



# A Funding Framework for Bay Area Transportation

*Organized and presented by the SFMTA*

**MTC Transportation Revenue Measure  
Select Committee  
October 21, 2024**

# **We took the approach to come to a compromise.**

The process included discussion with operators and partners about what their “red-lines” were, where there could be compromise, and how might we get to a framework that all could accept.

We did this knowing no proposal would be perfect.

# We have developed a compromise proposal with three elements:

- R** Regional Program
- F** Funding Strategies (short & long-term)
- L** Legislative & Policy Framework

This proposal provides tools and time.

- It recognizes the need to *protect local priorities*.
- It provides *10 years of dedicated funding for transit*.
- It gives transit operators and counties *options*.
- It sets priorities, while providing *flexibility*.



# Potential Funding Strategies

## Short-Term: Regional Public Transit Stabilization

- 5 or 9 county measure ensuring transit sustainability within the region for the next 10 years, with the tax lasting through June 2038.
- Consider range of tools. One option: county-Specific Parcel Tax rates per square foot would vary by county: \$0.11 to \$0.199 in all counties except San Francisco, which would adopt the MTC-recommended rate of \$0.28.
- Funds would be to support a clearly defined regional program as the priority.
- Local transit services outside the regional program would receive additional funding. Remaining funds could support county flex needs.
- Require an Independent Auditor to ensure program compliance.

## Long-Term: Transportation Funding Measure to be determined

- Work toward a long-term transportation funding measure that would sustain transit after a re-evaluation of needs around year 8 (2034)
- Plan for November 2036 election for either reauthorization of existing measure OR a longer-term replacement (presidential ballot).
- Support funding and financing of operations and capital, allowing counties with MTC to advance funds or bond based on a regional approval to a funding plan.
- Require an Independent Auditor to ensure program compliance.



# F Potential Funding Strategies

<p><b>\$9.5 b</b> for 10 years</p>	<p><b>10 yrs</b> Expenditure Plan</p>	<p>Program assumes the cost of financing to meet needs.</p>	Regional Rail	<p><b>\$3.5 b</b> BART</p>	<p><b>\$836 m</b> Caltrain</p>	
<p><b>MTC Financing</b> Allows for Cashflow Needs to be Met</p>	<p><b>11.5 yrs</b> Tax to June 2038</p>	<p>MTC may finance to meet needs of any operator or county.</p>		Regional Bus	<p><b>\$685 m</b> Regional Bus Large Operators</p>	<p><b>\$166 m</b> Regional Bus Small Operators</p>
<p><b>5 counties</b> Others could “opt in”</p>		<p>Variable tax rates allows counties to develop a program for their specific needs.</p>	Local Transit		<p><b>\$1.0 b</b> Muni</p>	<p><b>\$700 m</b> VTA</p>
<p><b>Santa Clara</b> Lowest Tax Rate</p>	<p><b>San Francisco</b> Highest Tax Rate</p>			County Flex	<p><b>\$981 m</b> Contra Costa</p>	<p><b>\$579 m</b> San Mateo</p>
<p><b>95%+</b> County Benefits for All Counties over the 10-year expenditure plan</p>			<p><b>\$518 m</b> Alameda</p>		<p><b>\$7 m</b> Santa Clara</p>	

Note: total amounts shown based on 10-year funding program

# A Proposed Framework

The end goal is State Authorizing Legislation that maximizes our opportunities to fund our collective regional priorities – through tools and time.

## Tax Measure



- Short/Near-Term (11 – 15 years)
- Sales OR Parcel Tax
- Variable Rates by County
- Revenues sufficient to fully fund transit needs for 10-years
- Regional Program Funded first
- Allows for a Long-Term more visionary measure for November 2036 ballot OR reauthorization of Short-Term Measure

## Regional Program



- *Regional Rail System* Funded (BART, Caltrain, BSV)
- *Regional Transit Service* (Regional Bus Services creating connectivity to regional rail)
- *Regional Transit Transformation* (Fare Integration & Modernization, CX, Cleanliness, Safety)

## Legislation & Policy



- Authorization for:
  - A retail transactions and use tax
  - A parcel tax
- \*Variable Rate District Based Program
- Allows for a qualified voter initiative
- Legislates the “Regional Program”
- Legislates an Independent Auditor