



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

Date: July 23, 2025
To: Metropolitan Transportation Commission
From: Carina Lieu, Policy Advisory Council Chair
Regarding: Addendum to July 2025 Council Report to Commission

Summary:

At its July 22, 2025 meeting, the Policy Advisory Council received staff presentations on Senate Bill 63, the Transportation Revenue Measure enabling legislation.

Legislative Updates

Legislative update on SB 63 – Transportation Revenue Measure Policy Advisory Council Feedback on Senate Bill 63

The Policy Advisory Council views the Commission-endorsed **\$45 million for rider-focused transit transformation investments as a floor** for rider-focused improvements in the regional revenue measure. These investments are seen as essential to improving the rider experience, enhancing accessibility, and building public trust in the region’s transit system.

Key Themes from Council Discussion

Topline Message: Transit transformation is not optional—it is foundational. The Council urges the Commissioners, state legislators, and local and regional partners to protect the rider-focused investments in SB 63, which are critical to restoring ridership, improving equity, and ensuring the long-term viability of the Bay Area’s transit network.

1. Rider-Focused Improvements Are Essential and Popular

- Councilmembers emphasized that fare integration, wayfinding, and accessibility upgrades are not “nice-to-haves”—they are core to rebuilding ridership and public confidence.
- These improvements were developed through extensive public input, including the Blue Ribbon Transit Recovery Task Force, and poll extremely well (e.g., 85% support in San Mateo County).
- Members stressed that reducing these investments would undermine the measure’s success at the ballot box.

2. Concerns About Potential Reductions

- Members expressed concern that some transit agencies are advocating for further reductions to the rider-focused allocation in favor of operating subsidies or county return-to-source funding.
- While acknowledging the urgency of operating deficits, Councilmembers warned that sacrificing transformation for short-term relief would be a strategic mistake.

3. Communication and Public Understanding

- A Councilmember appreciated staff efforts to clarify that MTC is not retaining the funds and that resources will go directly to operators.
- However, members noted that **more robust public communication** is needed to explain the benefits of the measure, especially in counties where support is uncertain (e.g., Foster City's opposition due to lack of information).

4. Tax Structure and Political Viability

- There was discussion about the proposal to shift from a sales tax to a gross receipts tax. Staff noted that while some advocate for this change, the business community has signaled strong opposition, which could jeopardize the measure's success.
- Council members urged advocates to focus their efforts on protecting transit transformation investments rather than pursuing a tax structure change that may not be politically viable.

5. Equity and Accessibility

- The Council highlighted that accessibility improvements—such as wayfinding—are also equity investments, particularly for seniors and people with disabilities.
- Members stressed the importance of ensuring these improvements are not deprioritized in negotiations.

6. Efficiency Study

- The Council reaffirmed its support for an interagency efficiency study, provided it is funded separately from rider-focused investments.
- The study should include clear implementation steps, deadlines, and involvement from experienced public-sector planners, with a focus on reducing duplication and improving system connectivity.

7. Outstanding Questions and Next Steps

- Members raised questions about how the \$45 million would be allocated if fewer counties participate, and whether reductions would be proportional.
- There was also interest in understanding the positions of agencies that have not yet taken a stance on SB 63 and whether polling has been conducted among transit agencies