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April 08, 2024

The Honorable Dave Cortese
Chair, Senate Transportation Committee
State Capitol, Room 405
Sacramento, CA 95814

The Honorable Steve Glazer
Chair, Senate Revenue and Taxation Committee
State Capitol, Room 407
Sacramento, CA 95814

RE: San Mateo County Transit District Letter of Concern Regarding SB 1031

Dear Chairs Cortese and Glazer:

On April 3, the San Mateo County Transit District (SamTrans) Board of Directors (Board) took an **Oppose-Unless Amended position** on Senate Bill 1031 (Wiener and Wahab). We appreciate the authors' focus on the need to enable new transportation funding for the nine-county Bay Area, particularly to support public transit in the wake of shifting commute patterns following the Covid-19 pandemic. However, in its current form, SB 1031 goes well beyond revenue generation.

SamTrans is San Mateo County's mobility manager; owner and operator of the SamTrans fixed-route bus system, Redi-Wheels and RediCoast paratransit systems, and RidePlus microtransit; managing agency of the Peninsula Corridor Joint Powers Board (Caltrain); managing agency of the San Mateo County Transportation Authority, and co-managing agency of the San Mateo County Express Lanes Joint Powers Authority.

SamTrans' bus service carries the lowest-income riders in the Bay Area, per MTC's Transit Passenger Survey (2014-2019). According to the onboard 2021 SamTrans' Triennial Customer Survey, the average income of SamTrans' riders is $46,506. When household size is accounted for, 91% of SamTrans' riders qualify as low-income and 64% are extremely low income (earning less than two times the Federal Poverty Limit). In addition, 74% of SamTrans' riders do not have access to a car and 19% speak little to no English. For the

most part, SamTrans' passengers are not regional transit riders. Only 12% of SamTrans riders transfer to Caltrain, Muni, VTA or BART.

San Mateo County is a "self-help" county, with two SamTrans sales taxes and a separate San Mateo County Transportation Authority sales tax. San Mateo County also is one of three county participants in the Caltrain sales tax. One of San Mateo County's half-cent sales taxes will sunset in less than 10 years, and our best chance to ensure continuity of funding support would be going back to the voters to get an extension in 2028 as further discussed below.

SamTrans participates in all MTC-led and operator co-led regional transit initiatives, and has been working in good faith with fellow Bay Area transit operators and MTC to establish and make good use of the new Regional Network Manager Council (RNM Council), including the effort to develop clear accountability measures for all transit operators.

Below, we detail SamTrans' significant concerns with the scope and language of SB 1031:

1. **Arbitrary Directive to Consolidate**

SamTrans and other transit agencies have been working closely with MTC on developing mechanisms for improved transit agency coordination and resource-sharing. Based on SamTrans' extensive experience as an operating and managing agency for multiple transit and transportation agencies and functions, SamTrans' leaders know well the costs and benefits of regional transportation management, as well as the challenges associated with efforts to study and then change how agencies work together. We believe a study on consolidation – or even more limited regional coordination – must be well thought-out, with sufficient staff and financial resources to support its timely delivery and utility. However, SB 1031 requires a full consolidation study on an extremely tight timeframe, with no cost estimate or source of funds, and a pre-determined outcome.

SamTrans maintains that any study contemplated in SB 1031 should focus on how we can better provide mobility within and throughout the region, without presuming from the start that consolidation of agencies has merit over all other options. Having said that, we would note that SB 1031 lacks any structure for implementing a potential regional consolidation, or funding sources to support consolidation implementation. We support removing the consolidation elements of SB 1031.

2. **No Assurance or Plan for Fair Funding Distribution**

SB 1031 proposes a range of mechanisms to fund transportation in the Bay Area. No matter which option is ultimately selected, significant funding would be generated in San Mateo County with no assurance that a significant amount of funding be designated for the benefit of San Mateo County and its residents. Currently, SB 1031 assumes new revenues of $1-1.5 billion annually, with $750M set aside for transit operations, and focuses these funds on agencies with the highest number of riders and greatest impending

funding needs. Based on ridership and anticipated "fiscal cliffs" in peer agencies' financial models, we anticipate a significant majority of these funds will go to BART (which serves a very small portion of San Mateo County), SF MUNI (which connects with SamTrans) and other agencies operating entirely outside of San Mateo County.

This fund distribution approach penalizes San Mateo County and similarly-situated communities. SamTrans' constituents have taxed themselves multiple times to fund transportation. In addition, we have streamlined SamTrans service, cutting wasteful and inefficient routes, and focused on the needs of our riders requiring public transit the most, resulting in adult ridership at over 100% of pre-pandemic levels. With the help of our voter-approved funds and remarkable transit ridership recovery, SamTrans' operating budget is balanced. That said, SamTrans will face operational cost increases with the transition to zero emission technology, which current revenues will not fully support.

In addition, continued and improved public transit requires substantial capital investment. From delivering innovative service and customer-focused amenities, to transitioning to zero emission technology, to protecting our bus bases against rising sea levels, and maintaining a basic state of good repair, SamTrans' capital needs are extraordinary, and present a funding gap of hundreds of millions of dollars.

Fair geographic distribution of financial resources must be prioritized to ensure San Mateo and other counties are not taxed to fund benefits that will never come back to them. Funding distribution should be fair from the start, and also regularly reassessed as transit services and financial needs change.

3. New Election Risk

As drafted, SB 1031 would grant MTC broad authority to place a tax measure on the ballot in the nine Bay Area counties, or in a subset of them, with no restrictions on the number of times it can go to the ballot, when, or if certain polling thresholds must be met first.

This flexibility for MTC puts local tax measures at risk. For example, San Mateo County Transportation Authority's current Measure A will expire at the end of 2033. The 2028 election may be the best option for seeking voter approval to continue Measure A, which could be extremely difficult to achieve if there is a regional measure on the ballot at the same time. We cannot risk $100M+ per year in local funding in favor of a regional measure that may only scarcely be available to our communities.

SamTrans has asked much of the local electorate and our riders in the past and has been fortunate to earn voters' confidence. It would be enormously detrimental for San Mateo County to lose future voter support for local transportation funding measures as a result of SB 1031.

These concerns are very real in San Mateo and in other local counties and must be taken seriously. We ask that you find a way to preserve and protect our ability to self-fund, such

as by allowing counties to opt out of a regional measure, by limiting the reach of a new regional measure to only those communities represented by the BART Board of Directors (assuming the bulk of regional measure revenues will be spent in that area), or by restricting MTC from going to the ballot in a county where a local transportation measure also is being sought at the same election.

4. Proposed Accountability Tools and Governance Changes for MTC Go Too Far

Finally, we understand the need for accountability on the part of agencies receiving financial support through new regional sources, and for MTC to be equipped with the proper tools to provide regional oversight. However, SamTrans believes MTC's efforts should reflect the RNM process agreed to by local agencies and allow that process to evolve. The "governance" goals outlined in SB 1031 go significantly further than what local agencies agreed to, and the bill also grants MTC expanded authority to withhold historical state transit funds if MTC direction for achieving the bills goals is not followed.

For example, SB 1031 would expand MTC's authority to withhold State Transportation Assistance (STA) and Local Transportation Funds (LTF) in response to local agency actions such as changing branding at bus stops or adjusting fare prices. STA and LTF provide essential operational funding that agencies rely on, currently in the amount of about $50 million annually for SamTrans. SamTrans believes MTC should not be given the authority to withhold existing State-generated transit operations funding, especially as there are other ways to ensure accountability, including placing restrictions on MTC discretionary funding and any new moneys coming from the Regional Transportation Measure.

In addition, any expansion of MTC's role must still ensure adequate consideration of the needs of local transit operators. We believe one option is to codify the RNM Council, which is made up of large operator and small operator representatives. This approach would guarantee that leaders who provide service, and who understand the intricacies of running transit systems of varying types and sizes, are always part of the conversation at MTC. It also would allow operators to hold each other accountable in achieving shared goals.

Furthermore, with any proposed expansions of MTC's role, there is a risk of new unfunded mandates from MTC. This would need to be mitigated through either an off-setting revenue source or off-ramps for situations when transit operators truly cannot afford to meet new requirements. In this vein, operators should maintain control over their own fares, within voluntary agreements on fare coordination.

In closing, preserving and protecting SamTrans' ability to deliver local services remain our top priority. We must stress that the concerns raised above are major issues for our agency. However, we remain committed to the RNM work that is already underway and to the continued collaboration on future amendments to SB 1031. Our Board will certainly revisit this bill as the language is modified and could change its position in the future.

We thank you for your time and consideration of our concerns. Please do not hesitate to reach out to our Government and Community Affairs Director, Jessica Epstein, at EpsteinJ@samtrans.com for further discussion.

Sincerely,

Marina Fraser
Chair, SamTrans Board of Directors

April Chan
General Manager/CEO, SamTrans

Cc: San Mateo County Transit District Board of Directors
San Mateo County Transit District State Legislative Delegation
Alfredo Pedroza, Chair, Metropolitan Transportation Commission
Andrew Fremier, Executive Director, Metropolitan Transportation Commission
The Honorable Scott Wiener, California State Senate
The Honorable Aisha Wahab, California State Senate

From: Roland Lebrun
To: MTC-ABAG Info
Subject: April 12 MTC/ABAC Legislation Committee Item 3b SB 1031
Date: Thursday, April 11, 2024 4:47:56 PM

External Email

Dear MTC and ABAG Commissioners,

Please consider the following preliminary comments on this draft piece of legislation:

Funding measure:

The only legislation required at this stage is enabling legislation designating MTC as the entity responsible for putting a Measure on the November 2026 (or later) ballot. Please note that such a ballot measure is unlikely to pass until MTC can demonstrate substantial network coordination improvements resulting from the passage on SB 1031.

Equitable Return to Source

The voters of the 9 Bay Area Counties have approved 3 Regional Measures (RM1, RM2 & RM3) so far with hundreds of millions of bridge toll revenues being rerouted to counties contributing little to none of these revenues. Should these entities continue to insist on "return to source" (or pull out of a potential future Tax Measure altogether), MTC should consider implementing a retroactive "return to source" by reallocating past and future toll revenues back to the ZIP codes where the tolled vehicles were registered. This "return to source" would be implemented by clawing back Federal and State revenue allocations under MTC's jurisdiction.

Network Coordination

While I appreciate CalSTA's plan to spend tens of millions of dollars on one or more studies by consultants and/or Transportation Institutes, I urge Commissioners to consider directing MTC staff to analyze how London's TfL (https://en.wikipedia.org/wiki/Transport_for_London) coordinates timetables and transfers between the London Underground (London's equivalent of BART), buses (operated by 10 private bus operators), thousands of trains (operated by private companies under concession agreements) in and out of London every day as well as freeways, ferries, light rail, cable cars, taxicabs, congestion management, bicycles and walking **with a $15B annual budget including a 47% farebox revenue:**

https://tfl.gov.uk/corporate/about-tfl/how-we-work/our-role?intcmp=2670#on-this-page-1

https://tfl.gov.uk/corporate/about-tfl/how-we-work/how-we-are-governed

https://tfl.gov.uk/corporate/about-tfl/how-we-work/how-we-are-funded

Network Branding

Please consider the following:
https://en.wikipedia.org/wiki/Transport_for_London#/media/File:Transport_for_London_-_Roundels.svg

Network Consolidation

As can be seen from the above London example, **operator consolidation would be counter-productive and should be dropped from further consideration**, but the Commission should consider supporting legislation that would **consolidate all CMA staffs** under MTC's umbrella while retaining existing Boards responsible for the oversight of local tax measures. This would consolidate all regional and local planning staffs under one roof and enable the transition from consultants to

public sector career engineers working on a diverse portfolio of projects across the Bay Area, including megaprojects.

MTC "Guardrails"

"Guardrails" designed to achieve consensus should not be cast in stone and should be left open to tightening, relaxing and/or removal through follow-up legislation. "Guardrails" mandating the status quo should not be considered by the legislature.

Respectfully submitted for your consideration

Roland Lebrun

RE: SB 1031 - SUPPORT IF AMENDED

Dear Senator Wiener, Senator Wahab,

Cc: Bay Area Caucus, MTC Commissioners and staff,

As organizations committed to environmental sustainability and equitable transportation, **we strongly support a transportation revenue measure authorized by SB 1031 (Wiener, Wahab) that delivers needed funding for our region's transit system, roadway repair, safer streets and active transportation to advance climate and equity throughout the Bay Area.** Significant new operating funding is required to prevent severe service cuts and enhance overall service quality. As our global climate crisis continues, we know that a thriving transit system, safer streets and active transportation networks are imperative to meet the Bay Area and California's goals for equity, climate, safety and economic prosperity.

In order to advance these goals and fund needed transit and safe streets investments, **we call on the legislature to prohibit new highway widening projects in measure authorizing legislation.** New lanes saddle us with future maintenance costs, disrupt communities, undercut transit, and take us further away from our climate goals. There are many other state and federal sources for roadway improvements, but very few to sustain and expand public transit operations.

Every dollar we spend on new highways is one less dollar for public transit and safer streets. At present, there is a $24 billion shortfall[1] in state of good repair and complete streets funding for the region's roads, where traffic fatalities have increased almost 50% in the past decade.[2]

There is also a large and urgent need for transit operations funding in the Bay Area. Upwards of $750 million is needed annually simply to maintain existing service levels for transit in the Bay Area, and much more is needed to increase pre-pandemic levels of service and support investments in customer-focused initiatives to advance safety, cleanliness and connectivity. We urge enabling legislation that targets transformative levels of transit investment.

This measure represents a generational investment in our transportation system and will set a precedent for how transportation dollars are spent throughout California. **Passing authorizing legislation this year that allows highway expansion jeopardizes climate, equity and economic prosperity in the Bay Area**. In addition to prioritizing transit, safer streets and preventing highway widening, the legislature can help the Bay Area deliver a successful transportation revenue measure by **authorizing progressive revenue sources that poll better and do not place undue burden on those least able to pay**.

We look forward to working with you to pass the best transportation measure possible,

Sincerely,

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[1] Plan Bay Area Project List
[2] MTC Vital Signs

Zack Deutsch-Gross
Policy Director, TransForm

Irene Kao
Executive Director, Courage California

Tarrell Kullaway
Executive Director, Marin County Bicycle Coalition

Carter Lavin
Co-Director, Transbay Coalition

Kristina Pappas
President, San Francisco League of Conservation Voters

Clarrissa Cabansagan
Executive Director, Silicon Valley Bicycle Coalition

Jack Kurzweil
Wellstone Democratic Renewal Club

Robin Pam
Executive Director, Kid Safe SF

Stan Jones
Secretary-Treasurer, TWU Local 320

Dylan Fabris
Community & Policy Manager, San Francisco Transit Riders

Christopher White
Interim Executive Director, San Francisco Bicycle Coalition

Hana Creger
Associate Director of Climate Equity, The Greenlining Institute

Betsy Megas
Santa Clara Community Advocates

Michael Gliksohn, Treasurer
Richmond Progressive Alliance

Jared Sanchez,
Policy Director, CalBike

Tom Radulovich
Senior Policy Fellow, Livable City

Laura Cohen, Western Region Director
Rails to Trails Conservancy

Jean Tepperman
Sunflower Alliance

Jodie Medeiros
Walk San Francisco on behalf of San Francisco Bay Area Families for Safe Streets

Adriana Rizzo
Californians for Electric Rail

Kevin C. Shin
Co-Executive Director, California Walks

Leah Redwood
Extinction Rebellion SFBay

Jeffrey Levin
Senior Director of Policy, East Bay Housing Organizations

James Kuszmaul
Volunteer Lead, South Bay YIMBY

Aaron Burnett
Director of Policy and Civic Engagement, Canal Alliance

Lucky Maxwell
Transportation Program Coordinator, Center for Independent Living Berkeley

Sofia Rafikova
Coalition for Clean Air

Jordan Grimes
Resilience Manager, Greenbelt Alliance

Laurel Paget-Seekins
Public Advocates

Ian Griffiths
Policy Director, Seamless Bay Area

Bob Allen

Policy & Advocacy Campaign Director,
Urban Habitat

Justin Hu-Nguyen
Co-Executive Director of Mobility Justice,
Bike East Bay

Jack Lucero Fleck
350 Bay Area Transportation team

Matthew Baker
Policy Director, Planning and Conservation
League

Rafa Sonnenfeld
Policy Director, YIMBY Action

Jamie Pew
Policy Advisor, NextGen California

Adina Levin
Executive Director, Friends of Caltrain

Christine Cordero
Co-Director, Asian Pacific Environmental
Network

George Spies
Co-Founder, Traffic Safety Rapid Response

Woody Hastings
Phase Out Polluting Fuels Program
Manager, The Climate Center

David Blake
East Bay Gray Panthers, Board Member

Meea Kang,
Council of Infill Builders, Board Member

Melissa Romero
California Environmental Voters, Deputy
Legislative Director

Brian Hanlon
CEO, California YIMBY

David Lewis
Executive Director, Save The Bay

April 1, 2024

Senator Dave Cortese, Chair, and Members
Senate Transportation Committee
State Capitol, Room 405
Sacramento, CA 95814

Re: SB 1031 (Wiener, Wahab) – **SUPPORT IF AMENDED**

Chair Cortese and Members:

The Voices for Public Transportation coalition has worked since 2017 to bring a regional transit funding measure to the ballot. We celebrate the introduction of bill language that will raise a dedicated source of desperately-needed transit operating funding, with the explicit goal of "Protecting and enhancing transit service" in the Bay Area. (Sec. 1, (d)(1))

Voices for Public Transportation is a coalition of over 40 community, rider, labor and policy groups in the Bay Area. We came together in 2017 to develop a vision and principles for a regional measure for public transit in the Bay Area that puts transit workers and riders at the center. When former Sen. Jim Beall introduced spot language in SB 278 just before the COVID pandemic struck, we conducted a professional field poll which determined that Bay Area voters were significantly more supportive of a means-based income tax than of a sales tax. In June 2022, after prolonged advocacy by the Voices coalition, the nine-county Bay Area Metropolitan Transportation Commission (MTC) agreed to bring forward a bill to authorize a Bay Area ballot measure for public transit. The express purpose was to address the transit operating "fiscal cliff." MTC also voted to pursue "bridge" operating funding in the Legislature, to carry the region over until a measure could be authorized and placed on the ballot. Last year, the Legislature responded when the Voices coalition joined with MTC and other transportation agencies to ask it to bridge that funding gap through 2026.

Now we are in phase 2 of that plan – the long-term solution to the region's transit operating crisis.

SB 1031 is well-aligned with our coalition's priorities in several important respects. At the same time, we appreciate Senator Wiener's invitation to "perfect" the bill, and in that spirit offer several amendments that we believe are important to achieving its goals.

The Voices Coalition supports the primary intent and believes the strengths of SB 1031 as introduced include the following:

- Focus on sustaining and improving transit service with ***operating funding***, and advancement of transit transformation through customer and service improvements, with a minimum set-aside of $750 million a year.

Sen. Cortese, Chair, and Members, Sen. Transportation Committee
SB 1031 (Wiener, Wahab) – SUPPORT IF AMENDED

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- Support for ***safe, complete streets***, walking and biking, roadway state of good repair, and climate resilience.
- Inclusion of some ***progressive revenue*** mechanisms such as payroll tax, parcel tax and vehicle registration surcharge.
- Authorization for MTC to bring ***multiple successive measures*** to the voters.
- Study with intent to **achieve outcomes and benefits to transit riders** that may result from transit agency consolidation or coordination.

To ensure the bill achieves its primary purpose to fully fund transit operations and does not burden those least able to pay, the Voices Coalition recommends the following amendments to SB 1031:

- Set aside **a minimum of $750 million or 70 percent of revenues, whichever is greater**, in annual operating spending in the first ballot measure and **protect that minimum from payment obligations on capital bonds**.
- Set a goal for **transit service levels that exceed and enhance pre-pandemic levels**, and for **improved quality of paratransit service**.
- Limit roadway expenditures to state of good repair and safe and complete streets only.
- Include **additional progressive revenue mechanisms**, such as a means-based income tax, a corporate tax, and a per-square-foot parcel tax with a higher rate for non-residential property, and limit the use of the sales tax.

Conclusion

Transit service levels were inadequate before the pandemic, and face a looming fiscal cliff when federal emergency operating funds, and 2023 state budget funds, run out. It is imperative to our transportation, climate, and equity goals that a measure come before the voters in 2026. Authorizing legislation amended as proposed above will raise the operating funding needed to sustain and increase transit service levels, and frontline transit jobs. We urge your support of the bill with the inclusion of these amendments.

Please feel free to contact Jeanie Ward-Waller (jeanie@fearlessadvocacy.com, 401-241-8559) or Andrés Ramos (aramos@publicadvocates.org, 916-271-0428) with any questions.

Very truly yours,

Richard Marcantonio & Laurel Paget-Seekins (Public Advocates), Zack Deutsch-Gross & Abibat Rahman-Davies (TransForm), Dylan Fabris & Peter Straus (San Francisco Transit Riders)

Members of the Voices coalition Coordinating Committee