likely be required to establish an entity with the authority to impose and administer a regional parking tax. A nonresidential parking levy might be distributed as an added fee to an owner's commercial property tax bill. However, a significant effort would initially be required to audit property owners' parking supply, and future labor and resources would be necessary to manage and update a regional parking inventory database.

- **Co-benefits with other policy goals:** A parking tax could incentivize parking facility owners to transition their properties to more productive, higher intensity uses, such as housing or office. A parking tax may also lead landowners to price unpaid parking or increase the price of paid parking. In turn, a reduced parking supply and increased parking costs could discourage driving and promote other commute modes, aligning with regional policy goals of reducing traffic congestion and greenhouse gas (GHG) emissions. Some cities that have implemented a parking levy observed a decrease in traffic congestion since the tax has been implemented.[41] It should be noted, however, that if the tax does become a disincentive to commute by car and

---

[41] "Evaluating Seattle Parking Tax Options"; Clayton, "Funding and Financing Inclusive Growth in Cities."

few people use business related parking spaces, this could result in reduced revenues, although it is difficult to determine what the magnitude of this decline would be. To keep revenues constant as parking supply reduces over time, the tax level could be increased. Similarly, should a slow transition to autonomous vehicles result in a declining need for parking, this could gradually limit this revenue source.

IV. LONG-TERM SOURCES

Payroll Tax

DEFINITION

A payroll tax is a tax on business payroll costs. While most existing examples of a payroll tax are applied at a flat rate, advocates have suggested a progressively structured payroll tax tied directly to wage levels could be a method to generate revenue from businesses with high wage occupations such as those in the tech industry.

EXAMPLES

Employers and employees split the cost of federal payroll taxes that finance Social Security and Medicare programs. These payroll taxes total 15.3 percent of wages. [42] [43] Many jurisdictions also levy local payroll taxes, including San Francisco, which collects a 0.38 percent flat payroll tax for businesses with annual payroll expense over $300,000. However, San Francisco is planning to phase out their payroll tax in favor of their gross receipts tax.[44]

METHODOLOGICAL CHALLENGES

The State of California Employment Development Department (EDD) provides employment and wage information by occupation and industry at the MSA level upon request. However, the margin of error for this data is so high that this data is not published. It would not be possible to provide a sound revenue estimate for a payroll tax based on this data because it is so imprecise. A progressive payroll tax could also have negative implications for some businesses. For example, a payroll tax could be burdensome for businesses whose employees have lower wages than their occupation and industries' median, upon which the tax would likely be based. Some economists also theorize that progressive payroll taxes might incentivize businesses to cut the number of employees or lower wages.

Gross Receipts Tax

DEFINITION

A gross receipts tax is a tax applied to the total amount of revenues, or "gross receipts," earned by a company through all its income sources, which might include sales, services, interest, or other means. The tax can apply to all businesses or it may target certain industries.

EXAMPLES

In the U.S. there are examples of gross receipts taxes applied at the state, county, and municipal levels. For example, Ohio and New Jersey administer a state-wide gross receipts tax. In California, there is no state gross receipts tax on all businesses, but as of 2010, a gross receipts tax is levied on limited

---

[42] The Social Security payroll tax is 12.4 percent of the total wage, for annual wages up to $132,900. The Medicare payroll tax is 2.9 percent of the total wage, with no wage cap.
[43] Miller, Stephen, "2019 Payroll Taxes Will Hit Higher Incomes," SHRM.org, October, 12, 2018.
[44] Deloitte, "San Francisco Tax Update," December 13, 2018.

liability companies (LLCs). Several California jurisdictions, including San Francisco, administer a gross receipts tax locally. San Francisco's gross receipts tax was implemented after the passage of Proposition E in 2012. The tax is structured with different rates for different business types. Professional and technical services firms typically pay higher rates, while retail and food service businesses often pay lower rates. Additionally, businesses earning less than $1 million in gross receipts are exempted from the tax.

METHODOLOGICAL CHALLENGES

Limited data is the biggest challenge with estimating revenues from a gross receipts tax for the Bay Area. Currently, information about the gross receipts of companies is not publicly accessible. The widely used public data source, The County Business Patterns, only features payroll and employment count information, and private data bases such as Dun and Bradstreet data are prohibitively expensive and may not always have complete or accurate data as the information is self-reported. Should accurate data be made available, creating an estimate for this source would be possible.

Transportation Network Company Tax

DEFINITION

A transportation network company tax is a tax that is typically applied to an automobile ride organized through a transportation network company (TNC) such as Uber or Lyft. As TNCs have become more popular so have TNC taxes as local jurisdictions look to taxing TNC rides to help raise revenues for transit and infrastructure and mitigate traffic congestion.[45]

EXAMPLES

As of July of 2018, seven major cities and 12 states levy some type of TNC fee or tax. Currently, the State of California already levies a fee on TNCs. Companies are required to pay 0.33 percent of their gross revenues, which is collected by the California Public Utilities Commission. Unlike California's fee structure, most other TNC taxes around the country are calculated on a per-trip percentage or a flat rate surcharge for each trip and paid by the TNC rider. Surcharge rates range from $0.20 per trip in Massachusetts to $2.75 per trip in New York City. The percentage of trip rates range from 1 percent in South Carolina and Alabama to 7 percent in Rhode Island.[46]

METHODOLOGICAL CHALLENGES

Calculating a TNC annual tax estimate for the Bay Area would require data on TNC ridership for the region. Obtaining data about TNCs across the Bay Area appears to be an intensive process that would be infeasible for this project. Furthermore, Uber and Lyft have historically been disinclined to share data.[47]

---

[45] Kim and Puentes, "Taxing New Mobility Services: What's Right? What's Next?"
[46] Kim and Puentes.
[47] Marshall, "Dying to Know Uber's Secrets, Data-Hungry Cities Get Creative."

Vehicle Miles Traveled Tax

DEFINITION

A tax on vehicle miles traveled (VMT) has been proposed at the state and national level as a possible alternative or complement to the gas tax for raising transportation funds. A VMT tax levies a fee per mile driven in an automobile, which may be a few cents.

EXAMPLES

Currently, there are no U.S. examples of a VMT tax for all drivers in a jurisdiction. However, Oregon became the first U.S. state to pilot the use of a VMT tax. In 2013, the Oregon Department of Transportation (ODOT) launched a small program, OReGO, which attracted around 1,300 volunteers and charged a tax of 1.5 cents per mile.[48] The California Department of Transportation (Caltrans) also conducted a small pilot VMT tax program from 2016 to 2017. The program included 5,000 volunteers and charged 1.8 cents per mile.[49] Both Oregon and California's pilot programs applied the VMT tax in-lieu of state gas tax fees.

In the Bay Area, both the Plan Bay Area 2013 and 2040 EIR documents explore the possibly of levying a VMT tax in addition to the existing gas tax. The Plan Bay Area 2013 assumes a charge of 1 cent per mile with an exemption for low-income drivers. The Play Bay Area 2040 used a 2 cent per mile fee charged only on drivers earning above the regional median household income.

EQUITY ISSUES & ADJUSTMENTS

A VMT tax is considered fair from the perspective that all road users are required to pay. However, a flat rate per mile for all drivers could be regressive if low-income households spend a higher share of their income on the tax, and/or if low-income households have to drive longer distances to find affordable housing. This may be a particularly true in the Bay Area, where low-income households burdened by high housing costs may be more likely to live further from their work and may commute longer distances.[50] Therefore, this analysis includes a tax exemption or lower rate for low-income households to help address disproportionate impacts.

METHODOLOGY & ESTIMATED REVENUES

This section provides an annual revenue estimate for a VMT tax, which would be levied in addition to the existing gas tax. Estimates were calculated using the methodology described below.

- **Regional VMT:** A total daily VMT estimate for the nine-county Bay Area is available from Caltrans. The most recent available data is from 2017.[51]

- **VMT generated by low-income households:** Households earning less than $75,000, which is approximately 80 percent of the regional AMI, were defined as low-income in this analysis. The total annual share of VMT was divided among household income categories to more accurately attribute the number of VMT driven by low-income households. The share attributed to each

---

[48] "Oregon's Road Usage Charge."
[49] "California Road Charge Pilot Program."
[50] Veklerov, "Bay Area Housing Prices Push Low-Income Minorities Farther out, Study Finds."
[51] "California Public Road Data 2017."

household income level was estimated based on findings from a study that used California Household Travel Survey data to determine daily VMT rates by household income level.[52]

- **Tax rates:** A range of rates from 1 cent (low) to 2 cents (high) per mile were assumed, based on the rates used in the scenarios tested in Plan Bay Area 2013 and 2040 EIR documents.

- **Estimated revenues:** Annual revenue estimates for a VMT tax on households above the low-income threshold would generate between $443 to $885 million.

FIGURE 22: REGIONAL VMT BY HOUSEHOLD INCOME LEVEL

	Households	Daily VMT per Household	Estimated Share of Regional VMT	Annual VMT
Extremely low income	370,385	20.3	7.5%	4.7 billion
Very low income	315,498	24.5	7.7%	4.9 billion
Low income	439,965	33.1	14.6%	9.2 billion
Moderate income	314,062	37.6	11.8%	7.4 billion
Middle income	484,777	43.7	21.2%	13.3 billion
High income	776,299	48	37.2%	23.5 billion
Total	**2,700,986**			**63.0 billion**

Source: Caltrans, 2017; American Community Survey, 2017; Strategic Economics, 2019.

FIGURE 23: KEY ASSUMPTIONS SUMMARY

Tax Base	Miles driven
Equity Adjustment	Exemption for low-income households
Tax Rates	$0.01 – $0.02 per mile

FIGURE 24: ESTIMATE OF POTENTIAL VMT TAX REVENUES

	Total	With Exemption
Households		
Taxable	2,700,986	1,575,138
Exempt (Low-income Households)	0	1,125,848
Annual VMT (Billions)		
Taxable	63.0	44.2
Exempt	0	18.8
Tax Rates		
Low	$0.01	$0.01
High	$0.02	$0.02
Estimated Annual Revenues (Millions)		
Low	$630.2	$442.5
High	$1,260.5	$885.0

Source: Caltrans, 2017; American Community Survey, 2017; Strategic Economics, 2019.

---

[52] Newmark and Haas, "Income, Location Efficiency, and VMT: Affordable Housing as a Climate Strategy."

ISSUES FOR FURTHER CONSIDERATION

This section briefly discusses preliminary issues related to implementation that were raised during the analysis conducted for this report. Further research would be required to fully explore potential legal constraints and other implementation considerations.

- **Revenue volatility:** Estimates of the region's total VMT since 2001 show that VMT per capita has remained stable while total VMT has increased slightly with population growth.[53] This suggests that a tax tied directly to VMT in the Bay Area would generate a steady revenue source. However, the VMT tax is an additional cost on driving and it may reduce VMT over time, leading to lower tax revenues. Further research on the elasticity of driving demand would be needed to develop a more refined revenue estimate.

- **Financing:** Since a VMT tax is expected to generate stable revenues, this source could potentially be used to secure bond issuances. However, there are no examples upon which to base this conclusion.

- **Ease of implementation:** The Oregon and California pilot programs both found that the biggest challenge of administering a VMT tax is collecting mileage information from drivers. Both Oregon and California's pilots were voluntary programs that provided participates with the option of using a self-installed mileage recording device or self-reporting odometer readings. Issues with this method have included vehicle compatibility problems and general technical malfunctions. Self-installed transponders issued in a mandatory program would also be susceptible to removal and tampering. The use of a vehicles' internal computer system for tracking mileage, or telematics, may be a collection option that removes the need for a separate device, however this technology is currently only installed in certain newer vehicles. Mandating a mileage tracking device could also face constitutional challenges. A manual method of self-reported odometer readings avoids these challenges but could face issues of honest reporting. Mileage tracking may also raise privacy concerns, which may make it difficult to garner political and public support. Finally, special state legislation would likely be required to establish an entity with the authority to impose and administer a regional VMT tax.[54]

- **Co-benefits with other policy goals:** Increasing the cost to driving private automobiles may reduce VMT and therefore aligns with regional policy goals related to reducing GHG emissions and traffic congestion.

---

[53] "Daily Miles Traveled | Vital Signs."
[54] "Oregon's Road Usage Charge"; "California Road Charge Pilot Program."

V. SOURCES FOR FURTHER CONSIDERATION

Land Value Return Tax

DEFINITION

A land value tax is a tax that is charged solely on a property's land value (improvements to a parcel such as a house are not included or could be included but assessed separately). Land value tax proponents argue that land values increase in response to market demand for a specific location or type of location. Numerous empirical studies have shown that both residential and commercial real estate markets value locations with high quality locations, as reflected in price premiums that vary based on proximity to the transit and real estate product types. Moreover, this increase in value should accrue to the land, rather than the improvements because the land premium is associated with a location, not a building type or land use. Therefore, a land value tax would be imposed on all land near transit. This contrasts with more typical value capture mechanisms where new taxes are imposed or collected based on the value of any new development that gets built near the transit, not the value of the location. A land value return tax would be imposed on all land, not just new development. This approach would provide a much larger return to the public sector in exchange for the transit investment and it would incentivize landowners to increase the development intensity on their land, since they are being taxed on the increase in land, not the increase in development.

EXAMPLES

Pennsylvania allows local jurisdictions to tax land and improvements at different rates, and many cities have successfully implemented a land value tax. Land value taxes in Pennsylvania are often charged at higher rates than on improvements, and this is thought to discourage land speculation and encourage high-value real estate development.

METHODOLOGICAL CHALLENGES

There are several challenges for estimating land values for the Bay Area. While counties collect property value information, this data often does not reflect current values as properties are not assessed on a regular basis in California. Additionally, county accessor data does not separate the value of land from improvements made on the land. Therefore, it would not be possible to collect land value information for every parcel in the Bay Area.

CEO Tax

DEFINITION

A CEO tax is levied on companies that have a high ratio of CEO compensation to the median pay for all other employees. Recently, the U.S. Securities and Exchange Commission (SEC) began mandating public companies to provide information on the ratio of CEO to median worker pay.

EXAMPLES

In 2018, Portland, Oregon, became the first city to enact a CEO tax. Companies that do business in Portland and have a CEO that makes 100 to 250 times more than the median employee are required to pay a 10 percent surtax on top of their other local tax commitments. Companies with a ratio greater than 250 must pay a 25 percent surtax.[55] The City of San Francisco is also considering a CEO tax similar to Portland's.[56]

METHODOLOGICAL CHALLENGES

Calculating an estimate of revenues from a CEO tax for the Bay Area would require a list of CEO to median worker pay ratios for every public company (headquarters and subsidiaries) that does business in the Bay Area. While the SEC now requires public companies to disclose information on their CEO to median worker pay ratio, this data is not currently complied for any specific location such as the Bay Area. Collecting this data for all the public companies in the region would be very labor intensive and is outside the scope of this analysis.

---

[55] Rogoway, "CEO vs. Workers."
[56] Schleifer, "How a New Silicon Valley Tax Could Set a Trend for Combating Income Inequality."

APPENDIX A

Member	Organization
Bob Allen	Urban Habitat
Ian Griffiths	Seamless Bay Area
Derecka Mehrens	Working Partnerships USA
Vikrant Sood	Metropolitan Transportation Commission

Additional Contributions from Peter Straus, SF Transit Riders.

APPENDIX B

FIGURE 26: TOTAL SALES TAX RATES: BAY AREA CITIES AND UNINCORPORATED COMMUNITIES, JULY 2019.

City	Rate	County	City	Rate	County
Alameda*	9.750%	Alameda	East Palo Alto*	9.750%	San Mateo
Albany*	9.750%	Alameda	Emerald Hills (Redwood City*)	9.750%	San Mateo
Hayward*	9.750%	Alameda	Redwood City*	9.750%	San Mateo
Naval Air Station (Alameda*)	9.750%	Alameda	South San Francisco*	9.750%	San Mateo
Newark*	9.750%	Alameda	Burlingame*	9.500%	San Mateo
San Leandro*	9.750%	Alameda	Hillsdale (San Mateo*)	9.500%	San Mateo
South Shore (Alameda*)	9.750%	Alameda	San Mateo*	9.500%	San Mateo
Union City*	9.750%	Alameda	Atherton*	9.250%	San Mateo
Army Terminal	9.250%	Alameda	Brisbane*	9.250%	San Mateo
Ashland	9.250%	Alameda	Colma*	9.250%	San Mateo
Berkeley*	9.250%	Alameda	Daly City*	9.250%	San Mateo
Bradford	9.250%	Alameda	El Granada	9.250%	San Mateo
Castro Valley	9.250%	Alameda	Foster City*	9.250%	San Mateo
Cresta Blanca	9.250%	Alameda	Half Moon Bay*	9.250%	San Mateo
Dublin*	9.250%	Alameda	Hillsborough*	9.250%	San Mateo
Elmwood	9.250%	Alameda	La Honda	9.250%	San Mateo
Emeryville*	9.250%	Alameda	Ladera	9.250%	San Mateo
Fremont*	9.250%	Alameda	Loma Mar	9.250%	San Mateo
Government Island	9.250%	Alameda	Marsh Manor	9.250%	San Mateo
Heyer	9.250%	Alameda	Menlo Park*	9.250%	San Mateo
Landscape	9.250%	Alameda	Millbrae*	9.250%	San Mateo
Livermore*	9.250%	Alameda	Montara	9.250%	San Mateo
Naval Hospital (Oakland*)	9.250%	Alameda	Moss Beach	9.250%	San Mateo
Naval Supply Center (Oakland*)	9.250%	Alameda	Pacifica*	9.250%	San Mateo
Oakland*	9.250%	Alameda	Pescadero	9.250%	San Mateo
Piedmont*	9.250%	Alameda	Portola Valley*	9.250%	San Mateo
Pleasanton*	9.250%	Alameda	San Bruno*	9.250%	San Mateo
San Lorenzo	9.250%	Alameda	San Carlos*	9.250%	San Mateo
Sunol	9.250%	Alameda	San Gregorio	9.250%	San Mateo
Warm Springs (Fremont*)	9.250%	Alameda	Woodside*	9.250%	San Mateo
El Cerrito*	9.750%	Contra Costa	Alviso (San Jose*)	9.250%	Santa Clara
Antioch*	9.250%	Contra Costa	Campbell*	9.250%	Santa Clara
Martinez*	9.250%	Contra Costa	San Jose*	9.250%	Santa Clara
Moraga*	9.250%	Contra Costa	Los Gatos*	9.125%	Santa Clara
Pinole*	9.250%	Contra Costa	Almaden Valley	9.000%	Santa Clara
Rheem Valley (Moraga*)	9.250%	Contra Costa	Blossom Hill	9.000%	Santa Clara
Richmond*	9.250%	Contra Costa	Blossom Valley	9.000%	Santa Clara
Concord*	8.750%	Contra Costa	Cambrian Park	9.000%	Santa Clara
Hercules*	8.750%	Contra Costa	Coyote	9.000%	Santa Clara
Orinda*	8.750%	Contra Costa	Cupertino*	9.000%	Santa Clara
Pittsburg*	8.750%	Contra Costa	Gilroy*	9.000%	Santa Clara
Pleasant Hill*	8.750%	Contra Costa	Holy City	9.000%	Santa Clara
San Pablo*	8.750%	Contra Costa	Lorre Estates	9.000%	Santa Clara

Alamo	8.250%	Contra Costa	Los Altos Hills*	9.000%	Santa Clara
Bay Point (formally West Pittsburg)	8.250%	Contra Costa	Los Altos*	9.000%	Santa Clara
Bethel Island	8.250%	Contra Costa	Milpitas*	9.000%	Santa Clara
Black Hawk	8.250%	Contra Costa	Moffett Field	9.000%	Santa Clara
Brentwood*	8.250%	Contra Costa	Monta Vista	9.000%	Santa Clara
Byron	8.250%	Contra Costa	Monte Sereno*	9.000%	Santa Clara
Canyon	8.250%	Contra Costa	Morgan Hill*	9.000%	Santa Clara
Clayton*	8.250%	Contra Costa	Mount Hamilton	9.000%	Santa Clara
Crockett	8.250%	Contra Costa	Mountain View*	9.000%	Santa Clara
Danville*	8.250%	Contra Costa	New Almaden	9.000%	Santa Clara
Diablo	8.250%	Contra Costa	Palo Alto*	9.000%	Santa Clara
Discovery Bay	8.250%	Contra Costa	Permanente	9.000%	Santa Clara
Dollar Ranch	8.250%	Contra Costa	Redwood Estates	9.000%	Santa Clara
El Sobrante	8.250%	Contra Costa	San Martin	9.000%	Santa Clara
Fairmount	8.250%	Contra Costa	San Tomas	9.000%	Santa Clara
Kensington	8.250%	Contra Costa	Santa Clara*	9.000%	Santa Clara
Knightsen	8.250%	Contra Costa	Saratoga*	9.000%	Santa Clara
Lafayette*	8.250%	Contra Costa	Stanford	9.000%	Santa Clara
Mira Vista	8.250%	Contra Costa	Sunnyvale*	9.000%	Santa Clara
Oakley*	8.250%	Contra Costa	Valley Fair	9.000%	Santa Clara
Pacheco	8.250%	Contra Costa	Benicia*	8.375%	Solano
Port Costa	8.250%	Contra Costa	Suisun City*	8.375%	Solano
Rodeo	8.250%	Contra Costa	Fairfield*	8.375%	Solano
San Ramon*	8.250%	Contra Costa	Mare Island (Vallejo*)	8.375%	Solano
Selby	8.250%	Contra Costa	Travis A.F.B. (Fairfield*)	8.375%	Solano
Shore Acres	8.250%	Contra Costa	Vallejo*	8.375%	Solano
Walnut Creek*	8.250%	Contra Costa	Rio Vista*	8.125%	Solano
Corte Madera*	9.000%	Marin	Vacaville*	8.125%	Solano
Fairfax*	9.000%	Marin	Birds Landing	7.375%	Solano
Greenbrae (Larkspur*)	9.000%	Marin	Dairy Farm	7.375%	Solano
Larkspur*	9.000%	Marin	Dixon*	7.375%	Solano
San Rafael*	9.000%	Marin	Elmira	7.375%	Solano
San Anselmo*	8.750%	Marin	Larwin Plaza	7.375%	Solano
Sausalito*	8.750%	Marin	Liberty Farms	7.375%	Solano
Hamilton A.F.B. (Novato*)	8.500%	Marin	Cotati*	9.250%	Sonoma
Ignacio (Novato*)	8.500%	Marin	Santa Rosa*	9.000%	Sonoma
Novato*	8.500%	Marin	Sebastopol*	9.000%	Sonoma
Belvedere*	8.250%	Marin	Healdsburg*	8.750%	Sonoma
Bolinas	8.250%	Marin	Rohnert Park*	8.750%	Sonoma
Dillon Beach	8.250%	Marin	Sonoma*	8.750%	Sonoma
Dogtown	8.250%	Marin	Agua Caliente	8.250%	Sonoma
Fallon	8.250%	Marin	Annapolis	8.250%	Sonoma
Forest Knolls	8.250%	Marin	Asti	8.250%	Sonoma
Inverness	8.250%	Marin	Bodega	8.250%	Sonoma
Kentfield	8.250%	Marin	Bodega Bay	8.250%	Sonoma
Lagunitas	8.250%	Marin	Boyes Hot Springs	8.250%	Sonoma
Marin City	8.250%	Marin	Camp Meeker	8.250%	Sonoma
Marshall	8.250%	Marin	Cazadero	8.250%	Sonoma
Mill Valley*	8.250%	Marin	Cloverdale*	8.250%	Sonoma
Nicasio	8.250%	Marin	Duncans Mills	8.250%	Sonoma

Olema	8.250%	Marin	El Verano	8.250%	Sonoma
Point Reyes Station	8.250%	Marin	Eldridge	8.250%	Sonoma
Ross*	8.250%	Marin	Forestville	8.250%	Sonoma
San Geronimo	8.250%	Marin	Freestone	8.250%	Sonoma
San Quentin	8.250%	Marin	Fulton	8.250%	Sonoma
Stinson Beach	8.250%	Marin	Geyserville	8.250%	Sonoma
Tamal (San Quentin)	8.250%	Marin	Glen Ellen	8.250%	Sonoma
Tiburon*	8.250%	Marin	Graton	8.250%	Sonoma
Tomales	8.250%	Marin	Guerneville	8.250%	Sonoma
Woodacre	8.250%	Marin	Jenner	8.250%	Sonoma
Saint Helena*	8.250%	Napa	Kenwood	8.250%	Sonoma
St. Helena*	8.250%	Napa	Korbel	8.250%	Sonoma
American Canyon*	7.750%	Napa	Larkfield	8.250%	Sonoma
Angwin	7.750%	Napa	Monte Rio	8.250%	Sonoma
Calistoga*	7.750%	Napa	Occidental	8.250%	Sonoma
Deer Park	7.750%	Napa	Penngrove	8.250%	Sonoma
Imola (Napa*)	7.750%	Napa	Petaluma*	8.250%	Sonoma
Napa*	7.750%	Napa	Rio Nido	8.250%	Sonoma
Oakville	7.750%	Napa	Roseland	8.250%	Sonoma
Pope Valley	7.750%	Napa	Sea Ranch	8.250%	Sonoma
Rutherford	7.750%	Napa	Stewarts Point	8.250%	Sonoma
Spanish Flat	7.750%	Napa	Two Rock Coast Guard Station	8.250%	Sonoma
Steele Park	7.750%	Napa	Valley Ford	8.250%	Sonoma
Yountville*	7.750%	Napa	Villa Grande	8.250%	Sonoma
Presidio (San Francisco*)	8.500%	San Francisco	Vineburg	8.250%	Sonoma
San Francisco*	8.500%	San Francisco	Windsor*	8.250%	Sonoma
Belmont*	9.750%	San Mateo			

*Indicates incorporated city or incorporated town, effective July 1, 2019
Source: California Department of Tax and Fee Administration, 2019

REFERENCES

"Big Move Implementation Economics: Revenue Tool Profiles." Metrolinx, March 2013. http://www.metrolinx.com/en/regionalplanning/funding/IS_Appendix_A_EN.pdf.

"California Public Road Data 2017." California Department of Transportation, November 2018.

"California Road Charge Pilot Program." Caltrans, 2017.

Community Tax. "California Tax Guide," 2018. https://www.communitytax.com/state-taxes/california-taxes/.

Chapple, Karen, and Carrie Makarewicz. "Restricting New Infrastructure: Bad for Business in California?," 2010. http://escholarship.org/uc/item/5rx2z17b.pdf.

"City of Toronto Revenue Options Study: Appendix C." City of Toronto, June 2016.

Clayton, Naomi. "Funding and Financing Inclusive Growth in Cities." Centre for Cities, December 2017. https://www.centreforcities.org/reader/funding-financing-inclusive-growth-cities/reviewing-funding-finance-options-available-city-combined-authorities/1-nottingham-workplace-parking-levy/.

"Daily Miles Traveled | Vital Signs," September 2017. http://www.vitalsigns.mtc.ca.gov/daily-miles-traveled#chart-1.

Donegan, Mary, T. William Lester, and Nichola Lowe. "Striking a Balance: A National Assessment of Economic Development Incentives." W.E. Upjohn Institute, August 1, 2018. https://doi.org/10.17848/wp18-291.

"Evaluating Seattle Parking Tax Options." Victoria Transport Policy Institute, December 2010.

"Increase Cost of Parking in the Manhattan Central Business District." Cambridge Systematics, December 10, 2007. https://www.dot.ny.gov/programs/repository/Tech%20Memo%20on_Parking.pdf.

Kim, So Jung, and Robert Puentes. "Taxing New Mobility Services: What's Right? What's Next?" Eno Center for Transportation, 2018.

Marshall, Aarian. "Dying to Know Uber's Secrets, Data-Hungry Cities Get Creative." *Wired*, March 8, 2018. https://www.wired.com/story/uber-lyft-data-research-driver-pay/.

Mental Health Services Act. "Mental Health Services Act (MHSA)," 2019. https://www.dhcs.ca.gov/services/MH/Pages/MH_Prop63.aspx.

Newmark, Gregory, and Peter Haas. "Income, Location Efficiency, and VMT: Affordable Housing as a Climate Strategy." Center for Neighborhood Technology, December 16, 2015.

"Oregon's Road Usage Charge." Oregon Department of Transportation, April 2017.

Ballotpedia. "Parcel Tax Elections in California," 2018. https://ballotpedia.org/Parcel_tax_elections_in_California.

Phillips, Andrew, and Muath Ibaid. "The Impact of Imposing Sales Taxes on Business Inputs." Ernst & Young LLP, May 2019.

Rogoway, Mike. "CEO vs. Workers: Here's How Pay at Major Oregon Employers Compares." oregonlive.com, May 18, 2018. https://www.oregonlive.com/business/2018/05/ceo_vs_workers_heres_how_pay_a.html.

Sarwari, Khalida. "Mountain View's 'Head Tax' Measure Passes; Incumbents Siegel, Showalter Ousted by New Council Members." *The Mercury News* (blog), November 7, 2018. https://www.mercurynews.com/2018/11/06/mountain-views-head-tax-measure-appears-headed-to-victory/.

Schleifer, Theodore. "How a New Silicon Valley Tax Could Set a Trend for Combating Income Inequality." Vox, July 19, 2019. https://www.vox.com/recode/2019/7/19/20690934/ceo-tax-san-francisco-income-inequality.

Schwartz, Michael. "San Francisco Parking Supply and Utilization Study." San Francisco County Transportation Authority, November 2016.

Semuels, Alana. "How Amazon Helped Kill Seattle a Tax On Business." The Atlantic, June 13, 2018. https://www.theatlantic.com/technology/archive/2018/06/how-amazon-helped-kill-a-seattle-tax-on-business/562736/.

Sewell, Abby. "Gov. Jerry Brown Again Refuses to Declare a State of Emergency on Homelessness." *Los Angeles Times*, June 16, 2016. https://www.latimes.com/local/lanow/la-me-ln-governor-homelessness-emergency-20160616-snap-story.html.

Sonstelie, Jon. "Parcel Taxes as a Local Revenue Source in California." Public Policy Institute of California, April 2015.

"States with the Highest and Lowest Taxes." Intuit TurboTax, 2019. https://turbotax.intuit.com/tax-tips/fun-facts/states-with-the-highest-and-lowest-taxes/L6HPAVqSF.

Tinoco, Matt. "L.A. County Is Proposing To Tax Millionaires In Order To End Homelessness." LAist, June 2, 2016. https://laist.com/2016/06/02/in_order_to_pay_for.php.

Varner, Charles, and Cristobal Young. "Millionaire Migration in California: The Impact of Top Tax Rates." Stanford Center on Poverty and Inequality, 2012.

Veklerov, Kimberly. "Bay Area Housing Prices Push Low-Income Minorities Farther out, Study Finds." *SFChronicle*, February 7, 2019. https://www.sfchronicle.com/bayarea/article/Bay-Area-housing-prices-push-low-income-13596075.php.

Walczak, Jared. "Local Income Taxes in 2019." Tax Foundation, July 30, 2019. https://taxfoundation.org/local-income-taxes-2019/.

Whitney B., Afonso. "Diversification Toward Stability? The Effect of Local Sales Taxes on Own Source Revenue." *Journal of Public Budgeting, Accounting & Financial Management* 25, no. 4 (2013): 649–74.

"Who Pays? A Distributional Analysis of The Tax System in All 50 States." Sixth Edition. Institute on Taxation and Economic Policy, October 2018.

Operations Funding for a World-Class Transit System

A new report from Seamless Bay Area and Voices for Public Transportation

September 2020

Table of Contents

Introduction

How much transit service should be provided in the nine-county Bay Area? This research project attempts to answer that question.

Historically, the amount of service provided in the Bay Area has been based on the amount of resources available, and not necessarily on need or demand. In addition, today's transit environment has been further complicated by the COVID crisis. Battered by historically low revenues and ridership, Bay Area transit agencies have sharply curtailed service across the region, creating mobility and accessibility challenges for essential and low-income workers dependent on transit, and making it more difficult address climate change and its effects in California.

Answering the question of how much transit service that should be provided across the Bay Area can help inform decision making about the short- and long-term future of transit service in the region. This research attempts to quantify the amount of transit service that should be provided in the Bay Area in order to restore and grow transit ridership, to provide robust service in line with that provided by peer metropolitan areas around the world, and to achieve our region's long-range environmental goals.

Two methodologies have been used to develop benchmarks for service levels. One Method focuses on per capita revenue hours.[1] Past research has shown a correlation between per capita revenue hours and ridership. The other Method develops a set of principles and standards to determine where existing transit service (pre-COVID) fails to meet that standard.

Method 1

Three different approaches are used to develop benchmarks for per capita revenue hours:

- 1A: Intra Bay Area Comparison

- 1B: Comparison of Bay Area Service Levels to other Regions

- 1C: Density Categories (using best Bay Area + North American performers)

Methods 1A and 1C focus exclusively on the Bay Area transit systems providing bus service. Method 1B focuses on the aggregate of Bay Area transit service including regional rail and ferry services. For 1A and 1C, three other metropolitan regions are used – Toronto, Washington DC, and Seattle; while for 1B the six largest Canadian metro areas are used.

The reason these three regions were selected for Methods 1A and 1C:

---

[1] A revenue hour is any time a transit vehicle (bus, train or ferry) is scheduled and available to pick up customers. It also includes the breaks between trips. It does not include times the vehicle is unavailable to carry customers while moving between the operations base and the first or last trip or between routes.

- Canadian systems tend to have higher per capita ridership than US counterparts despite cultural, urban form and economic similarities to the US. Toronto was selected because, unlike other large Canadian metropolitan areas where the primary transit provider serves both the inner city and lower density suburbs, Toronto has multiple transit providers serving the region – and therefore is more analogous with the Bay Area.
- Washington DC was selected for the same reason Toronto was selected. It has multiple suburban providers whereas other large US metros have a single dominant system (e.g. Boston, Philadelphia) or a single suburban provider (e.g. Chicago)
- There has been significant investment in increased service in Seattle both within the city and the surrounding suburban systems, and has been experiencing ridership growth while other metro areas have been losing ridership.

The reason six Canadian metro areas are used for Method 1B is that the only US metro area with higher per capita revenue hours or per capita ridership is New York, and that is skewed by the high level of transit in New York City. Canadian metro areas are more analogous with the Bay Area in terms of density, auto ownership and other economic and social factors.

In the Bay Area, the top five transit agencies that provide bus service in terms of per capita revenue hours are also the top five transit agencies in terms of per capita ridership.[2] To illustrate the correlation between per capita revenue hours and per capita ridership:

Of the 20 Bay Area transit systems that provide local bus service:

- Five have the same rank for per capita revenue hours and per capita ridership.
- Seven have deviation of one between per capita hours and per capita ridership
- Three have a deviation of two between per capita hours and per capita ridership
- Two have a deviation of three between per capita hours and per capita ridership
- Three have a deviation of five or six between per capita hours and per capita ridership

In the other three regions, the correlation of per capita revenue hours to per capita ridership is stronger. For example:

- In Toronto, based on linked trips, six transit systems have the same rank for per capita revenue hours and per capita ridership, while two systems have a deviation of one and one system has a deviation of two. Linked trips is a more accurate way of calculating transit use, however US transit agencies typically report ridership as unlinked trips (each transfer is a separate boarding). Therefore, when using unlinked trips, three transit systems have the same rank, four have a deviation of one and two have a deviation of two.

---

[2] All US data used in this report is from the 2018 Federal Transit Administration National Transit Database, the most recent year in which data is available. Canadian data is from the Canadian Urban Transit Association 2018 "Canadian Conventional Transit Statistics."

- Of the six Canadian metropolitan areas (an aggregate of all transit systems in each region), two transit systems have the same rank for per capita ridership and per capita serve hours and four have a deviation of one.
- In Washington DC, all seven systems have the same rank for per capita revenue hours and per capita ridership.
- In Seattle, three systems have the same rank for per capita revenue hours and per capita ridership and two have deviation of one.

Based on the premise that an increase in per capita revenue hours will generate a comparable increase in ridership, multiple approaches are used below to determine potential options for increasing service throughout the Bay Area.

Method 1A: Intra Bay Area Comparison

Using WestCAT as a benchmark produces more proportional increases in revenue hours for each agency.

This approach raises all Bay Area suburban transit systems to the level of WestCAT, which ranks third in per capita revenue hours and fourth in per capita boardings among all Bay Area bus operators. Its service area is low density and hilly – not as transit conducive as most suburban systems. Applying WestCAT's per capita revenue hours to all other bus systems except Muni and AC Transit results in 5,773,576 additional revenue hours per year, or an increase of 43%. This is higher than the density approach described below and falls in between scenarios 1 and 2 of Method 1B described below.

Method 1B: Macro Region Comparison

Comparing the aggregate performance in six Canadian Metro Areas to the Bay Area, providing a good baseline

When comparing the Bay Area to the six largest metro regions in Canada, the Bay Area ranks 7 in both per capita ridership and per capita revenue hours.

Below is a table which summarizes three scenarios for increasing service in the Bay Area based on per capita revenue hours for Canadian Metropolitan Regions:

Table 1 Comparison of Three Scenarios

Scenario	Per Capita Hours	Net Increase in Revenue hours in Bay Area	Percent Increase	Comments
Scenario 1	1.95	1,568,639	11.6	Comparable to Calgary – the Canadian metro with the lowest per capita revenue hours
Scenario 2	2.71	7,458,639	55	Comparable to Toronto
Scenario 3	3.01	9,783,639	72	Comparable to Montreal – the metro with the highest per capita revenue hours

The above approach does not indicate how to best to allocate additional revenue hours but does provide a benchmark as to the magnitude of service increase that would be appropriate for the Bay Area.

Method 1C: Density Categories

Establishing density categories and assigning transit systems to the category that they belong is not as effective as first thought in determining how to distribute additional revenue hours.

Because land use and densities vary greatly within the Bay Area (as well as any comparable metropolitan region), another approach is to group transit systems by population density.

On the one hand, this approach results in a cumulative increase in revenue hours midway between scenario 1 and 2 of method 1B above. On the other hand, it is flawed as a method of distributing funds. Because transit systems report service area differently, it is difficult to truly compare apples with apples. For large service areas, it is difficult to delineate between denser areas warranting more service and low density areas warranting minimal service. The above table only compares Toronto area systems with Bay Area systems. Although Seattle area systems have high per capita revenue hours, large service areas result in very low densities. For example, the highest density service operator in the Seattle area is Everett Transit at 3,272 persons per square mile. The King County Transit service area, which includes Seattle, has an overall density lower than Rio Vista Transit. To determine levels of service that should be provided in eastern Solano County based on Seattle is absurd. The same is applicable for Washington DC area transit systems.

There are some obvious problems with this approach when assigning service at the transit system level. For example there are no Canadian transit systems with a density between 8,000 and 9,999. Therefore Samtrans – the Bay Area Transit System that falls in this category – appears to be providing an adequate level of service. However this isn't too likely to be true. Conversely, Golden Gate Transit is the only Bay Area system that falls in the 6,000 to 7,999 category, therefore this approach assigns all of the additional revenue hours on this one system, likely considerably more hours than is appropriate

Summary of Method 1

The three approaches above yielded five potential levels of increased transit service in the Bay Area:

Table 2 Comparison of Method 1 Results

Method	Net Increase in Revenue hours	Percent Increase in Revenue hours
Method 1A	5,773,576	43
Method 1B Scenario 1	1,568,639	11.6
Method 1B Scenario 2	7,458,639	55
Method 1B Scenario 3	9,783,639	72
Method 1C	4,935,259	36

These three methodologies lack the nuance of other factors that address the propensity to use transit, and methods 1A and 1C focus exclusively on bus systems excluding increased service for new regional services or increases to existing regional services. They do provide potential baselines for the level of additional transit service that is needed in the Bay Area.

Method 2

A second method of determining the desired level of transit service at the sub regional level – and the amount of additional service needed to implement the Seamless Bay Area vision for regional services – is to develop a set of service standards. These are a combination of principles and also service levels that specific population densities can support based on the Transit Cooperative Research Project (TCRP) Transit Capacity and Quality of Service Manual.

Method 2A: Principles/Standards

This approach is used to determine the amount of additional service that could be allocated individually to each transit provider providing local service in the Bay Area, and separately to determine the revenue hours needed to implement the Seamless vision of regional services that will tie the region together.

- The minimum level of service for an all-day route should be a 60 minute frequency operating 16 hours per day, seven days per week.
- The minimum level of service for any peak only route (excluding school trippers) should be three trips in the peak direction in each peak period.
- All routes should be bi-directional except for terminal loops not exceeding one mile in length.
- Transit routes serving post-secondary education institutions should arrive no later than 30 minutes before classes begin and leave no earlier than 15 minutes after the last class
- Transit routes serving hospitals and major medical centers should operate at least 18 hours per day seven days per week to accommodate shift changes
- Transit routes serving major retail centers should arrive no later than 30 minutes before stores open and leave no earlier than 15 minutes after stores close
- Minimum service levels based on residential and commercial density based on the TCRP Transit Capacity and Quality of Service Manual
    - 4.5 dwelling units per acre (du/a) to 7 du/a   60 minute frequency
    - 7 du/a to 11 du/a   30 minute frequency
    - 11 du/a to 15 du/a   15 minute frequency
    - 15 du/a and up   10 minute frequency
    - 5 to 8 million sq. ft.   60 minute frequency
    - 8 to 20 million sq. ft.   30 minute frequency
    - 20 to 50 million sq. ft.   10 minute frequency
- Provide local transit service within ¼ mile of all areas meeting the minimum threshold for transit service as defined above.

It is unlikely that any bus route will serve a consistent residential or commercial density. Therefore the predominant density will determine minimum service levels.

The service levels identified above should be considered the "floor" or minimum level of service. The "ceiling" or maximum level of service should be based on actual demand.

This project is only focusing on identifying the transit service deficit – or how much additional service should be provided. It will not determine how the service is designed to make sure there is good connectivity, nor will it determine where micro-transit may be an appropriate alternative to fixed route transit. In order to develop a number of additional revenue hours, the above principles and standards were used to determine where increasing frequency and/or service span should be applied to existing routes, converting one way loop routes to two way service, and extending existing routes or developing new routes to serve "transit deserts." However this is merely a proxy for determining additional service levels based on what the market can support, and not a recommendation that on how additional funds should be utilized.

Furthermore, there will be growth in most regions, be it inward (preferred) or outward. Because of the high level nature of this project, once sub-region service level increases are determined they should then be increased by a percentage comparable to anticipated population growth in the sub-region.

Sub Regions

For purposes of this report the Bay Area will be divided into seven sub regions:

- San Francisco
- San Mateo County
- Santa Clara County
- East Bay – west (Crocket to Fremont)
- East Bay – east (LAVTA, County Connection, Tri Delta)
- North Bay – west (Marin and Sonoma)
- North Bay – east (Napa and Solano)

Within the East Bay and North Bay sub regions, which have multiple local transit providers, calculations will be made for each agency then aggregated for the sub region.

To develop a cost per hour, an estimate was made for the incremental or marginal cost per hour for service of 65% of the fully loaded cost per hour based on 2018 NTD data.[3] Because the cost per hour varies significantly among Bay Area transit systems, the cost for each system was weighted to reflect the percentage of overall service provided by each system. The weighted average cost per hour for the Bay Area is $144.82 in 2018 dollars.

---

[3] Incremental cost is the cost of adding an hour of service that excludes overhead that is not likely to change by the addition of service.

Method 2B: Seamless Vision

Since Method 2A only reflects the services provided by the 20 Bay Area transit systems that provide local bus service, a second effort was made to illustrate the amount of additional service hours needed if the Seamless Bay Area vision is implemented (which includes planned extensions in Plan Bay Area). While some extensions are easier to calculate than others (e.g. frequency increases on Caltrain as opposed to new subway or rail lines in San Francisco, or a still need to be more defined regional express bus network), this number may actually underestimate the amount of additional revenue hours needed to fully implement the vision. However, the total calculated is less than four of the five approaches used in Method 1 above.

Summary of Method 2

The increase in revenue hours under method 2 is lower than all of the method 1 approaches for the 20 transit systems providing local service, and lower that all but one of the method 1 approaches when adding in regional service expansion.

Table 3 Summary of Method 2

Method	Net Increase in Revenue hours	Percent Increase in Revenue hours
Method 2A	1,208,244	8.8
Method 2B	2,534,078	18.7

Toronto as a Model

Based on our analysis, we recommend that the Bay Area strive for a level of service on parity with Toronto, which would represent a 55% increase over the service level in the Bay Area before COVID. Toronto has a similar average density after accounting for open space, and has a similar mix of densities among city center and suburban areas, but provides higher transit ridership, in part because of its higher service level.

Conclusion

The Bay Area is underserved in the provision of transit services. This level of service limits access to opportunity – from employment and education to health care and social activities – for a large percentage of the population, and contributes to economic and environmental stress in the region. According to MTC, the region faces a 10 percentage point gap toward meeting the region's carbon emissions targets to address climate change.[4] On a national level, the Rocky Mountain Institute estimates that even with a near conversion to electric vehicles by 2030, there must still be a 30 percent reduction of vehicle miles traveled (VMT) to reach Paris Accord temperature increase targets. It will take a variety of strategies to meet the social, economic, and environmental goals of the Bay Area region, but without a robust transit network serving as a foundation, every other strategy will have far less impact.

Restoring public transportation service in the Bay Area will also be essential to help the economy recover from the impacts of COVID-19. This report shows that returning to the pre-COVID status quo will not be enough to meet the region's transportation and environmental goals. Achieving robust transit service and ridership on par with peer metropolitan areas will require not only additional service hours, but also integrated fare policy, infrastructure improvements to support walking, bicycling, and other means of getting to stations without driving, and land use with better support for transit, more density, and a greater mix of uses. Providing a much higher level of overall transit service is an essential foundation for these improvements. Individuals do not have mobility if transit service is not available at the times they need to travel, or is not easily accessible near their home. This report shows that providing a much higher level of transit service is critical in order to achieve higher ridership and lower driving miles across the region.

If the average (35%) increase in revenue hours of the seven approaches used above are to be implemented, it would require an additional $20.5 billion in 2018 dollars over 30 years to fund this level of increased service, if all additional service were implemented at the same time. To put that amount in context, if a funding measure designed to raise $100 billion over 30 years was approved, this would account for 20 percent of that funding. However, all service would not be implemented at once. This also does not account for the fare revenue that the additional service would generate. Therefore, the actual amount of new revenue that would need to be generated from new funding sources could be lower.

---

[4] Plan Bay Area 2050 Draft Outcomes
https://www.planbayarea.org/sites/default/files/PBA2050_Draft_BPOutcomes_071720.pdf

Table 4 Summary of All Methods

Estimate Method	Annual Increase in Revenue Hours	Percent Increase in Revenue Hours	Annual Increase in Operating Cost
Increase local service hours based on per capita service of WestCAT, best suburban Bay Area Transit system (Method 1A)	5,773,576	+ 43%	$836,129,276
Increase all service hours to match per capita service in, Calgary, lowest Canadian metro area (Method 1B)	1,568,639	+11.6%	$227,170,300
Increase all service hours to match per capita service in Toronto Metro area, most similar to Bay Area in population (Method 1B)	7,458,639	+ 55%	$1,080,160,100
Increase all service hours to match per capita service in Montreal, highest Canadian metro area (Method 1B)	9,783,639	+ 72%	$1,416,866,600
Increase all service hours based on per capita service of best performer in each density category (Method 1C)	4,935,259	+ 36%	$714,724,208
Increase local service hours based on standards/principles (Method 2A)	1,208,244	+8.8%	$174,977,896
Increase local service hours based on standards/principles plus Seamless Vision Regional links (Method 2B)	2,534,078	+ 18.7%	$366,985,176
Average	**4,740,351**	**+35%**	**$686,497,632**

Author and review team

The report was authored by Ron Kilcoyne, an experienced former transit agency General Manager with a professional specialty at increasing transit ridership, especially in suburban bus systems.

Voices for Public Transportation is a vibrant coalition of 35 groups representing transit rider and worker unions, community organizing groups, transportation policy and equity advocates, and central labor councils across the nine-county Bay Area. VPT is dedicated to achieving a Green New Deal for Transportation in the Bay Area.

Seamless Bay Area is a founding member of the VPT coalition, and seeks to create an integrated, world-class, accessible, and equitable transit system by building a grassroots movement for change and pursuing structural policy reforms to transit governance.

The review team includes Peter Straus of San Francisco Transit Riders, Bob Allen of Urban Habitat, Ian Griffiths and Adina Levin of Seamless Bay Area, Chris Lepe of TransForm, Richard Marcantonio of Public Advocates, and Vinita Goyal of Silicon Valley Community Foundation.

Metropolitan Transportation Commission

Legislation Details (With Text)

File #:	20-1624	**Version:** 1	**Name:**
Type:	Report	**Status:**	Informational
File created:	10/28/2020	**In control:**	Blue Ribbon Transit Recovery Task Force
On agenda:	11/16/2020	**Final action:**	
Title:	Correspondence Received		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	Public Advocates comments to BRTRTF		

Date	Ver.	Action By	Action	Result

Subject:

Correspondence Received

Attachments:

October 29, 2020

BY EMAIL
Jim Spering, Chair, and Members
Blue Ribbon Transit Recovery Task Force

Re: Public Comment on Item 4b, Meeting of Oct. 26

Dear Chair Spering and Members:

As there was not time for public comment on this item during the Task Force meeting, I take this opportunity to provide a few comments in writing.

First, I appreciate the efforts of staff in providing an initial assessment of the impacts on transit operating revenue resulting from the COVID-19 crisis, and some of the potential funding shifts that could be made at the regional level to mitigate the financial cliff that our region's transit agencies face.

Without adequate intervention at the federal, state, and regional levels, the anticipated scale of the impact — $400–600 million in this fiscal year, and up to $1.7 billion in FY 2021–22 — is likely to irreversibly harm the region's transit system and undo the years of investment MTC has made in it. While the entire impact cannot be addressed by MTC on its own, it is clear that there are actions MTC can take to delay the need for layoffs and service cuts and avert that irreversible harm while we await state and federal relief.

For instance, as staff's assessment notes, FTA formula funds (up to $466 million a year) are eligible for limited operating use (preventive maintenance) in ordinary times. In addition, as a result of California's declaration of a state of emergency, FTA allows the use of those funds for a range of additional operating uses (including "removal of health and safety hazards, such as cleaning of vehicles and facilities; costs associated with shutting down or restarting service; materials such as hand sanitizer, gloves, soap, and cleaners; emergency protective gear relevant to the emergency; and temporary service, that is not part of regular service, provided in response to the emergency").

Staff's report also notes that federal Surface Transportation Program (STP) funds, amounting to $97 million a year, could be redirected from non-emergency OBAG grants on a temporary basis. The Federal Highway Administration allows these funds to be "flexed" for use as FTA formula funds, meaning that they would enjoy the same range of emergency eligibility for operating uses noted above.

Staff emphasizes that there are tradeoffs, including the fact that MTC has long had a policy of dedicating FTA formula funds to transit capital replacement, through its Transit Capital Priorities policy. It is certainly important to replace buses and rail cars on an ongoing basis. But the scale and extent of the current crisis, which poses an existential threat to the very existence of public transportation as we know it, outweighs the tradeoff of delaying capital

replacement needs for a year. To put it another way, if transit agencies do not have the opportunity to shift capital funds to emergency operations, they may be left in the ironic position of having new assets when they close their doors. A temporary shift of STP funds from the OneBayArea Grant program may be even more appropriate, since the purpose of OBAG is defeated without adequate levels of transit to serve Priority Development Areas (PDAs).

Shifting $100 million of funding within MTC's control to emergency operating use would constitute a partial, but meaningful, step towards addressing this crisis, pending additional relief from the state and federal government. Since near-term federal relief remains highly uncertain, we appreciate Ms. McMillan's commitment at the end of her presentation to seeking operating assistance in Sacramento. By taking the limited self-help action that is within its power, MTC's voice will be far more credible in the face of the resistance of our state government and transportation officials. That limited action will also buy our regional transit system crucial time in which to continue running the service that so many of our essential workers and transit-dependent families continue to rely on.

Thank you for the opportunity to provide these perspectives on the role of MTC in protecting our regional transit system during this dire crisis.

Sincerely,

Richard Marcantonio
Public Advocates, Inc.

Metropolitan Transportation Commission

Legislation Details (With Text)

File #:	20-1708	**Version:** 1	**Name:**
Type:	Report	**Status:**	Informational
File created:	11/6/2020	**In control:**	Blue Ribbon Transit Recovery Task Force
On agenda:	11/16/2020	**Final action:**	
Title:	Additional Information		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	Transit Operator Ridership Update Handout		

| Date	Ver.	Action By	Action	Result

Subject:
Additional Information

Recommended Action:
Information

Attachments:

Agenda Item 7b

November 16, 2020

Bay Area Transit Ridership (all operators)
September Ridership Down 80% from Pre-COVID-19 Levels

Ridership has plummeted from a 2019 average of over 40 million trips per month, to an average of 8 million since the onset of the COVID-19 pandemic.

Source: National Transit Database

■ 2019   ■ 2020
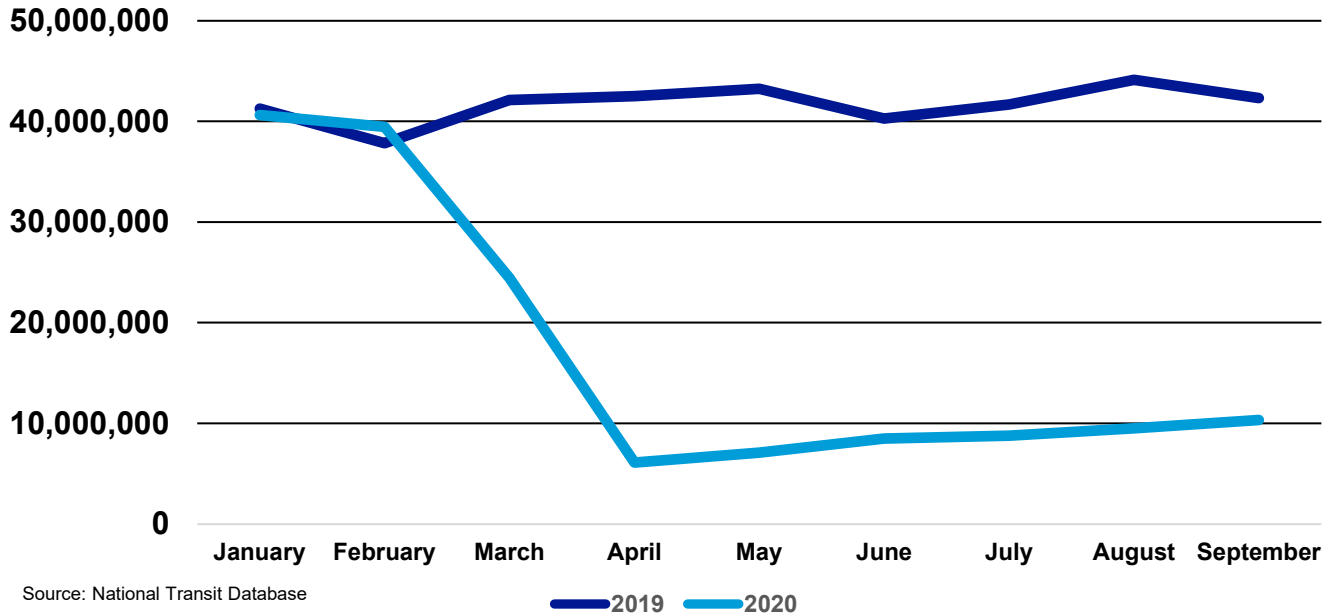
Ridership and Service Impacts for Big 7 Operators
Data for September 2020

SFMTA Ridership: **-73%** *Muni Metro remains temporarily suspended.*	**BART** Ridership: **-88%** *Service ends at 9:00 pm.*	**AC Transit** Ridership: **-58%** *Most Transbay service suspended.*
VTA Ridership: **-70%** *Operating reduced service.*	**SamTrans** Ridership: **-65%** *Operating modified schedule.*	**Golden Gate** Ridership: **-87%** *2/3 of routes suspended.*
	Caltrain Ridership: **-94%** *Operating modified schedule.*	

Source: National Transit Database

File #:	20-1720	**Version:** 1	**Name:**		
Type:	Report		**Status:**	Informational	
File created:	11/9/2020		**In control:**	Blue Ribbon Transit Recovery Task Force	
On agenda:	11/16/2020		**Final action:**		
Title:	Roadmap				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Roadmap-Nov-BRTRTF				

Date	Ver.	Action By	Action	Result

Subject:
Roadmap

Presenter:
Steve Kinsey, CivicKnit

Recommended Action:
Information

Attachments: