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METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 3a
Bay Area Metro Center
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Memorandum

TO: Legislation Committee

DATE: September 7, 2018

FR: Executive Director

RE: Proposition 6: Overview, Bay Area Impacts and Public Information Plan

Proposition 6 ballot would cut funding for California's transportation system on a level that is hard to overstate. Its repeal of the \$5 billion in annual funding sources approved by Senate Bill 1 (2017) would cut state funding for the Bay Area's local roads – distributed directly to cities and counties – by over \$200 million per year. In most cases, local governments would lose about 40 percent of their local streets and roads funding. Without a replacement source of revenue, staff estimates that the region's pavement condition would deteriorate to the "at risk" level, driving up the cost of road repairs as well as the cost to motorists from driving on rough roads.

For public transit, operating funding from the State Transit Assistance Program would be cut in half, a loss of over \$150 million per year. Numerous high priority projects, including BART to Silicon Valley Phase 2, BART Transbay Core Capacity, San Mateo U.S. 101 Managed Lanes, the Marin-Sonoma Narrows and the Interstate 80/Interstate 680/State Route 12 Interchange would lose funds that were awarded through SB 1's competitive programs, creating significant funding gaps that would put their current schedules at risk, as illustrated in Attachment A. A flow chart detailing the source and uses of new SB 1 revenues is included in Attachment B.

If Proposition 6 passes, it would also be very difficult to replace the funds approved by SB 1. The measure provides that the Legislature will no longer have the authority to raise fees on fuel or vehicles without statewide voter approval. Local taxes dedicated to transportation are subject to a two-thirds vote and are generally geared towards congestion relief and transit expansion rather than state of good repair, which was the focus of SB 1. Lastly, given the condition of the federal Highway Trust Fund and the political climate in Washington, it's hard to imagine Congress augmenting California's funding by hundreds of millions of dollars, let alone \$5 billion per year.

In July, the Commission acted to oppose Proposition 6 and requested that staff return with a public information plan for communicating the risks of the measure to Bay Area voters. At your September meeting staff will present the attached presentation, which highlights the specific impacts of Proposition 6 for Bay Area local roads, transit operators and specific high priority projects, including projects that received funding in the recently approved bridge toll measure, Regional Measure 3. A summary of the information we will present is contained in the attached PowerPoint presentation.

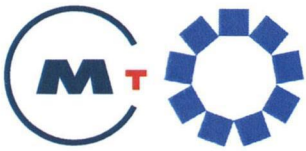
Steve Heminger

Attachment:

- Attachment A: Map of SB 1 Competitively Funded Projects
- Attachment B: Flow chart of SB 1 Programs Prepared by CALCOG
- Attachment C: Transportation Funds at Risk: Proposition 6

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Projects At Risk of Funding Cuts from Proposition 6

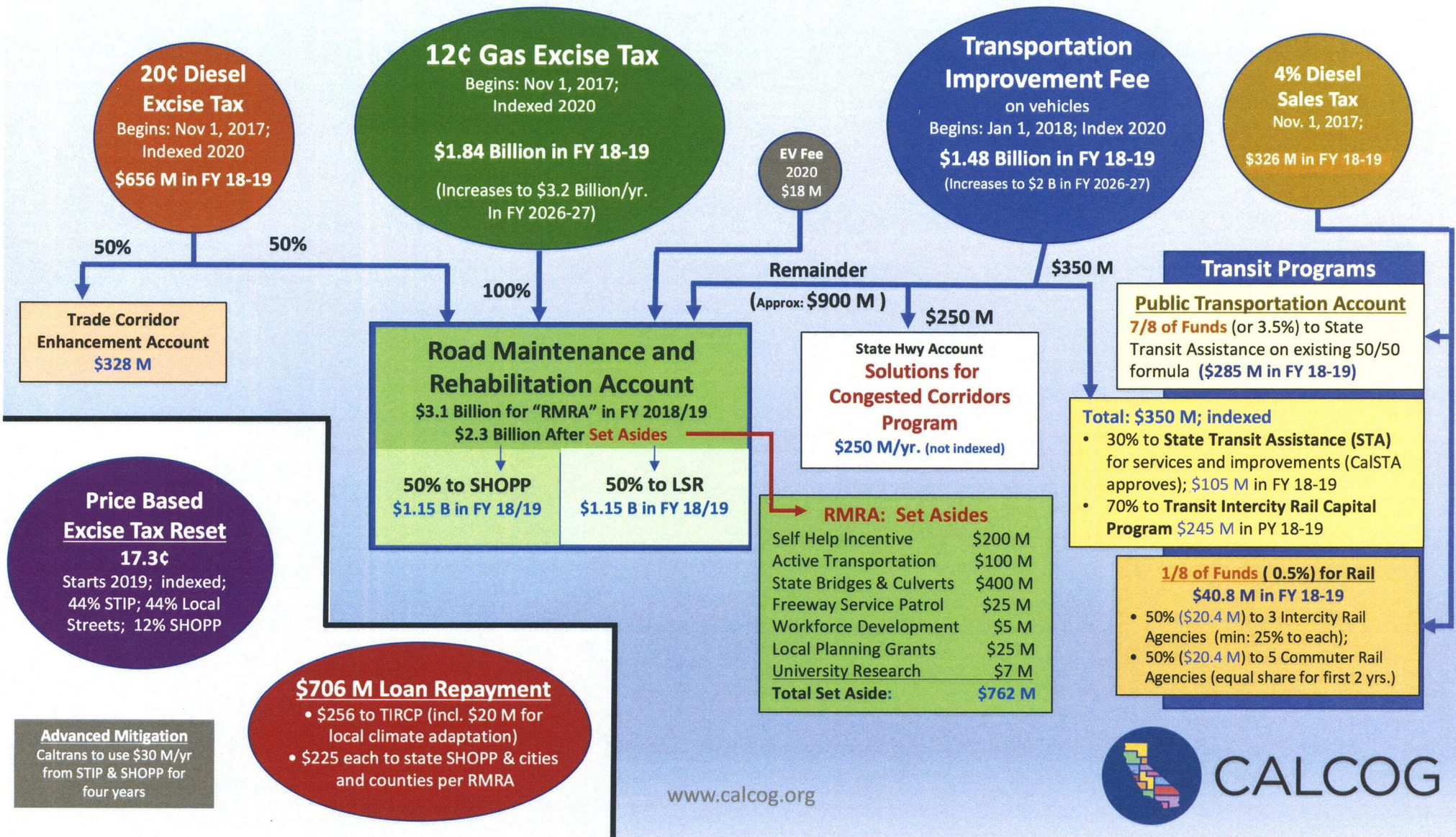
Improvements Funded by Senate Bill 1 Competitive Programs



SB 1: TRANSPORTATION ACCOUNT FLOWS

FY 18-19 is selected because it is the first full year when most of the new revenues are fully implemented. Figures are from from Senate Appropriations Committee Analysis

Note: Certain revenue estimates are out of date but flow of funds to programs is still accurate



Transportation Funds at Risk: Proposition 6

Bay Area Impacts and
MTC Public Information Strategy



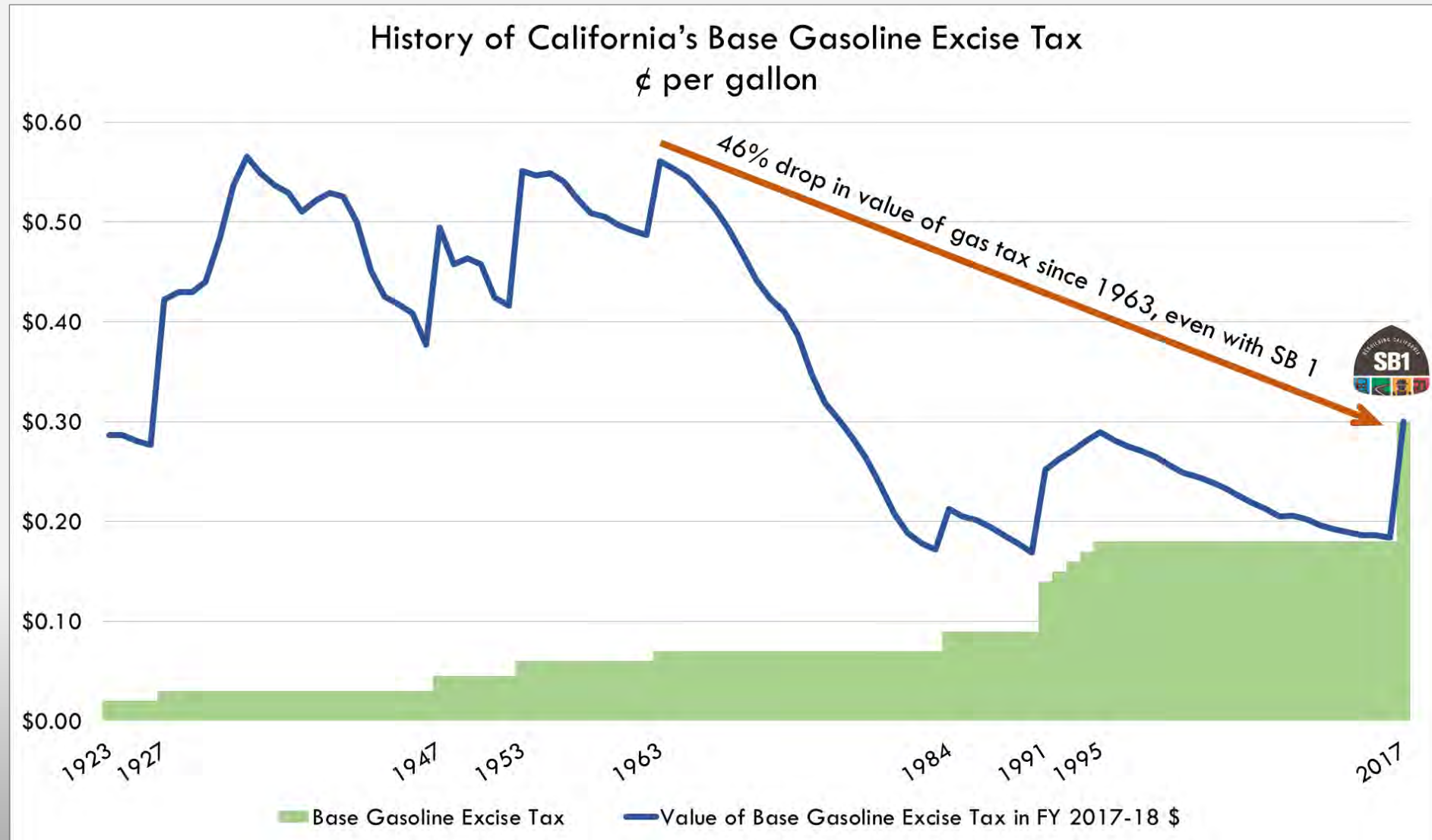
Presentation Outline

- 1. Overview of Proposition 6**
- 2. Senate Bill 1 (SB 1) funding programs**
- 3. Bay Area SB1 funding at risk: roads, transit, congestion relief**
- 4. What to Do? MTC communication and public information strategy**

Background on Proposition 6

- Qualified for the November ballot through the initiative process
- Repeals funding for Senate Bill 1 (Beall, 2017), the Road Repair and Accountability Act, the first major statewide funding increase in decades
- SB 1 is funded by an increase in the gas tax, a new vehicle registration charge, a new electric vehicle fee and an increase in the diesel sales tax.
- The Prop 6 campaign is funded by Republican gubernatorial candidate John Cox, House Majority Leader Kevin McCarthy, the California Republican Party, and numerous California Republican Congressional candidates.

Why Was SB 1 Needed?



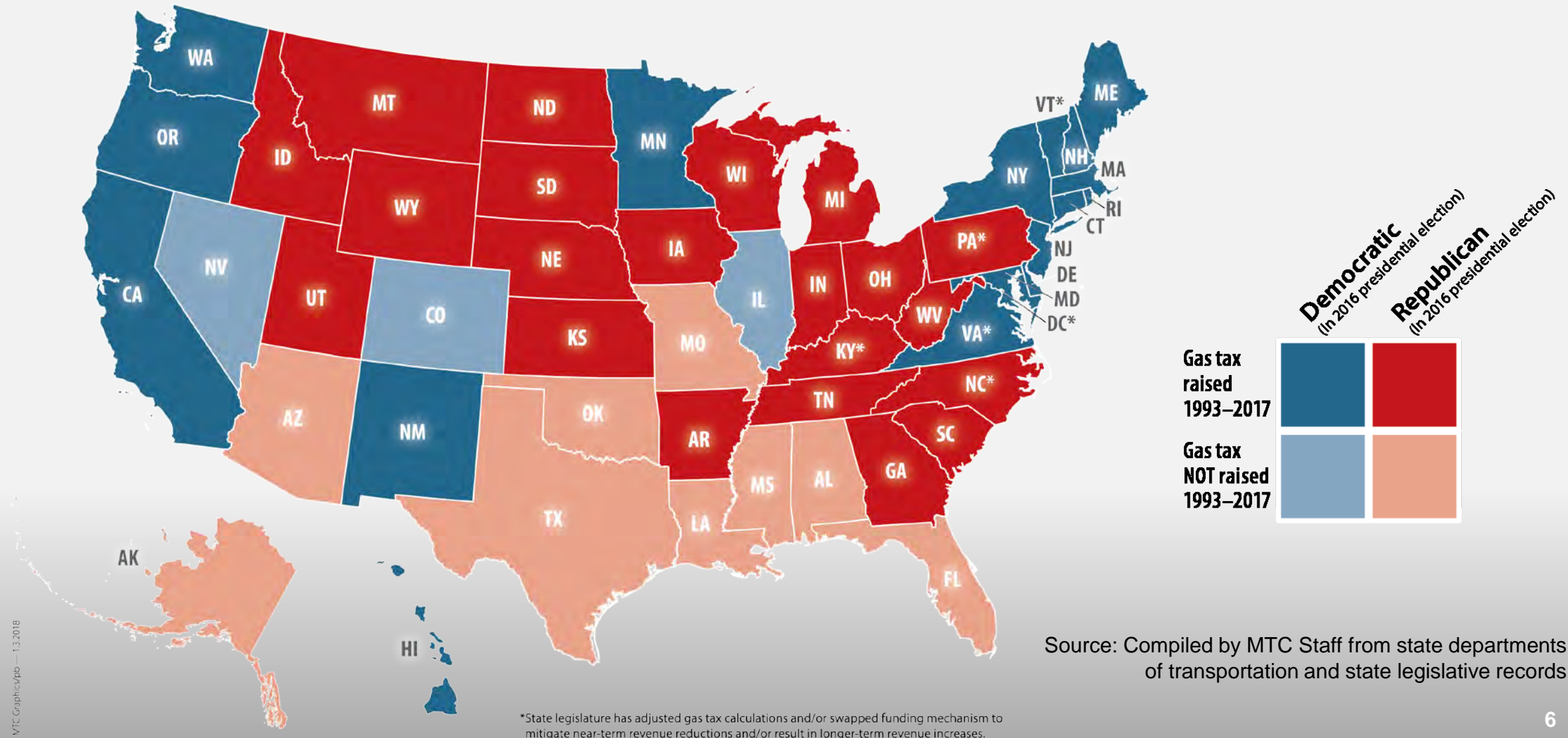
Cost of Today's Neglected Transportation System to Motorists



Source: *California by the Numbers: Meeting the State's Need for Safe, Smooth and Efficient Mobility*, TRIP, 2018

* Includes San Benito County data

CA is Not An Outlier: Gas Tax Increases Since 1993





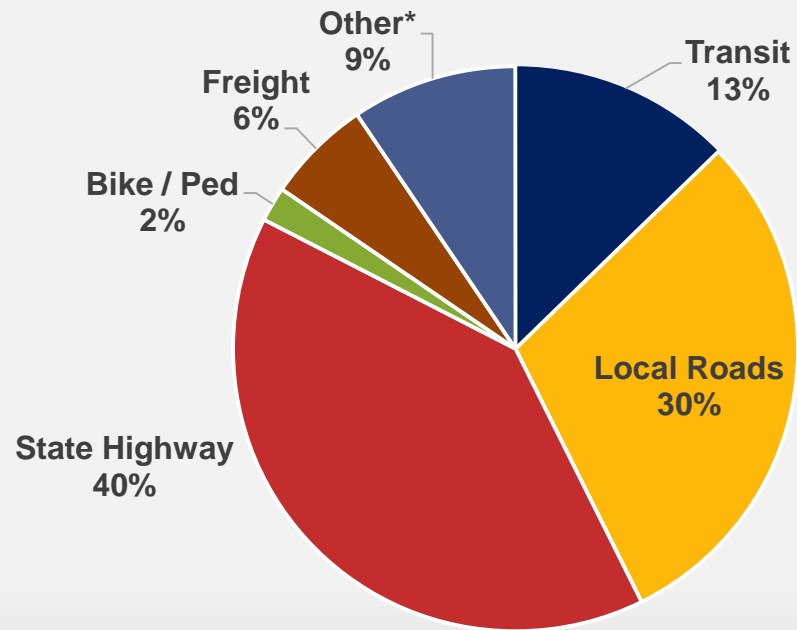
SB 1 Funding Overview

- An average of \$5 billion per year over 10 years, indexed to inflation so fund sources will maintain their value over time
- Funds are split roughly 50/50 between the state and local agencies
- Largest category of spending is local road and state highway system repairs/maintenance
- Congestion relief, public transit and bike/ped. projects also funded through competitive and formula funding programs

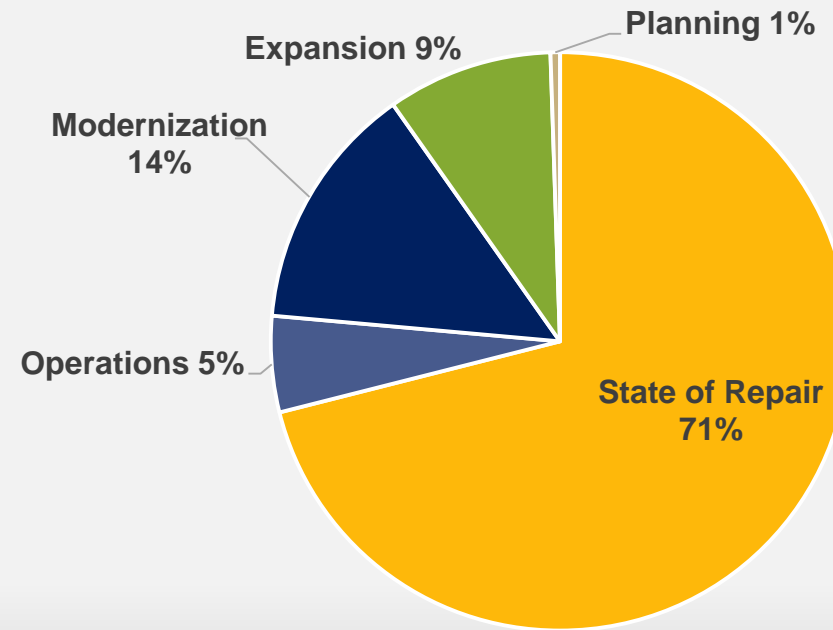


How Are SB 1 Funds Spent?

SB1 Funding by Mode



SB1 Funding by Function

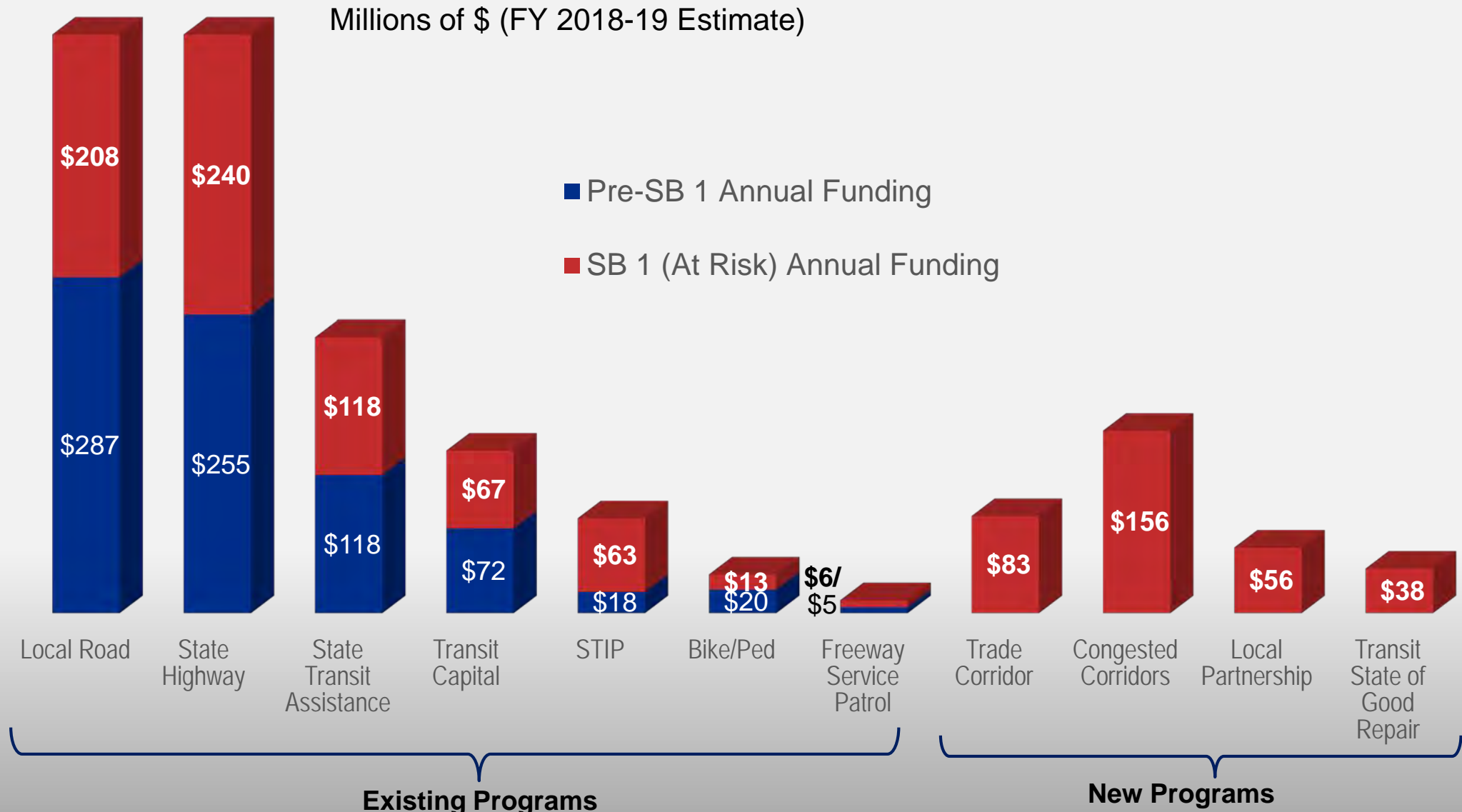


- To provide the public with information on how the new taxes are spent, SB 1 includes strong reporting requirements. For details by jurisdiction, visit rebuildingca.ca.gov which includes an interactive map and project descriptions.

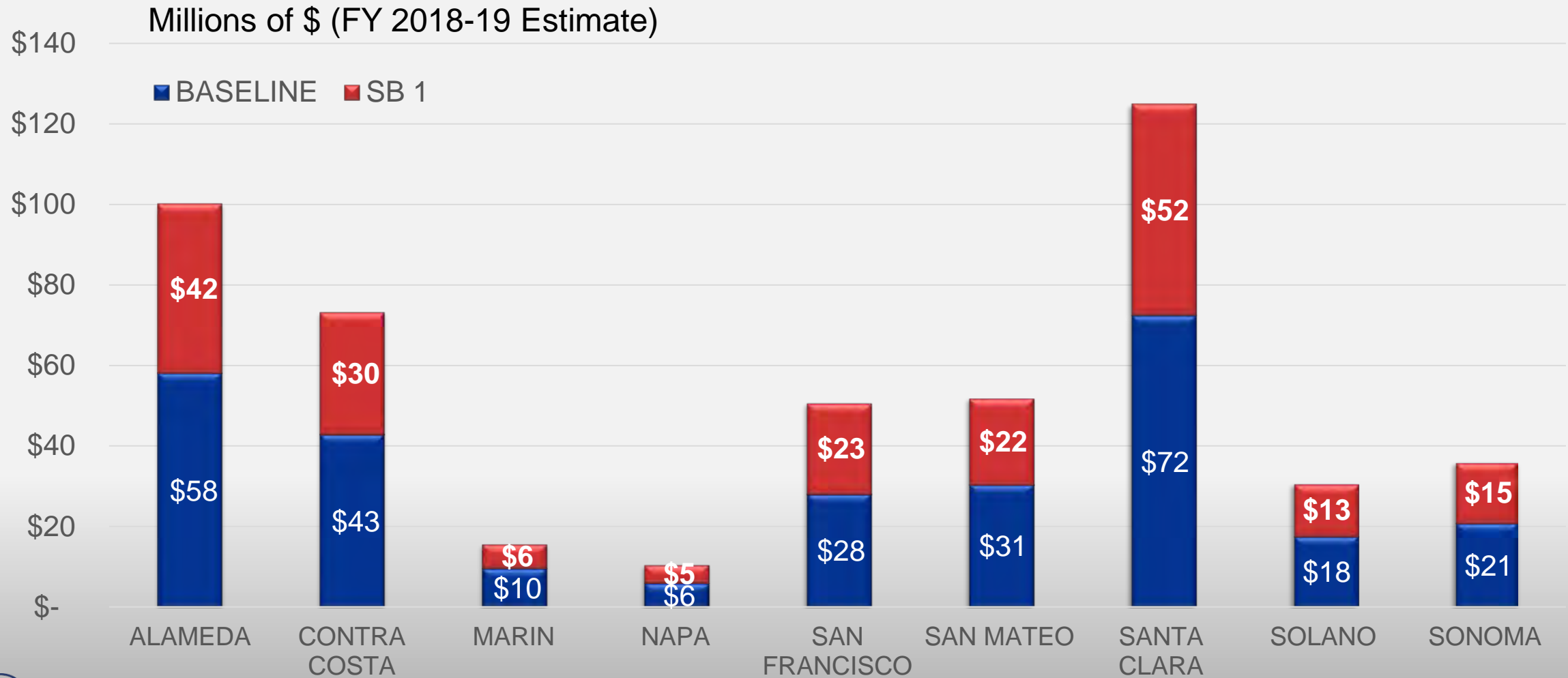
What's at Stake for the Bay Area?

- A 40% funding cut to every city and county for local road repairs – over \$200 million per year for Bay Area jurisdictions
- Over \$150 million per year in funding cuts for transit services, including BART, SF MUNI, AC Transit, VTA, Caltrain and SF Bay Ferry
- A cut of over \$60 million per year in funding for the State Transportation Improvement Program (STIP)
- Approximately \$950 million in bridge and highway safety, maintenance and rehabilitation projects at risk over multiple years; funded by the State Highway Operation and Protection Program (SHOPP) and Caltrans' maintenance program
- Over \$700 million in funding for 23 projects from SB1 competitive programs

SB 1 Funding Increases for the Bay Area



Prop 6 Would Repeal New Local Street and Road Funding from SB 1

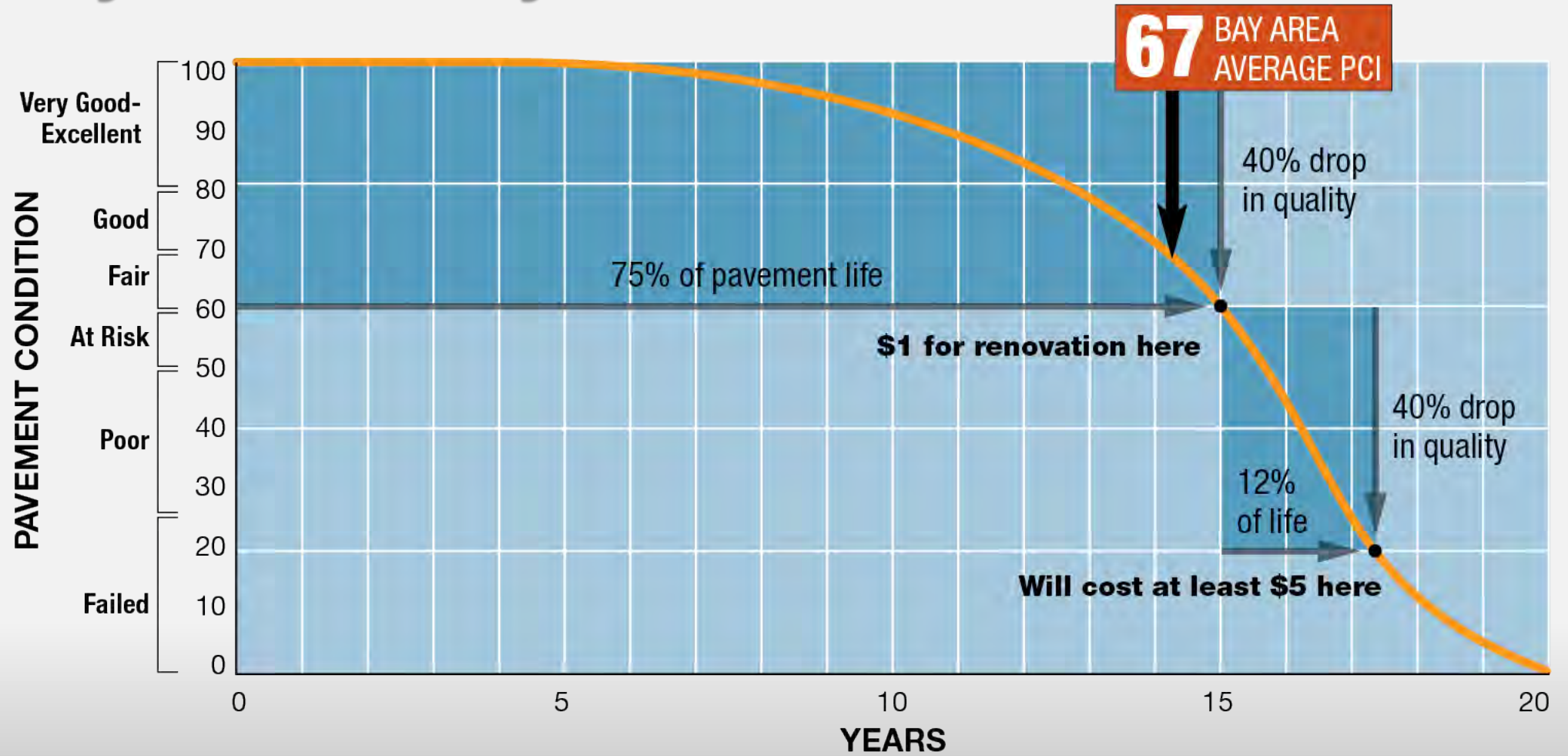


Prop 6 Would Increase Local Road Deferred Maintenance





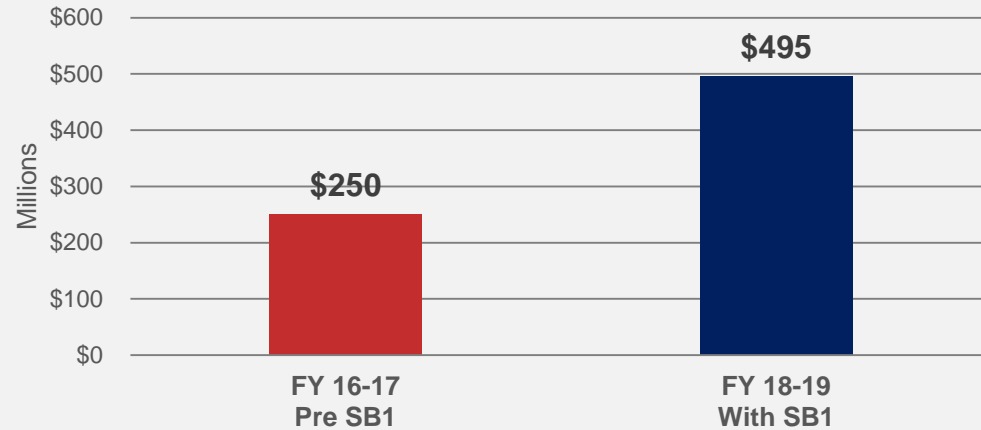
Pay Now or Pay Much More Later



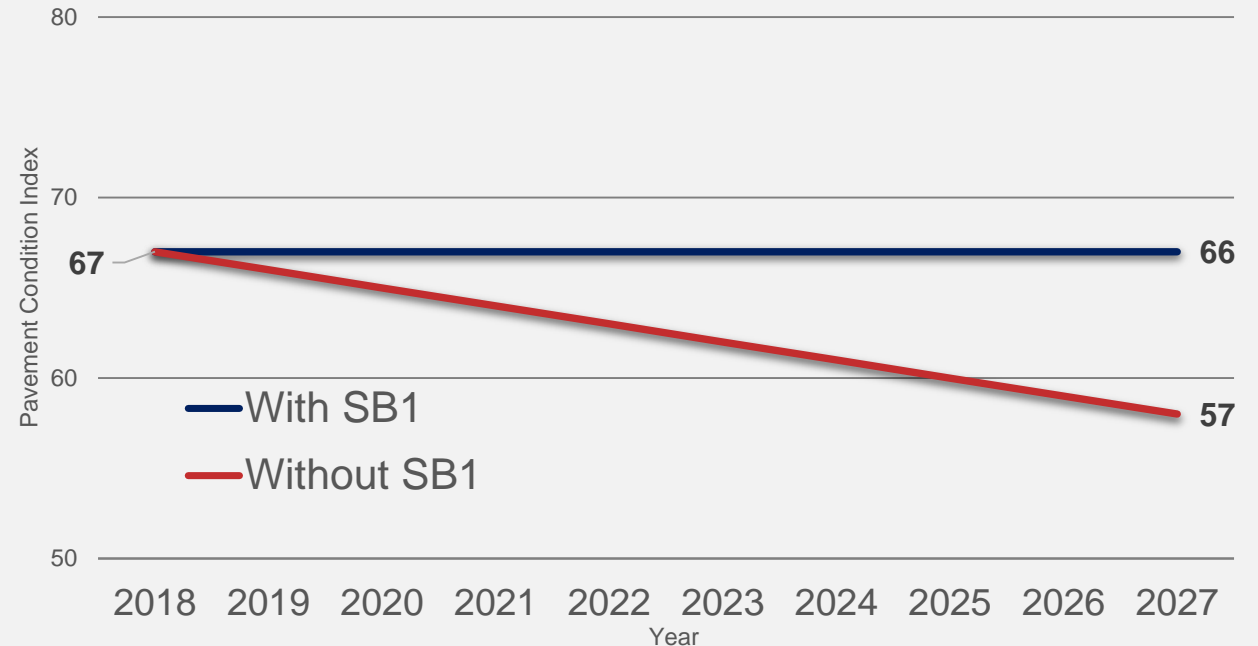
Time varies depending on traffic, climate, pavement design, etc.

Loss of Road Repair Funds Would Mean More Potholes

Local Road Gas Tax Funding By Year
(In Millions, Estimate)



Pavement Condition Forecast



A wide array of projects are eligible for SB 1, including:

- Safe driving conditions - road maintenance and rehabilitation
- Complete streets safety projects, such as sidewalks and bike lanes
- Traffic control safety devices such as traffic lights and crossings
- Storm water and clean water



Bay Area Congestion Relief Projects at Risk

Solutions for Congested Corridors:

- \$250 million per year statewide
- Focused on early delivery and most congested corridors
- CTC approved \$1 billion in May 2018 for a four-year cycle

Bay Area Funded Projects

Project Sponsor	Description	Funding
Caltrans	US-101 Marin-Sonoma Narrows	\$85
Caltrans/ VTA	US-101 Managed Lanes in San Mateo and Santa Clara Counties	\$233



Bay Area Transit Projects at Risk

State Transit Assistance

- SB 1 doubled STA funding, providing an additional \$156 million/year for Bay Area operators, including:

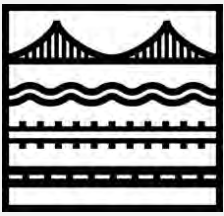
Operator	Annual Amount (Millions)
BART	\$25
SFMTA	\$40
AC Transit	\$13
Santa Clara VTA	\$18



Transit & Intercity Rail Capital Program

Operator	Description	Award (Millions)
VTA	BART to San Jose	\$730
BART	Transbay Core Capacity (Train Control, Fleet Expansion)	\$319
Caltrain	Electrification and Fleet Conversion/Expansion	\$165
Capitol Corridor	Northern California Corridor Enhancement (Oakland-San Jose)	\$80
SFMTA	Transit Capacity Expansion Program	\$27

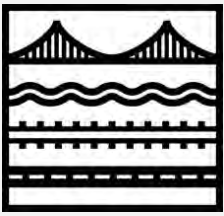




Risk to RM 3-Funded Highway Projects

Dollars in millions

Project	RM3 Funding	SB1 Funding	Comments
San Mateo US-101 Express Lanes	TBD	\$222	RM 3 Express Lane Program candidate project
Sonoma US-101 MSN	\$120	\$85	SB 1 Funding Segment C2
Alameda 7 th Street Grade Separation	TBD	\$175	RM 3 Goods Movement candidate project
Solano I-80/I-680/SR-12 Interchange	\$150	\$53	Multi-phase project



Risk to RM 3-Funded Transit Projects

Dollars in millions

Project	RM3 Funding	SB 1: Transit & Intercity Rail Capital Program
BART to Silicon Valley, Phase 2	\$375	\$730
BART Transbay Core Capacity	\$500	\$319
AC Transit High Capacity Buses	\$140*	\$14
SFMTA Transit Capacity Expansion	\$140	\$27
Capitol Corridor Enhancement Program	\$90	\$80
SMART Windsor Extension	\$40	\$21

*Part of RM 3 Core Capacity Transit Improvements project

MTC Prop 6 Public Information Plan

Web Page

- Prop 6 story on MTC home page with links to information about impacts of initiative on local road safety and repairs, public transit, congestion relief, and state highway safety

<https://mtc.ca.gov/our-work/fund-invest/funding-risk-proposition-6>

Social media

- Regular posting to MTC social media channels to inform public about regional and local impacts
- Sample social media posts for MTC board members and local agencies to share on their social media channels

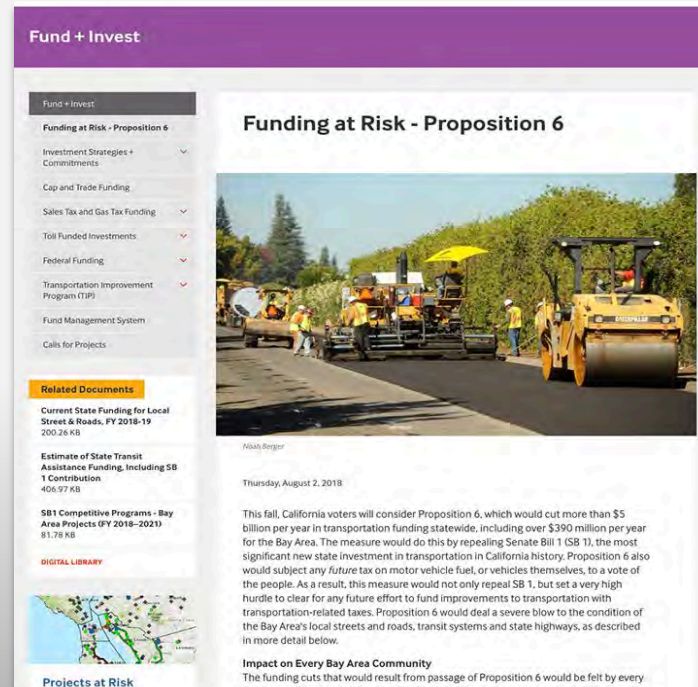


Videos

- Video for each county highlighting current condition of local roads, including footage of potholes & interviews with public works directors

Key Prop 6 Communication Efforts Underway

- ✓ Web page dedicated to Prop 6
- ✓ Maps of competitively-awarded program projects at risk
- ✓ Detailed funding impacts by agency
- ✓ Videos of local road impacts
- ✓ Social media posts



Other Public Information Activities

Press Events

- **Pothole Report**
 - September
- **Top 10 Congestion List**
 - October
- **Walk to School Day**
 - October



Partnering with Local Agencies

Public information toolkit for local agencies:

- Details of Prop 6 financial and performance impacts by local jurisdiction
- Talking points
- Powerpoint Template for Presentations to City Council meetings
- Local government resolution templates
- Videos
- Pothole report sample press release



Questions and Comments