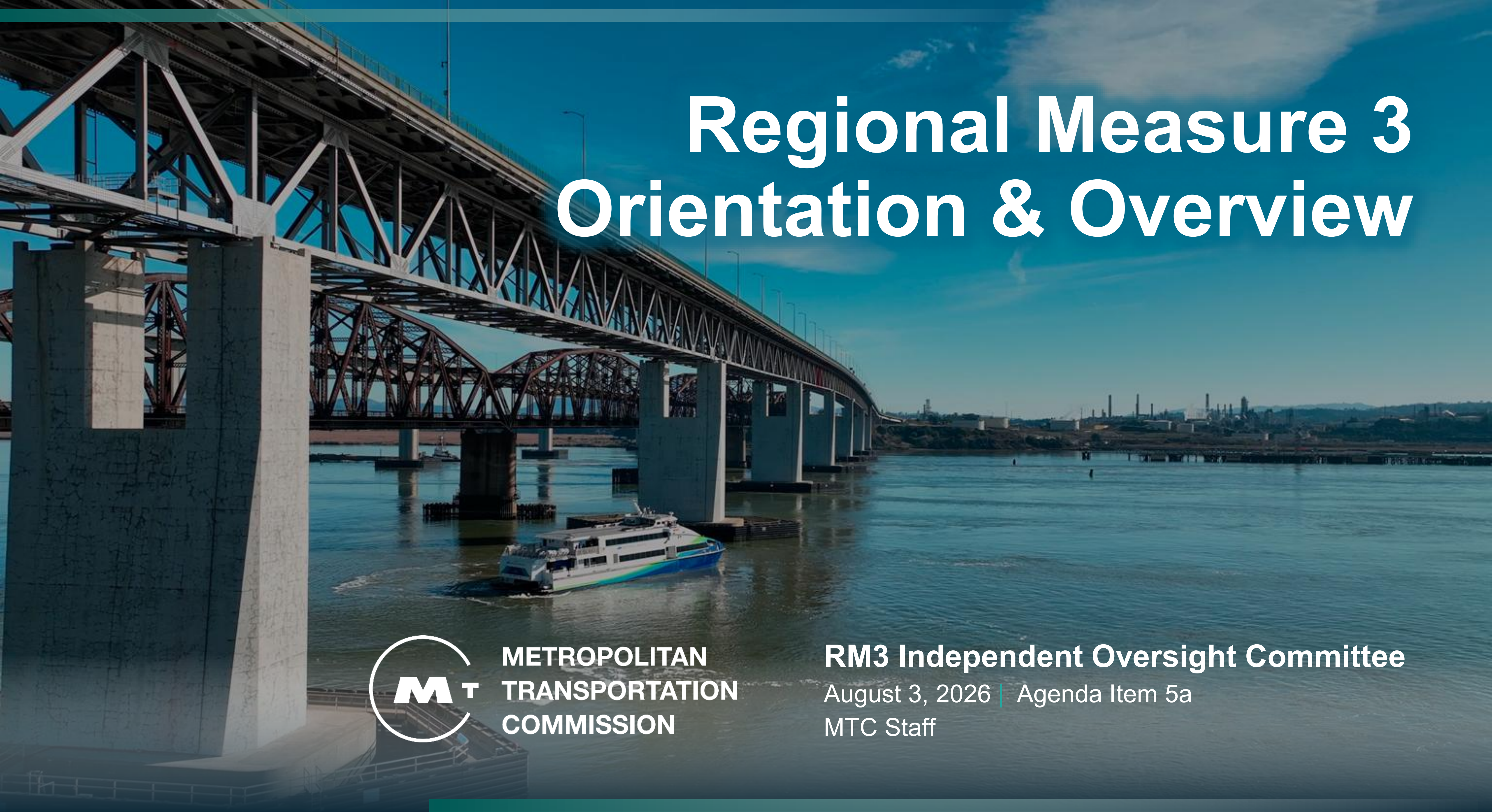


Regional Measure 3 Orientation & Overview

METROPOLITAN TRANSPORTATION COMMISSION

RM3 Independent Oversight Committee

August 3, 2026 | Agenda Item 5a

MTC Staff

RM3 Overview

- Voter-approved $3 toll increase on state-owned bridges
- Capital Program: $4.45 billion to 35 capital projects
- Operating program: up to 16% or $60 million for the Transbay Terminal, ferry services, and regional express bus services

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)

RM3 IOC – August 3, 2026
Item 5a, Attachment A

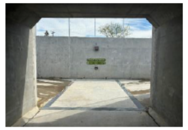
Regional Measure 3 Independent Oversight Committee
Fiscal Year 2024–25 Annual Report – Introduction and Summary

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.

Winning 55% overall approval by voters in the nine Bay Area counties, RM 3 raised tolls in three $1 increments that went into effect on January 1, 2019, January 1, 2022, and January 1, 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 needed to authorize the toll increases, proceeds were held in escrow until January 2023. After the challenges were dismissed, the escrow account was terminated, and the Commission began making RM 3 allocations in June 2023.

RM 3 requires that an independent committee of citizens to ensure that RM 3 funds are spent according to the requirements of the RM 3 legislation. The independent oversight committee was established after the passage of RM 3 and began meeting regularly after the Commission began allocating RM 3 funds.



Photos of projects completed with RM 3 Capital Funding. Left: SMART Windsor High School Undercrossing, Right: SR-29/Soscol Junction Interchange

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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

IOC is scheduled to consider adoption of the Annual Report in November 2026

Today - August IOC meeting

Aug - Oct Annual Report Prep

November IOC Meeting

Optional December IOC meeting

Annual Report Content – For Discussion and Input

From RM3 Statute:

> "Ensure that any toll revenues generated pursuant to this section are expended consistent with the applicable requirements set forth in Section 30914.7"

What does the IOC wish to communicate to the legislature and the public about your review of MTC/BATA's implementation of RM3?

Recommendations

Follow similar process to FY2024 and FY2025 reports:

- MTC staff provides support in writing and compiling report – content is responsibility of IOC
- Consider forming working group to provide content recommendations to Chair
- Chair directs staff to include recommendations in draft FY2026 report for IOC consideration in November