



**CALIFORNIA
ALLIANCE
FOR JOBS**

To: MTC Board of Commissioners
From: California Alliance for Jobs
Re: MTC Regional Measure Select Committee - Final Comments

On behalf of the California Alliance for Jobs (CAJ) and the 2,000 employers and 100,000 union construction workers that we represent from the Central Valley to the Oregon border, CAJ is submitting this formal paper to provide comments to be considered by the Metropolitan Transportation Commission (MTC) as the process moves forward in developing a transportation tax measure in the Bay Area.

We understand the transit and overall transportation challenges the Bay Area is currently facing and we also know there will be no easy solution to resolve these funding issues. The COVID-19 pandemic has fundamentally altered the travel patterns of Bay Area residents. While “return to office” policies are starting to become commonplace, these policies still do not reflect pre-pandemic commute patterns. Moreover, tech industry layoffs, resident migrations out of the Bay Area, and the decline of tourism into core San Francisco, are all important variables that have impacted transit’s bottom line. We acknowledge that the transit operating deficits are real and significant for several transit operators. On the other hand, we also understand that providing a significant infusion of funding for transit operations that continues to operate under an outdated pre-pandemic model will not serve as the best use of taxpayer dollars. We further know for a fact that over 80% of Bay Area residents are motorists, not frequent transit riders. In fact, only 4% of Bay Area commuters rely on public transit according to MTC’s most recent Vital Signs report.

Ultimately, what we do know is that an *efficient and safe transportation system* improves the quality of life for all residents and provides significant economic benefits to the Bay Area. Polling over the last 12 months suggest that Bay Area voters want a measure that evenly distributes funds to the *entire transportation system*, which, not only includes transit, but also road maintenance, goods movement improvements, road safety improvements, active transportation, etc. Below are several priorities that we have communicated to the Select Committee and are requesting to be considered for the official record:

- **Balanced Expenditure Plan:** A more tailored and focused measure that possesses a more direct link between its constituents and services provided may have a better opportunity for success. This includes equal amounts of both transit and infrastructure/capital funding.
- **Everyone Pays and Everyone Benefits:** Establishing a return-to-source formula that is reasonable and fair to ensure each county has sufficient financial resources to fund their transportation priorities.
- **Proper Tax Levy:** Throughout the Select Committee process a variety of tax levy options have been introduced and explored. As a sales tax has traditionally

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CALIFORNIA ALLIANCE FOR JOBS

been the revenue mechanism used to successfully fund transportation measures over time, we will not support the inclusion of other tax levies (i.e. parcel & payroll tax) in a new measure. A sales tax resonates with the voters and has the greatest probability of success.

- **Full Flexibility:** Any expenditure plan that is developed and includes “county flex” or “opt-in” provisions should specify that allocated funds are completely flexible to fund projects that meet county transportation priorities.

CAJ appreciates and is thankful for the opportunity to serve on MTC’s Regional Measure Select Committee. While no decision was made with respects to selecting a specific scenario, the opportunity to participate and convey the construction industry’s priorities was imperative throughout the process. At the end of the day, a measure that needs to be approved by two-thirds of Bay Area voters needs to provide Bay Area voters with the transportation improvements they want. While transit is definitely a component, its not the only component. Motorist need safe, well-maintained roads. Goods need to be transported efficiently to and from the Port of Oakland. Bridges need to be rehabilitated for the safety of all.

In closing, CAJ is a labor-management partnership that advocates for responsible investments in public infrastructure projects. Specifically, CAJ keeps California’s people and economy moving as the state’s population grows by focusing on improving water systems, expanding transportation networks, increasing access, and improving the quality of our public infrastructure. Ultimately, smart infrastructure investments are the backbone of California’s long-term success; ensuring future generations have sustainable economic prosperity, creating well-paying union careers that provide opportunities to the middle class, and an enhanced quality of life. As MTC transitions in 2025 to working on a proposal in the legislative arena, we strongly urge MTC to actively engage with stakeholders from the construction and business industry as our industries have extensive experience in running successful transportation measures that have received super-majority approval.

Thank you.

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Joint MTC ABAG Legislation Committee
November 8, 2024

Page 2 of 25

Comments Received
Agenda Item 3a

Voices for Public Transportation

Regional Transportation Measure Position Paper

November 4, 2024

Voices for Public Transportation is a coalition of labor, community-based organizations, and equity advocates. Our coalition was founded in 2018 to advance a game-changing regional transportation measure to invest in our transit system so that all Bay Area residents can get around affordably and easily while protecting the climate.

Throughout the process of developing a framework for a regional measure, Voices for Public Transportation has remained focused on three main priorities.

1. **Equitable and transformative expenditures.** Enough funding in the measure for transit to maintain and improve transit service across the region and ensure that the funds are distributed equitably.
2. **Progressive funding.** The measure must be funded with progressive sources to ensure that the burden of paying for improved transportation options does not fall most heavily on those with the least resources.
3. **Climate positive.** The measure should prioritize transit funding, which reduces greenhouse gas emissions, meets our state statutory obligations under SB 375, and at a minimum any flexible funding should be for projects that are climate neutral in their projected emissions.

Components of a measure

Using these guiding principles here is our feedback on the components of a measure that the select committee has been discussing.

1. Amount of funds to transit in the measure
The priority in the measure needs to be funding for transit operations over the life of the measure. MTC and the region (and the state) have for decades failed to provide sufficient funding for robust transit service to meet our goals. This measure needs to raise enough revenue to address the current operator shortfalls and provide for improvements in the transit transformation plan.
2. Distribution of transit funds across agencies
Using lost fare revenue to divide up the funding across agencies is inequitable and doesn't address all of the causes of current operating shortfalls. The division of funding should account for operational needs, current service levels compared to 2019 levels, ridership recovery, equity priority communities, and the role the service plays in the regional network.

We support a measure that supports the needs of all the Bay Area's transit agencies, and in particular recognizes the unique needs of San Francisco in serving the region's transit riders.

3. Transit Transformation

We support funding for the programs identified in the Transit Transformation Action Plan. The funding for fare integration, transit priority, and schedule coordination will build ridership and improve the rider experience. The wayfinding and access and mobility funding is particularly important for serving people with disabilities and seniors.

4. Funding sources

At a minimum, authorize per square foot parcel and payroll tax in addition to sales tax. Allow more than one revenue source in a single measure in the proposed legislation. We support amending ballot measure language to permit additional text to allow for multiple sources or variable rates by county.

5. Number of years for a measure

We prefer a dedicated source of transit operating funding for 30 years. Transit in the Bay Area needed additional funding before the pandemic and the current funding gaps aren't going to disappear in 10 years.

6. Number of counties

We continue to support a 9 county measure since people in the region regularly need to travel across county boundaries.

C. Policies

Climate

Protecting the climate is a key priority for Voices for Public Transportation. In addition to funding transit, any projects funded by the measure should be in Plan Bay Area and climate neutral either by design or mitigation. Any project must have a fully funded plan to mitigate for any forecasted VMT for the first 20 years after the project is completed. Funding VMT mitigation can't come from sources that would otherwise have been used to reduce VMT.

Accountability

We support new accountability provisions to provide greater oversight of transit agency financial information.

Citizens' Initiative

We support including language to allow for a citizens' initiative to place the measure on the ballot. Review of the recent BART polling reinforces our assessment. Accordingly, we urge the Commission to ensure that the enabling legislation incorporates the investments and policies that have been consistently supported by organizations and coalitions, like Voices for Public Transportation, that are in a position to support the passage of an initiative at the ballot.

Job Retention

Voices for Public Transportation supports green union jobs that allow transit workers to live in the communities where they provide essential services. The legislation should restrict or limit outsourcing or automating job functions or duties currently performed by transit agency employees.

Conclusions

We recognize that getting the measure passed at the ballot is going to be a large lift, but failing to fund transit operations at this moment is not an option. Transit is critical to the future of our climate, addressing inequity, and strengthening our economy.

Voices for Public Transportation is made up of people who will be putting in the work to get the measure passed. We are community based organizations, unions, environmental and climate advocates, faith organizations, and policy experts. We need a measure that has a vision that will motivate people to join the campaign, give money, and vote. We have to make transit better, not just plug a hole. This is especially true for a citizens' initiative that may be the only route to passage of a measure, but will require even more work from citizen advocates and the community at large.

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November 6, 2024

Commissioner Jim Spering
Chair, MTC Transportation Revenue Select Committee
375 Beale Street, Suite 800
San Francisco, CA, 94105

Dear Commissioner Spering:

San Mateo County leaders recognize the importance of maintaining a strong regional public transit network in the Bay Area. Together we must not allow our rail systems to fail. However, solutions must be fair, likely to pass the muster of voters, and must not jeopardize local transportation systems and priorities.

Transportation agencies in San Mateo County are interwoven and interdependent; we understand the importance of collaboration and stakeholder engagement. This also means it takes our five independent Boards, agencies, elected officials, appointed officials, and community stakeholders sufficient time to build consensus.

Each of the following agencies has a vested interest in the outcome of this process and may take a position on any legislation that will be introduced. The San Mateo County Transit District (SMCTD) is the mobility manager overseeing the principal transportation systems and programs in San Mateo County. The District is governed by the SamTrans Board of Directors. SMCTD is also the managing agency for Caltrain and the San Mateo County Transportation Authority (SMCTA) under the direction of their independent Boards. Additionally, the District provides staffing in several functions for the San Mateo County Express Lanes JPA. Meanwhile, The City/County Association of Governments (C/CAG) serves as the Congestion Management Agency (CMA) and provides staffing support for the Express Lanes jointly with SMCTA staff.

Top priorities for San Mateo County leaders include:

- **Voluntary participation:** The region must not include San Mateo County voters in a revenue measure without the consent of our elected representatives. San Mateo County should only be included in the enabling legislation for a regional measure if the county approves such an action. It is also important that voters pass the revenue measure by the required vote threshold within San Mateo County (e.g. 2/3 majority for specific tax, 50% +1 for Citizens' Initiative) to impose the local tax.
- **Continued responsible fiscal management of SamTrans Bus and its suite of services:** Although SamTrans does not currently confront an operational deficit, costs and inflation continue to rise. We also have significant unfunded capital needs, including State mandates to convert our fleet of transit vehicles to 100% zero emission by 2040, and other infrastructure upgrades to address sea level rise and climate change. A new revenue measure must include flexible funds for SamTrans. Our leaders consistently oppose revenue measures that do not provide fair return-to-source funding for San Mateo County and require us to become a "donor county."
- **Protection of Caltrain service:** SamTrans is the managing agency for Caltrain. San Mateo County is committed to proportionally funding Caltrain under the structure of the Joint Powers Agreement that established and continues to govern Caltrain as a

supplement to Measure RR revenues. All three counties that govern Caltrain (Santa Clara, San Francisco, and San Mateo) must participate in any new revenue measure. Each county’s participation must be clear and guaranteed.

- **Protection of local transportation revenue measures:** Existing voter-approved and locally developed expenditure plans include critical funding for Caltrain, BART, SamTrans bus, paratransit, shuttles, ferry service, maintenance for local city streets and roads, Caltrain grade separation projects, bicycle and pedestrian investments, regional transit connections, highways, safe routes to school, mitigation for traffic congestion and water pollution. Even a 0.125% (1/8) sales tax increase will raise eight of our 20 cities (40%) to an overall 10% sales tax rate. Any new regional measure must not jeopardize the reauthorization of local funding measures.

The following dates include estimated renewal years in advance of each measure’s expiration:

Title	Est. Renewal Year	Est. Annual Revenue	Type	Administered by:
Measure A	2028	\$120M	.5% sales tax	SMCTA
Measure M	2032	\$7M	\$10 vehicle registration fee	C/CAG
Measure W	2044	\$120M	.5% sales tax	SMCTA & SamTrans
Measure RR	2048	\$30M	.125% sales tax	Caltrain

1. A successful regional ballot measure must:

- Have a simple and limited scope.
- Preserve and protect the ability to self-fund.
- Prioritize fair geographic distribution.
- Enhance accountability and oversight.
- Give counties authority over funding decisions.

2. San Mateo County’s financial responsibility to our regional rail systems:

Caltrain: As the managing agency for Caltrain and one of three member agencies of the JPB, SamTrans has a legal responsibility to fund our proportional share of Caltrain. We recognize Caltrain serves commuters throughout the entire length of San Mateo County.

BART: While BART provides important service in five (25%) of our cities and throughout the region, San Mateo County is not a member of the BART District. SamTrans has an existing agreement with BART and MTC that clearly defines San Mateo County’s past, present, and future operational and capital funding obligations to BART. This 2007 negotiated agreement considered the significant investment that SamTrans and San Mateo County riders have and will continue to pay into the system and considered the hundreds of millions of dollars’ worth of capital contributions, SFO Extension project contributions including design and construction costs, and land value ripe for transit-oriented development that SamTrans transferred to BART at zero cost. SamTrans has fully complied with the existing agreement.

- We recognize no one could have predicted the pandemic and its impact on public transit, especially to BART and Caltrain.
- Any additional financial contributions to BART considered by San Mateo County voters and their elected representatives will be voluntary and should be met with improvements and accountability.
- We disagree with MTC/BART’s calculation of San Mateo County’s proposed fair-share contribution to BART that would fund operational deficits. We are also concerned that agencies calculate operational deficits differently, which will directly impact the benefit they receive from a regional revenue measure.
- Third Party Reviewer: we recommend an independent Third-Party Reviewer of budget deficits and proposed fair-share calculations for each agency named in the regional revenue measure. This will ensure full transparency,

consistent modeling, and resolve discrepancies about how to calculate fair-share contributions and operational deficits.

- BART/MTC have suggested (per Commissioner Spering’s letter and subsequent presentations) that San Mateo County’s reasonable fair-share towards BART and Caltrain ranges between \$70-\$130M annually. This means San Mateo County’s annual fair-share for BART alone could equal up to \$100M annually. We understand this calculation assumes San Mateo County should fund the deficit incurred by the BART District, in accordance with the share of ridership from each BART county, minus what each county is currently contributing to BART in county revenues. We also understand BART’s costs used to calculate the counties’ share include “all-in” costs, which cover not only operations, but also capital, deferred maintenance, administrative overhead, and debt service.
- The proposed approach described above, as we understand it, treats San Mateo County as though it were a member of the BART District, disregards the past agreement between SamTrans, BART and MTC, and does not account for contributions to the system from this county, including the only county-specific surcharge in the region. The amount of funding San Mateo County provides to BART should not be equivalent to BART District counties and must be an amount our voters will support.
- San Mateo County elected leaders may be willing to consider contributing proportionally to BART’s **pandemic fare loss** in San Mateo County, in return for improvements to our BART stations—not the status quo.

3. If San Mateo County elected officials decide to support a revenue measure that helps BART address its financial crisis, San Mateo County must gain in return from BART:

- Ironclad agreements about how the money will be spent.
- Commitment to continue providing BART service at all San Mateo County stations at a level consistent with systemwide service and coordinating that service with Caltrain and SamTrans schedules to ensure seamless transfers.
- Clear benefits and improvements to San Mateo County BART stations so that taxpayers see and feel improvements to safety and “quality of life” issues resulting from their new investment (e.g. frequent cleaning, improved security, lighting, new fare gates).
- Accountability: full transparency regarding BART’s efforts to align service with existing post-pandemic ridership trends and scale its operations appropriately, plus responsible fiscal management of administrative overhead costs.
- Acknowledgement and full accounting of existing and historic contributions of San Mateo County into the BART system. It is vital to have a fair and transparent accounting of these investments to build consensus for a regional transportation measure in San Mateo County.

4. Possible funding solutions:

- Decisions about which type of revenue measure to place on the ballot must be data-driven and supported by robust polling data.
- Simpler revenue measures with clear expenditure plans have a higher likelihood of passing.
- In addition to evaluating and responding to the myriad of revenue proposals suggested by MTC, BART, Caltrain, Muni and individual legislators, San Mateo County leaders are thinking creatively about practical funding solutions grounded in equity and fairness. These solutions include taxes, fees, and/or modifications to existing expenditure plans. We are committed to engaging with community stakeholders before we publicly propose funding solutions.

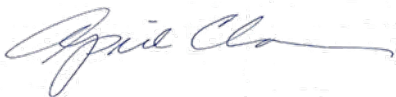
- San Mateo County will propose funding solutions after we establish consensus with MTC about our county’s appropriate fair-share contribution. Solutions must fit the problem.
- Although the SMCTA and SamTrans Board of Directors have not yet taken an official position on MTC’s proposed regional revenue measures, recent feedback indicates that our elected leaders do not support MTC’s current proposals.

In the coming weeks, San Mateo County leaders and stakeholders will continue to explore the pros and cons of revenue measures that include:

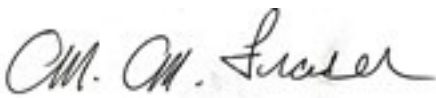
- MTC’s Scenario 1, 1a, and 2
- SFMTA-led Operator Proposal, a.k.a. “Bay Area Transit Operators Partnership Funding Network”
- San Mateo County revenue measures, and/or other county-coordinated efforts

San Mateo County has a long history of being a collaborative regional partner. Our record demonstrates that San Mateo County stepped up to the plate and leveraged local taxpayer dollars for the greater regional good at critical moments when other agencies did not or could not. Here are three examples: 1) purchasing the railroad ROW from Union Pacific, giving birth to Caltrain for the mutual benefit of Santa Clara, San Francisco, and San Mateo Counties; 2) purchasing the Dumbarton Corridor to preserve the transit asset for the mutual benefit of Alameda and San Mateo Counties; and 3) funding capital and operations to realize the BART District’s vision for an SFO Airport extension including four San Mateo County stations—which nearly sunk SamTrans financially until a fair exit strategy was negotiated—for the benefit of the regional BART system. And now, in 2024, San Mateo County leadership is considering creative financial solutions to voluntarily help regional transit operators with fiscal cliffs. Collaboration among cross-functional stakeholders is The San Mateo County Way and we will continue to work towards practical solutions.

Sincerely,



April Chan
General Manager/CEO and Executive Director



Marina Fraser
Chair, San Mateo County Transit District Board of Directors



Carlos Romero
Chair, San Mateo County Transportation Authority Board of Directors

Cc: San Mateo County Transit District Board of Directors
San Mateo County Transportation Authority Board of Directors
David Canepa, Commissioner, Metropolitan Transportation Commission
Gina Papan, Commissioner, Metropolitan Transportation Commission
Andrew Fremier, Executive Director, Metropolitan Transportation Commission
San Mateo County Transit District and San Mateo County Transportation Authority State Legislative Delegation



November 6, 2024

David Canepa, Chair
Joint MTC ABAG Legislation Committee
375 Beale Street
San Francisco, CA 94105

RE: Comments on Future Transportation Revenue Measure

Dear Chair Canepa,

Thank you for continuing the work to build consensus on how the Bay Area funds public transportation going forward, which I recognize is a tremendously difficult task. I appreciated the opportunity to serve with you on the Transportation Revenue Measure Select Committee, but I was disappointed that the conversation did not progress substantially from where we were with SB 1031, which was a lopsided expenditure plan that caused widespread division within our region. We cannot continue to frame this as a measure to bail out an existing public transit system that is not meeting the needs or expectations of Bay Area residents. We must require public transit agencies to provide a better, safer, cleaner, and more coordinated rider experience, and they must take the difficult steps of identifying opportunities to cut costs.

This is not the first time we have come together to reform Bay Area public transit. I served on the Transit Sustainability Task Force in 2012 to address the persistent transit funding shortfalls, the Blue Ribbon Transit Recovery Task Force in 2021 to create a more rider-focused system, and I'm currently serving on the State Transit Transformation Task Force which is a process created in response to the fiscal cliff crisis and several failed transit reform bills in the State Legislature. Yet none of these groups have delivered meaningful change in our public transit system for all who live here.

We must reimagine how we deliver public transit. Our polling repeatedly confirms that the voters are not interested in funding the status quo, and neither is the business community. We will not support any revenue funding absent real and substantial change.

There are several changes we seek in order to support additional funding for public transit. As part of our own efforts to build consensus, the Bay Area Council has shared these principles with our partners at the California Alliance for Jobs and SPUR and we have been encouraged that progress has been made in finding substantial agreement between our organizations. I believe this lays the groundwork for working towards a measure that responds to the needs of the residents.

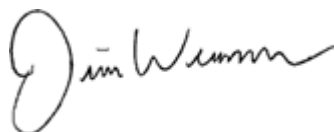
- **We must get costs under control.** Transit shortfalls have existed long before the pandemic, and we need to better understand what is driving costs so we can right size budgets and adjust to post-pandemic travel demands. We cannot continue to do

business as usual. We should assess whether we need to continue to operate certain low ridership lines, or consider how we could integrate technology to improve mobility at a cheaper cost.

- **We must create strong independent oversight of agency operations.** Our polling repeatedly shows that the public does not trust public transit agencies to use taxpayer funds well, so we need to convince the voter that agencies will use any new funds more efficiently. We must also ensure that all of our public transit operators are delivering on their promise to create a more seamless, integrated, and commonsense transit network that riders have demanded. In some cases, this may require a restructuring of governance structures to ensure that public transit agencies are delivering a service that is responsive to riders and crafting a budget that is responsive to taxpayers.
- **We must deliver a safer, cleaner, and more comfortable transit rider experience *before going to the ballot*.** Our extensive polling and public outreach clearly shows that this is a top concern for riders of the BART system, specifically. Continuing to make progress on increasing the security presence, enhancing the cleaning of trains and stations, and preventing non-paying customers from entering the stations will not only regrow ridership but it will also rebuild voter confidence as we work towards a future funding measure. While BART has made progress in these areas over the past year, we must prioritize these top rider concerns to deliver a safe and clean system at all hours of the day. We recommend that this measure set aside a pot of funds for safety improvements, to ensure that the funding is not diverted for other uses.
- **We must offer a balanced expenditure plan to win voter support.** We know from extensive polling that any new revenue measure must have a balanced expenditure plan that responds to the multimodal needs of all Bay Area residents and employers. Less than 10 percent of our population regularly rides public transit, so we need an expenditure plan that delivers benefits to all transportation users. I recognize public transit agencies are facing a dire financial crisis, and I believe a measure that includes some funding for some other transportation needs will be supported by voters and bring the agencies the necessary funding to allow our region to prosper and grow.
- **We must pursue a revenue mechanism that can pass at the ballot.** A sales tax is a traditional source of transportation funding and polling indicates that it resonates with the voters and has the greatest probability of success.

I look forward to continuing to work together to create a measure that responds to the diverse transportation needs of Bay Area residents and has a viable path to success at the ballot.

Sincerely,



Jim Wunderman
President & CEO

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November 6, 2024

David Canepa, Chair
MTC/ABAG Legislation Committee
Metropolitan Transportation Commission
375 Beale Street
San Francisco, CA 94105

Dear Chair Canepa,

I am writing to express urgent concerns on behalf of the Alameda-Contra Costa Transit District (AC Transit) regarding the proposed Transportation Revenue Measure scenarios. While we value the MTC's efforts to address the pressing need for sustainable transit funding, it is critical that we ensure an equitable approach in the allocation of resources, particularly for agencies like AC Transit, which serve some of the Bay Area's most transit-dependent communities.

As the CEO of AC Transit, I must convey that the current funding proposals fall significantly short of meeting our financial needs. The funding scenarios on the table only address half of the deficit we face annually, leaving us with a funding gap of \$30 million per year that threatens our ability to maintain essential services. This will have a direct and detrimental impact on the communities we serve, particularly those who rely on AC Transit for essential daily transportation. A remaining deficit of \$30 million per year will likely result in AC Transit running our own measure in Alameda and Contra Costa County in 2026 to make up the difference.

AC Transit serves more than 150,000 riders each weekday, and we have already surpassed 10 million rides in the first quarter of this fiscal year alone. The individuals who rely on our service are often those least able to absorb reductions in transit access, including seniors, low-income workers, and people with disabilities. Because of the high percentage of transit dependent riders that we carry, we are now carrying 76% of pre-pandemic levels of ridership. Without a more comprehensive funding solution, these riders will bear the brunt of any service cuts.

AC Transit is currently projecting a \$149 million operating deficit over the next four years, a shortfall exacerbated by the end of federal emergency funds and the impending reduction of state financial support. Simultaneously, we are facing significant increases in operational costs. These factors compound the existing challenges and present an urgent need for a more robust financial commitment. It is also crucial to highlight that our current deficit projections are based on operating only 85% of our pre-pandemic service levels. AC Transit is committed to restoring full service as quickly as possible, but doing so will be impossible without a fairer distribution of resources.

For these reasons, we have repeatedly called for a more equitable analysis of transit funding, one that goes beyond fare revenue and ridership, but also considers, equity, inflation driven expenses, and gives greater weight to the demographic and socio-economic factors that affect transit agency needs. Without these adjustments, AC Transit and similar agencies will be forced to scale back services, further deepening the inequities faced by riders in already underserved communities.

AC Transit's mission is to provide safe, reliable, and sustainable transit service that responds to the needs of our communities and customers. While I can agree that some portion of the revenue measure funding should go towards transit transformation, I would urge the Committee and MTC Commission to take the policy proposals that AC Transit previously submitted through the executive group process into serious consideration.

- Consolidation or Coordination study, if included in the legislation, should be funded with sources other than those generated by the revenue measure.
- Recommend specific language be included in the legislation that specifies how the measure will ensure an equitable distribution of funds – including but not limited to factoring in ridership levels, operating costs and equity (i.e. disadvantaged communities served).
- Add a transit seat, with voting powers, on the MTC (legislative change required). If transit is subject to mandates and the conditioning of funds, operators should be able to shape the policies that impact service and riders.
- If a regional transit pass is included in the revenue measure, structure the regional pass program in such a way to not diminish the \$7+ million in revenue AC Transit receives each year through our own EasyPass program.
- No conditioning of operations funding on expansion or restoration of specific instances of prior service, as conditions have changed and new service patterns may be more relevant.
- Do not link operations funding to TDA reform – TDA reform is needed but should be a separate process.
- No unfunded mandates as a result of the revenue measure.

I strongly urge you and the Committee to reconsider the current approach and ensure that the East Bay receives its fair share of funding. Our communities deserve reliable, equitable transit options, and AC Transit is ready to collaborate with MTC to find a solution that better serves all riders across the Bay Area.

If you have any questions, feel free to contact me at 510-891-4753 or mhursh@actransit.org.

Sincerely,



Mike Hursh
CEO/General Manager
Alameda-Contra Costa Transit District (AC Transit)

cc: AC Transit Board of Directors

Metropolitan Transportation Commission
Joint MTC ABAG Legislation Committee
375 Beale Street
San Francisco, CA 94105

RE: 3a. Transportation Revenue Measure Select Committee Update

November 7, 2024

Dear MTC Commissioners:

As leaders of the Santa Clara Valley Transportation Authority (VTA), which provides transportation solutions to our community of almost 1.9 million people, we want to thank the Metropolitan Transportation Commission (MTC), and especially the extraordinary leadership of Transportation Revenue Measure Select Committee Chair Jim Spering. We appreciate the many frank discussions with Chair Spering in which we considered a number of options to support transportation in Santa Clara County and in the greater Bay Area. Chair Spering listened to our concerns and understood the financial relationships between and among our partner agencies.

Regrettably, we are unable to join you at the November 8th Joint MTC ABAG Legislation Committee meeting due to a VTA Board of Directors scheduling conflict, so we provide our comments to Item 3a through this letter.

VTA's mission is to provide transportation solutions for the movement of our community members within our county and to facilitate access to the greater Bay Area region. Changes in commute patterns in the wake of the pandemic have challenged VTA and its regional partners differently. There are no one-size fits all solutions to address all the regional transportation agencies' financial situations. At the same time, we believe it is our obligation to be a deep and meaningful partner in the efforts to maintain and transform transit services across the region. Given this reality, VTA proposes to support the transportation needs of our county, partner agencies, and the region by "opting in" to a parallel, separate Santa Clara County 30-year half cent sales tax measure, should VTA polling indicate its likely voter passage.

With the successful passage of a 30-year Santa Clara County parallel tax measure, VTA would directly manage these funds to ensure the financial resources are allocated to address its future fiscal needs, restore service, and make system improvements in accordance with its fiduciary responsibility to the voters of Santa Clara County. This measure, combined with a 4-county regional tax measure, will provide the flexibility needed for VTA to support its regional partners in the following ways (see **Exhibit 1 for uses of the current 2000 Measure A proceeds and the potential uses of a new 30-year measure beginning in FY26**):

- Ensures VTA meets its contractual obligations to BART and Caltrain in support of their operations (see **Exhibit 2 for past and future payments to BART and Caltrain**)
- Provides resources allowing VTA to directly assist BART and Caltrain in mitigating their pending fiscal deficits by remedying challenges with current agreements
- Provides additional resources to address pending fiscal deficits of BART and Caltrain where a four (4) county measure may fall short, which would be repaid in accordance with amendments to existing agreements
- Provides critical funding to support future regional transportation projects and programs within Santa Clara County
- Supports Regional Transit Transformation through MTC and at the County level in amounts to be determined, currently estimated at 10%
- Ensures VTA can increase transit service to levels comparable to Bay Area and other metro area operators, as expected by Santa Clara County residents (see **Exhibit 3 and Exhibit 4 related to per capita service levels, reflecting VTA’s need to restore service**)

VTA recognizes the past generosity of its voters who support the transportation services it provides to our community, while acknowledging that this proposed parallel 30-year measure eliminates risk should Santa Clara County voters not renew the local Measure A tax by 2036. A parallel Santa Clara County revenue measure, managed directly by VTA, provides the greatest opportunity to support transportation in Santa Clara County, for our partners, and facilitates access to the greater Bay Area region.

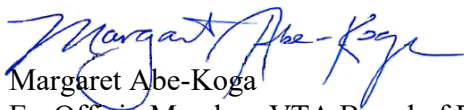
Sincerely,



Cindy Chavez
 Chairperson, VTA Board of Directors
 Santa Clara County Supervisor
 MTC Commissioner



Matt Mahan
 Member, VTA Board of Directors
 City of San Jose Mayor
 MTC Commissioner



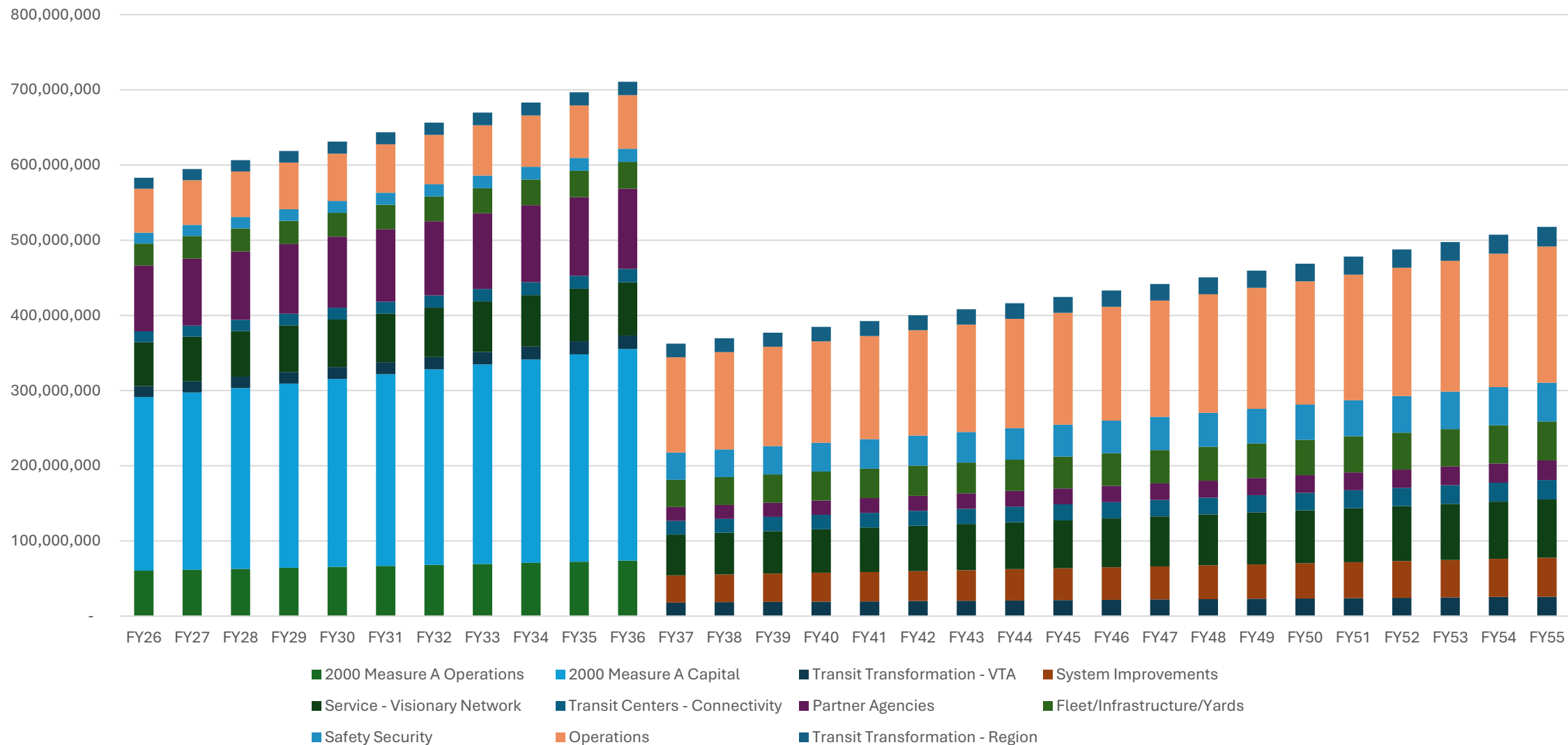
Margaret Abe-Koga
 Ex-Officio Member, VTA Board of Directors
 Mountain View Councilmember
 MTC Commissioner



Carolyn M. Gonot
 VTA General Manager/CEO

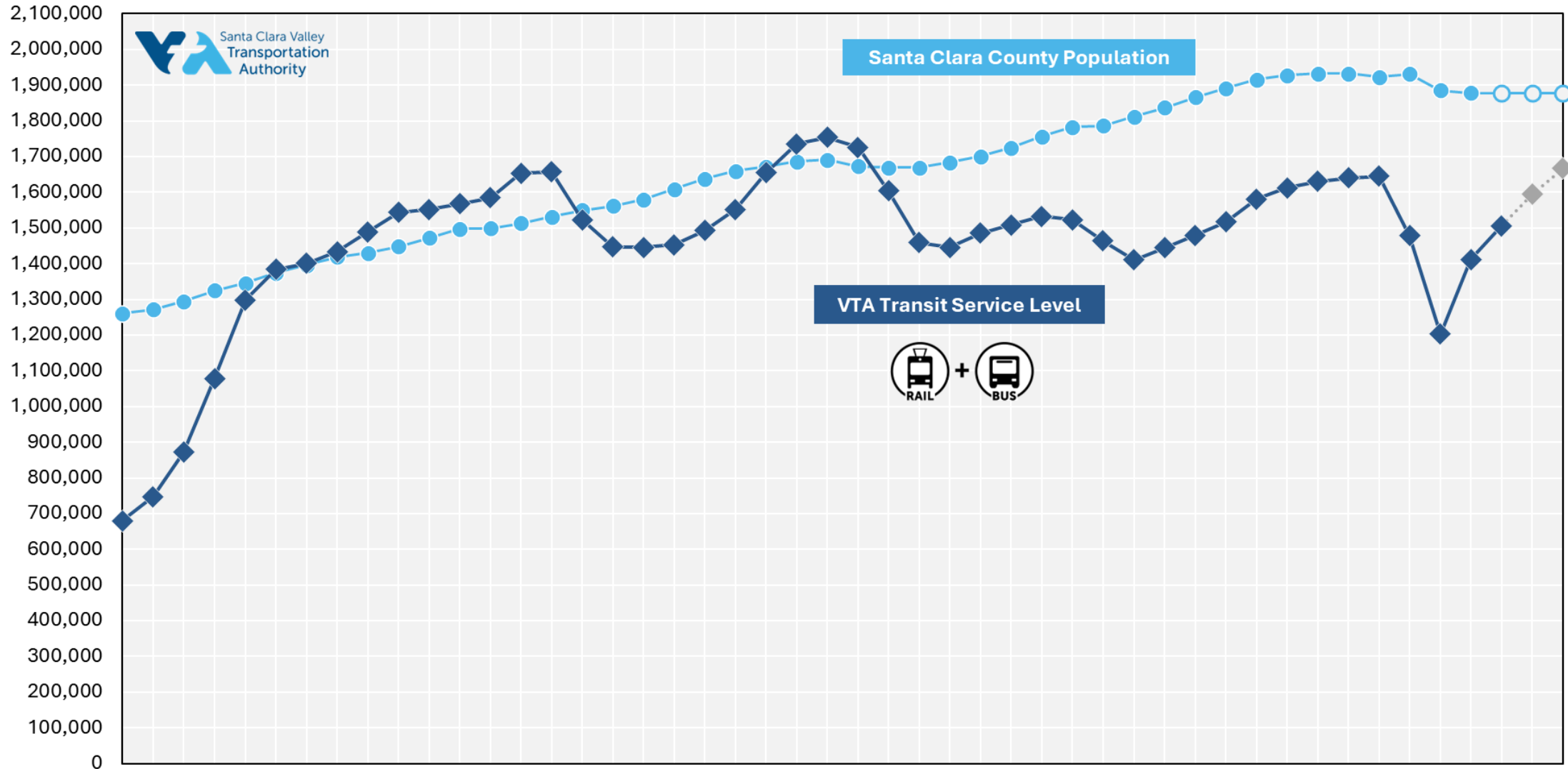
2000 Measure A and 2026 Measure Utilization

Exhibit 1



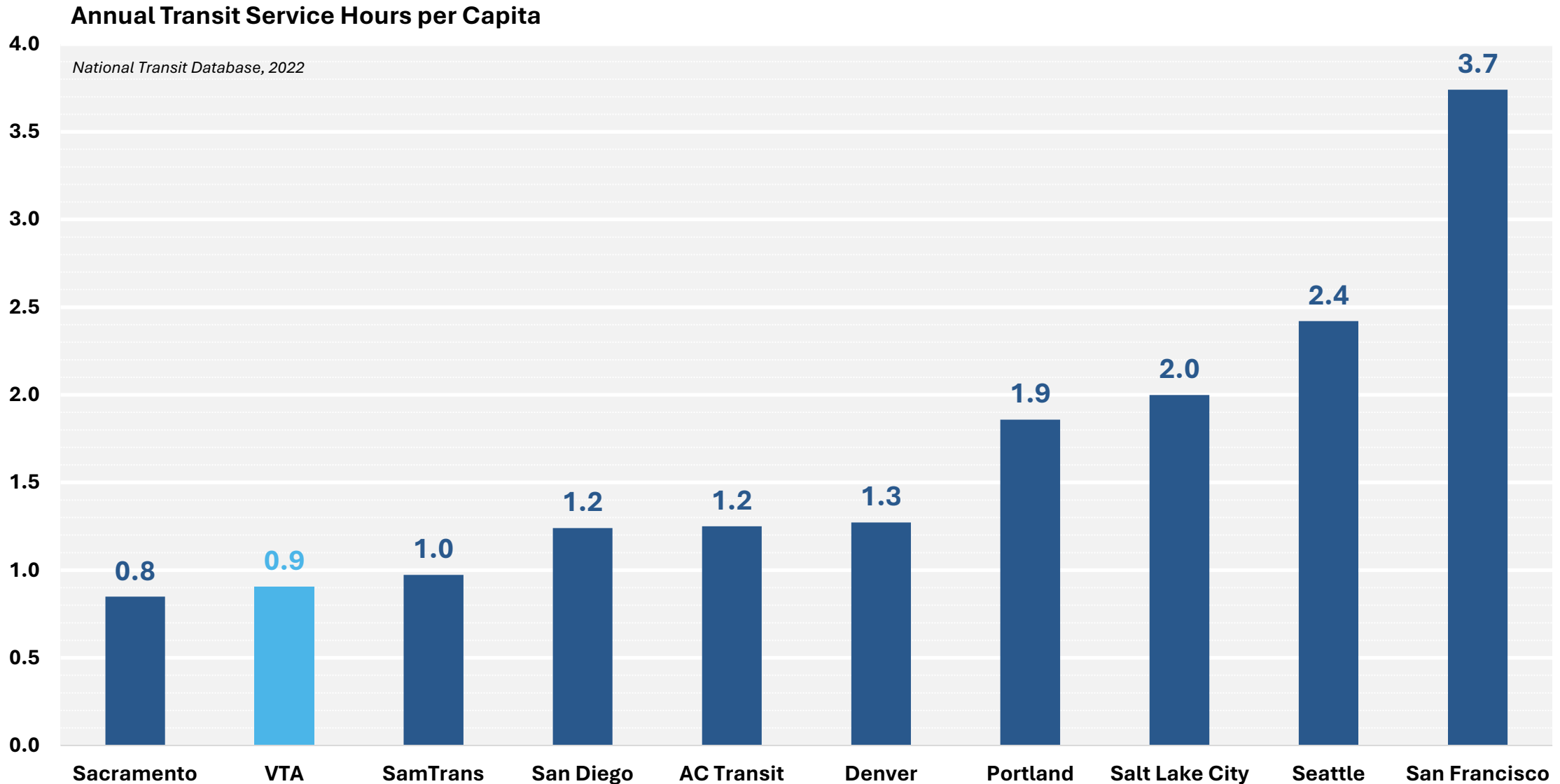
Partner Agency	Funding Source	Provided thru FY25	Future Estimates	Note Regarding Future Estimates
BART – O&M Agreement	2008 Measure B	\$365.5 million	\$1.725 billion	Aggregate annual estimate thru FY36
Caltrain – Operating Deficit	VTA Transit Funds	\$96.6 million	TBD	To be determined based on actual deficits and allocation formula
Caltrain – Measure A Program	2000 Measure A	\$182.7 million	N/A	Measure A projects complete
Caltrain – Corridor Capacity	2016 Measure B	\$42.5 million	\$271.5 million	Remaining estimate of program dollars
Caltrain – Grade Separations	2016 Measure B	\$178.0 million	\$522.0 million	Remaining estimate of program dollars

VTA Transit Service Levels and Service Area Population



VTA Provides Less Service Per Capita Than Most Peers

Exhibit 4



November 6, 2024

Re: Item 3a. Transportation Revenue Measure Select Committee Update

Chair Canepa,

On behalf of SPUR I am writing to urge you and the other members of the Committee to persevere in your efforts to advance enabling legislation for a future regional transportation measure. I appreciated the recent opportunity to serve with you on the Regional Transportation Measure Select Committee and I fully understand how difficult it is to find consensus on this complex issue.

SPUR is deeply concerned about transit's financial future and we stand ready to support a variety of potential approaches that could address transit's operating needs and succeed with Bay Area voters. To that end, we have articulated a set of "principles" that we believe will be necessary for enabling legislation to move smoothly through the legislature and for a measure to be successful at the ballot. As part of our own efforts to build consensus, SPUR has shared these principles with our peers at the Bay Area Council and the California Alliance for Jobs. While each of our organizations maintains unique perspectives and priorities we have been encouraged to see there is significant agreement and overlap between our organizations.

- **Sustain Transit:** The financial crisis and potential for severe cuts to some of our region's biggest transit systems - systems carrying more than 80% of Bay Area transit riders - is very real. This crisis is the reason we are discussing a regional transportation measure at this time and we believe that any future expenditure plan must provide a level of financial support for transit that will allow our systems to keep operating at a frequency and quality that will avoid a transit death spiral. We recognize that there is no path to transformation unless we have the basics.
- **Reform and Transform:** A significant regional investment in transit must be accompanied by real accountability reforms and commitments to transformation to improve customer experience. We need independent oversight of transit spending at the operator and regional level and we need to see sustained progress by transit agencies to control costs and move toward a sustainable business model. We also need to see

continued work by operators and MTC to ensure that transit is viewed as clean, safe and secure along with progress on regional integration of systems to create a seamless customer experience for riders.

- **Regional Outcomes, Local Support:** Our region’s climate targets, affordability goals, and continued economic growth depend on a healthy transit system. We recognize, however, that successfully passing the regional measure needed to achieve these outcomes will require strong leadership and support at the local level. A successful measure will work within and around existing local funding structures - providing flexibility to counties to define and pursue local priorities. A successful measure must also include strong return-to-source provisions and other controls that will help counties feel assured that their residents’ tax dollars are being put to good use and supporting local priorities over time.
- **A Multi-Modal Expenditure Plan:** Building broad support among voters in a diverse region will require a multi-modal expenditure plan that includes support for transit operations, capital projects to maintain our roads and a range of multi-modal investments that reflect both local and regional priorities. We believe there is a path toward a compelling multi-modal expenditure plan that is attractive to voters, supports and transforms transit and advances our region’s climate goals.
- **A Viable Revenue Mechanism:** Sales tax has traditionally been used to fund transportation at the local level and, absent further polling, appears to be the only mechanism that may be viable with voters. While not yet ruling other options out, we believe that a sales tax is the likely revenue mechanism for a future regional measure.

Thank you for your ongoing efforts on this critical issue - we look forward to continuing to work with you and our partners to move this process forward.

Sincerely,

Alicia John-Baptiste
CEO, SPUR

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

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November 7, 2024

Joint MTC ABAG Legislation Committee
David Canepa (Chair), Jesse Arreguin (Vice Chair), and Committee Members
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

RE: Agenda Item #3a Transportation Revenue Measure Select Committee Update

Dear Chair Canepa and Vice Chair Arreguin:

San Mateo County and the Bay Area need robust and fiscally sound public transit, a fully integrated world class transit system, and safe streets and other critical multimodal investments. We appreciate MTC's efforts to address this important and difficult task. We are especially grateful for the hard work by Commissioner Spring and the members of the Select Committee on this topic.

C/CAG is the County Transportation Agency (CTA) and also the designated Congestion Management Agency (CMA) for San Mateo County. C/CAG represents all of San Mateo County's 764,442 residents through its 21-member Board of Directors, with each jurisdiction in the County having a dedicated seat. C/CAG works to improve climate resiliency, mobility, the environment, and equity throughout San Mateo County.

C/CAG has been actively engaged in the earlier discussions about a regional transportation measure and SB 1031. The C/CAG Board of Directors has taken several "oppose unless amended" positions on SB 1031. The current proposals advanced by the MTC do not address C/CAG's concerns raised during the SB 1031 process. San Mateo County's critical concerns are described below.

Failure to Include Opt-Out Language

Among all the Bay Area counties, San Mateo County has the most risk related to the renewal of a local sales tax measure because Measure A expires the earliest in 2033. A renewal ballot measure might occur as soon as 2028. Language allowing San Mateo County to opt out if the regional measure conflicts with or jeopardizes the renewal of Measure A is critical.

Lack of Local Flexibility and Multi Modal Investments

It is crucial to ensure a balanced investment across various modes to address the variety of mobility needs and garner widespread support. The majority of taxpayers in San Mateo County work in San Mateo County and drive or carpool to work. We are strategically expanding our bicycle and pedestrian networks. Pavement management is an ongoing concern for our voters and several of our cities have the lowest Pavement Index in the region. In addition, there needs to be funding opportunities to address transportation challenges in our rural and coastal communities, which are just as critical as our urbanized areas and support our tourism industry. Multimodal investments in transit, active transportation, roadway improvements, and grade separations that are

consistent with MTC's Plan Bay Area have a better chance to create broader coalitions of support from our communities and other key stakeholders.

Robust Return to Source Guarantees

Any regional measure must include robust return to source provisions to ensure that a substantial portion of revenue generated by taxpayers within each County is directly reinvested in that County on an annual basis. Each County should have sole decision making authority over the vast majority of the revenue raised within that County. The current MTC proposals do not include sufficiently robust return to source provisions or adequate County decision making authority. For example, as proposed, MTC would have decision making authority to allocate all or almost all the funding in the first 10-15 years of the Scenario 1A and the Hybrid Scenario.

Lack of Regional Transit Accountability and Transformation Measures

Recent polls clearly show the public wants transportation transformation including seamless transfers, cleaner and safer operations and stations, real time information, improved lighting, better signage, and new fare gates. Funding the status quo is not acceptable. MTC's current proposals do not specifically set forth the transformation measures important to the public. There must be full transparency regarding regional transit's efforts to transform transportation, align service with existing post-pandemic ridership trends and scale its operations appropriately, plus responsible fiscal management of administration overhead costs. Assumptions about funding for pandemic fare loss must be standardized, reflect an objective third party accounting of the costs, an equitable distribution, and a limited duration. It is vital to have a fair and transparent accounting of future potential funding investments to build consensus for a transformative regional transportation measure in San Mateo County.

Concern about Taxation Levels and Detrimental Impact on Local Funding Sources

In San Mateo County, a ½ sales tax would increase the sales tax rate over 10% in 10 of our cities representing a majority of our population. Counties have varying levels of sales taxes rates, with some higher than San Mateo County, and also some considerably lower than San Mateo County. There are significant concerns about tax fatigue among voters, economic competitiveness, and other negative economic impacts of increasing sales tax rates or parcel taxes. Additionally, the twenty cities in San Mateo County will likely raise significant concerns about a potential parcel tax increase because they (and our schools) rely heavily on parcel taxes for operations and infrastructure.

Thank you for this opportunity to comment. We look forward to continued discussion. We will return to the C/CAG Board at its November 14th meeting for additional input and guidance. If you have any questions, please contact Sean Charpentier, C/CAG Executive Director, at scharpentier@smcgov.org.

Adam Rak



C/CAG Chair

cc:

Senator Josh Becker
Senator Scott Weiner
Assembly Member Phil Ting
Assembly Member Diane Papan
Assembly Member Marc Berman



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November 7, 2024

Joint MTC-ABAG Legislation Committee
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

RE: Bay Area Transportation Measure Framework

Dear Chair Canepa and Committee Members,

On behalf of the Peninsula Corridor Joint Powers Board (Caltrain) I want to thank you for all the hard work MTC Commissioners and Select Committee members as well as MTC staff have invested in developing options for a regional funding measure. We are fully committed to being dedicated partners throughout this process. With this in mind, we write to offer the position and perspective of the agency to inform your process going forward regarding shaping a regional measure for transit funding and the authorizing legislation related to that effort.

Prioritize Transit Operating Deficits

We agree with the Select Committee's vote to support funding to meet operator deficits. The consequences of a loss in transit service in the Bay Area in terms of transit ridership, low-income communities, air quality, and climate goals are grave.

Given the impacts of the COVID-19 pandemic and the subsequent changes in commuter behavior, fare-dependent transit agencies have been hit particularly hard in terms of operating revenues. Caltrain used to receive 73 percent of its operating budget from rider fares, and that revenue remains significantly lower than pre-pandemic levels. Caltrain, like other agencies in the Bay Area, is facing a substantial operating deficit in the coming years, projected to be \$77M per year each year for the first seven years beginning in fiscal year 2027.

Caltrain is working hard to regain ridership. We expect schedule enhancements, our new electric service, innovative fare offerings and other efforts to add significant ridership over the coming years, but aggressive ridership growth is already built into the assumptions for Caltrain's projected deficits.

We believe this to be a long-term problem that is not entirely fixable with a short-term influx, even if that may be a necessary first step in the process. Legislation to address the fiscal crisis should focus both

November 7, 2024

Page 2 of 2

on immediate need and a recognition that this problem is not going away in 10 years. Thus, we urge the Commission to prioritize funding transit operating deficits now and into the future.

Prioritize Simplicity, Flexibility and Voter Support

Voter support has to be the north star of this effort. *Any measure should be simple, with a clear expenditure plan so agencies and voters can know what to expect when they are asked to support it. In particular, as the Select Committee recommended, a study of consolidation should not be part of this regional funding measure.* Caltrain strongly supports and already participates in efforts towards greater coordination for schedules, wayfinding and fares.

In addition, we expect MTC and other agencies to conduct significant polling in the coming months, the first polling since the November 5th election. We will learn more from that polling and as we move closer to the 2026 election, regional measure legislation should include a range of options, with multiple funding mechanism options, and allowing for tax rates that could vary by county. Built-in flexibility at this stage offers the best chance for a measure to be put on the ballot that meets the important test of both being able to raise enough funding to meet the moment and being able to gain sufficient support at the ballot box.

While we were pleased to see Caltrain with one of the highest favorable ratio as well as one of the lowest unfavorable ratio of any agency polled by BART recently, the majority of results were sobering. We therefore agree that it makes sense to build in authorization of a citizen's initiative as an option for a regional measure.

Caltrain Member Agency Counties

Caltrain is a joint powers authority made up of three member counties (San Mateo, San Francisco, and Santa Clara) and inclusive of member agencies SFMTA, VTA, and SamTrans. *For any regional measure option, it is important that contribution to Caltrain's shortfall is equitably divided between all three of the Caltrain counties.* Each county should commit to contributing, either by opting in to the measure or by agreeing to contribute their fair share to Caltrain even if they choose to opt out.

We thank you again for the work on this issue that is an existential crisis for transit agencies and riders in the Bay Area. We are hopeful we can find a regional solution to this regional problem that still meets the needs and addresses the concerns and individual needs of each county.

Sincerely,



Devora "Dev" Davis
Chair, Peninsula Corridor Joint Powers Board (Caltrain)

CC: Metropolitan Transportation Commission
Caltrain Board of Directors
Michelle Bouchard, Caltrain Executive Director