

Regional Measure 3 Orientation & Overview



**METROPOLITAN
TRANSPORTATION
COMMISSION**

RM3 Independent Oversight Committee

March 7, 2025 | Agenda Item 6a

MTC Staff

RM3 Background

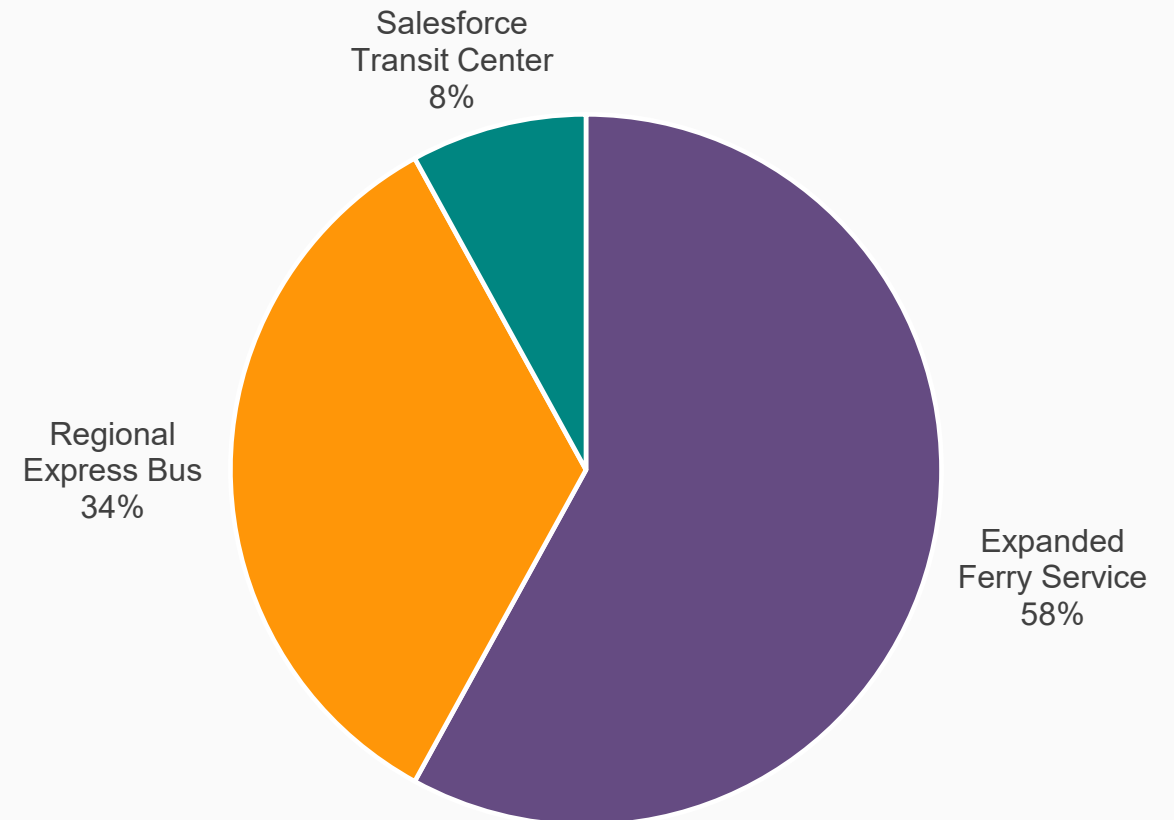
- Voters approved a \$3 toll increase on state-owned bridges to be phased in over six years starting January 1, 2019
- RM3 Expenditure Plan identified capital and operating investments to improve transportation system regionwide
- Legal challenges delaying release of RM3 funds were dismissed in early 2023



RM3 Operating Program Overview

- Maximum of 16% of RM3 revenues annually for operating assistance
- Three components and their funding levels are listed in statute
- Operating funding is for transit service, including ferry and express bus service, and the operation of the Salesforce Transit Center, the major transit hub in downtown SF operated by the Transbay Joint Powers Authority
- Supports existing, more frequent, or new transit service

RM 3 Operating Program
(16% Annual RM 3 Revenue)



RM3 Capital Expenditure Plan Overview

| Capital Program | Amount (in \$Millions) |
|--|----------------------------------|
| Regional Programs | \$1,550 |
| Central San Francisco-Oakland Bay Bridge) | \$780 |
| South San Mateo-Hayward, Dumbarton | \$985 |
| North Richmond-San Rafael, Benicia-Martinez, Carquinez, Antioch | \$1,135 |
| Capital Program Total | \$4,450 |

RM3 Policies and Procedures



- MTC adopted Resolution No. 4404 establishing RM3 Policies and Procedures to provide guidance for the administration of capital and operating funds
- Above and beyond statutory requirements
- Covers allocation and funding agreement process, expenditures and reimbursements, timely use of funds, monitoring and reporting requirements, and more

Updates to Expenditure Plan

- Legislators anticipated that changes might need to be made to the expenditure plan over time, so spelled out the process to do so.
- Circumstances include if a project has cost savings after completion, cannot be completed or cannot continue, or is to be implemented with non-toll funds.
- MTC must first consult with project sponsor and hold a public hearing. It may then vote to modify scope, decrease level of funding, or reassign some or all the funding to another project within the same bridge corridor.

Role of Independent Oversight Committee

The Oversight Committee Shall...

- “Ensure that any toll revenues...are expended **consistent with the applicable requirements set forth in Section 30914.7**”
- “**Annually review the expenditure of funds** by the authority for the projects and programs specified in Section 30914.7”
- “**Prepare and submit a report** to the transportation committee of each house of the Legislature summarizing its findings”

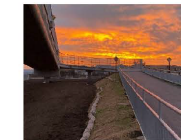
Excerpts from CA Streets and Highways Code Section 30923(h)(1)

Regional Measure 3 Independent Oversight Committee Fiscal Year 2023–24 Annual Report – Introduction and Summary

Regional Measure 3 (RM 3) was approved by the State Legislature in 2017 and by Bay Area voters in 2018, to fund projects that would help solve growing congestion problems. The measure’s plan, published by MTC in 2018, called for \$4.45 billion in financing of 35 specific highway and transit improvements by increasing tolls on the region’s seven state-owned toll bridges.

The project funding list includes new BART cars, with extension of service to Silicon Valley, extension of Caltrain to downtown San Francisco, expansion of S.F. Muni’s vehicle fleet; improved transbay bus service; freeway improvements; expansions of the freeway express lane network; new ferry services, upgrades to relieve congestion in the Dumbarton Bridge corridor; highway 37 improvements; and extension of the SMART rail system to Windsor and Healdsburg. The RM 3 plan specifies the amounts to be dedicated to each project. RM 3 requires that an independent committee of citizens must verify that the toll proceeds are used exclusively for the listed projects.

Winning 55% overall approval by voters in the nine Bay Area counties, the legislation providing for RM 3 raised tolls by \$1 beginning Jan. 1, 2019. Toll increases were by another \$1 in January 2022 with another \$1 increase set for January 2025. The 2019 increase marked the first toll hike on the seven state-owned bridges since 2010. However, due to litigation over the percentage of votes to authorize the toll increases, proceeds were held in escrow until January 2023. Thereafter, the escrow account was terminated, and the Commission began making RM 3 allocations in June. Establishment of an independent committee of citizens was commenced, and four meetings have been held to verify the accuracy of the process for allocation of funds.



Photos of projects completed with RM 3 Capital Funding.
Left – Mokelumne Trail Bicycle/Pedestrian Overcrossing of SR-4.
Right – Vine Transit Maintenance Facility.

IOC Review of Expenditures

- As needed, review of changes to the expenditure plan initiated by MTC and approved through a public hearing process consistent with RM3 statute
- Annual review of capital and operating allocations made by Commission
- Annual review of reimbursement amounts paid against capital and operating allocations