



METROPOLITAN
TRANSPORTATION
COMMISSION

Transportation Revenue Measure Select Committee Final Report

December 2024





Photo: Courtesy of BART.

Metropolitan Transportation Commission Transportation Revenue Measure Select Committee

Final Report

December 2024



Metropolitan Transportation Commission

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Photo: Courtesy of SamTrans.

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Over nearly five months, leaders from around the Bay Area came together to develop a framework for a transportation revenue measure that would avoid major transit service cuts, advance customer-focused transit transformation priorities identified in the *Bay Area Transit Transformation Action Plan*, and garner legislator and voter support.

Alfredo Pedroza, Chair
Napa County and Cities

Nick Josefowitz, Vice Chair
San Francisco Mayor's Appointee

Margaret Abe-Koga
Cities of Santa Clara County

Eddie Abn
San Francisco Bay Conservation
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Transportation Agency

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Sonoma County and Cities

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U.S. Department of Transportation

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Contra Costa County

Rebecca Kaplan
Oakland Mayor's Appointee

Matt Mahan
San Jose Mayor's Appointee

Nate Miley
Alameda County

Stephanie Moulton-Peters
Marin County and Cities

Sue Noack
Cities of Contra Costa County

Gina Papan
Cities of San Mateo County

David Rabbitt
Association of Bay Area Governments

Hillary Ronen
City and County of San Francisco

Libby Schaaf
U.S. Department of Housing
and Urban Development

James P. Spering
Solano County and Cities

Vacant
Santa Clara County

Andrew B. Fremier
Executive Director

Alix Bockelman
Chief Deputy Executive Director

Senator Wiener and Senator Wahab called on MTC to spearhead this intensive stakeholder effort and it was my honor to chair it. The Transportation Revenue Measure Select Committee (Select Committee) tackled this complex problem head on.

We heard from transportation leaders through the Executive Group that MTC Executive Director Andrew Fremier convened to provide input on the process. We considered comments from all Bay Area counties, from labor, business, community advocates, elected leaders and transit experts. We facilitated and fostered conversations that gradually built trust and developed creative solutions.

Thanks to the Select Committee members' willingness to grapple with hard topics and consider all possible solutions, we made immense progress in refining and sharpening our initial ideas and scenarios. Although the Select Committee did not coalesce around one preferred expenditure plan and funding source, members provided critical ideas, rankings for specific revenue mechanisms and investments, and policies that should be included with enabling legislation.

With the Select Committee's recommendations and future polling results, the Commission will have the crucial components needed to guide its position and pursuit of enabling legislation. By working together, we can address the Bay Area's most pressing transportation needs, including protecting vital public transit service that hundreds of thousands of people rely on daily and that is so vital to our economy, climate goals and quality of life.

I want to thank the Select Committee and Executive Group members for their time, expertise and insights.

Sincerely,

Jim Spering, Chair
Transportation Revenue Measure Select Committee

The Transportation Revenue Measure Select Committee (Select Committee) was created to help Bay Area leaders and stakeholders develop a framework for a potential transportation revenue measure to bring to Bay Area voters in 2026. This measure would need to, at a minimum, sustain transit service and implement Transit Transformation to improve customer experience and rebuild ridership.

The measure would require legislation to pass in 2025, authorizing MTC or a signature gathering effort to bring it before voters in 2026. An earlier attempt at such legislation, SB 1031 (Weiner and Wahab) failed to advance in spring 2024 amid disagreements over policies and concerns about how funds were distributed. Commissioner Jim Spering chaired the Select Committee, which met monthly between June and October 2024. Members were presented with detailed information and engaged in extensive discussions to:

- understand the fiscal challenges faced by transit operators and develop target funding levels,
- analyze potential revenue sources,
- review recent polls and voter sentiment,
- develop frameworks that could sustain and improve transit, while also meeting other transportation needs, and
- rate specific components of the potential revenue measure to guide the Commission's position and pursuit of enabling legislation.

Another critical component of the process was the creation of a Transportation Revenue Measure Executive Group, made up of executive leadership from Bay Area transit agencies and county transportation agencies (see roster on page 5). The Executive Group discussed the impact of budget shortfalls on their systems, the timing of those impacts, and possible contingencies. County transportation agency leaders shared the timelines for renewing their local transportation sales tax measures and potential headwinds with certain taxes in their local jurisdiction, and much more.

The Select Committee process generated ideas, helped resolve some sticking points, and brought stakeholders closer together. Committee members did not coalesce around a single preferred funding source and expenditure framework, but they did reveal their preferences across various aspects of a potential measure on a 1 through 5 scale (Appendix B-1). The committee also made several recommendations on both funding and policy (Appendix B-2). These rankings and recommendations, combined with public opinion polling to be conducted in early 2025, will provide MTC commissioners and state legislators with critical information to guide their consideration of enabling legislation.

Select Committee Membership

Select Committee members included MTC Commissioners, stakeholder organizations and staff from the offices of State Senators Wiener and Wahab, authors of SB 1031 (2024). Stuart Cohen of SC Strategies facilitated the Select Committee meetings.

MTC Commissioners

Jim Spering, Select Committee Chair
Representing Solano County

David Canepa
Representing San Mateo County

Cindy Chavez
Representing Santa Clara County

Nick Josefowitz, MTC Vice Chair
Representing City and County of San Francisco

Matt Mahan
Mayor, City of San Jose;
Representing Santa Clara County

Nate Miley
Representing Alameda County

Sue Noack
Representing Contra Costa County

Stephanie Moulton-Peters
Representing Marin County

Alfredo Pedroza, MTC Chair
Representing Napa County¹

David Rabbitt
Representing Sonoma County

Stakeholder Representatives

John Arantes
SEIU

Alicia John-Baptiste
SPUR

Manny Leon
CA Alliance for Jobs

Adina Levin
Seamless Bay Area

James Lindsay
Amalgamated Transit Union

Ellen Wu
Voices for Public Transportation

Jim Wunderman
Bay Area Council

Legislative Representatives

Alicia Lawrence
Office of Senator Wahab, Senate District 10*

Raayan Mohtashemi
Office of Senator Wiener, Senate District 11*

In addition, staff from the Offices of Senate President Pro Tem McGuire, Senator Cortese, and Assemblymember Lori Wilson were invited to attend and participate.

* Ex-Officio

Executive Group Membership

The Transportation Revenue Measure Executive Group was composed of MTC Executive Director Andrew Fremier and executive staff of Bay Area transit agencies and county transportation agencies:

Michelle Bouchard

Caltrain

James Cameron

Sonoma County Transportation Authority

April Chan

SamTrans

Tilly Chang

San Francisco County Transportation Authority

Sean Charpentier

City/County Association of Governments of San Mateo County

Bill Churchill

County Connection

Eddy Cumins

Sonoma - Marin Area Rail Transit

Andrew Fremier

Metropolitan Transportation Commission

Carolyn Gonot

Valley Transportation Authority

Tim Haile

Contra Costa County Transportation Authority

Daryl Halls

Solano Transportation Authority

Michael Hursh

Alameda-Contra Costa County Transit District

Tess Lengyel

Alameda County Transportation Commission

Kate Miller

Napa Valley Transportation Authority

Denis Mulligan

Golden Gate Bridge, Highway and Transportation District

Seamus Murphy

San Francisco Bay Ferry

Bob Powers

BART

Anne Richman

Transportation Authority of Marin

Jeffery Tumlin

San Francisco Municipal Transportation Agency

Christy Wegener

Livermore Amador Valley Transit Authority

Nancy Whelan

Marin Transit

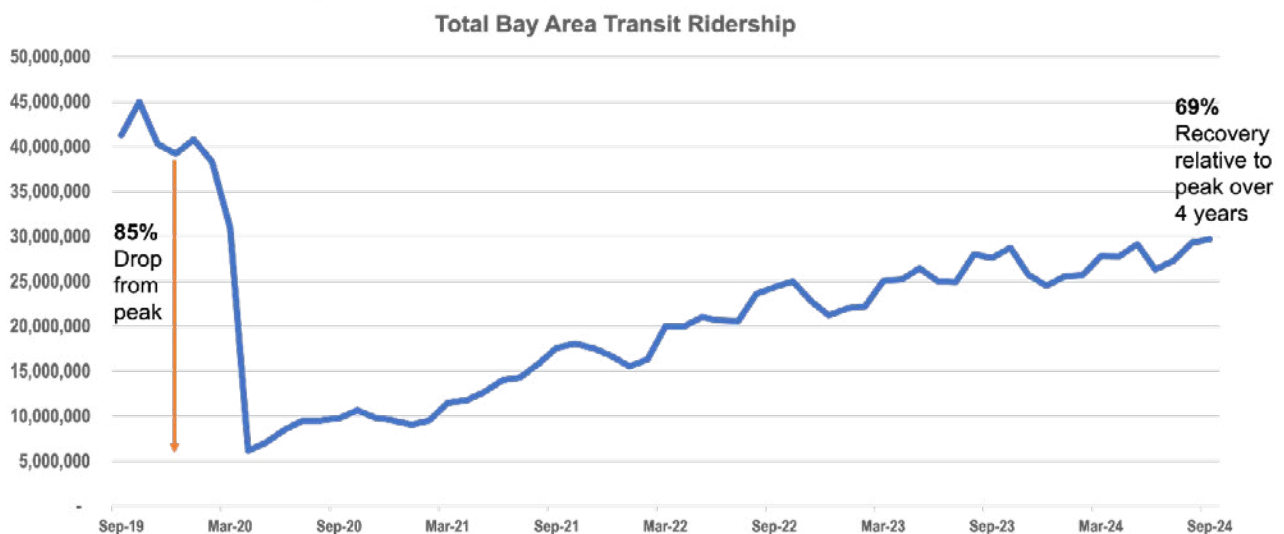
Post-Pandemic Travel Patterns Upended Transit's Business Model

The COVID-19 pandemic ushered in dramatic changes to the Bay Area's travel patterns as remote work became commonplace and new habits took hold. While many employers are bringing workers back full time, including a recent increase of this trend in the tech sector, in the [most recent employer survey](#) conducted in partnership with EMC Research and the Bay Area Council in May 2024, over 70 percent of employers said they had implemented their long-term schedules and almost half are requiring just one to three in-person days per week, while nine percent are fully remote.

As of September 2024, the region's overall transit ridership recovery is about 2/3 of pre-pandemic levels, as shown below. However, ridership recovery varies significantly across Bay Area operators; agencies that were historically the most

commute-oriented are recovering the slowest. (For example, comparing average monthly ridership from June-August 2019 to June-August 2024, BART has recovered just 42 percent of its ridership while Caltrain has recovered 51 percent.) Both agencies see higher recovery rates on weekends, an encouraging sign of the potential to attract riders to use systems for non-work trips. Financially, BART and Caltrain are doubly impacted by lower ridership recovery because fares contributed a much larger share of their operating budgets pre-COVID (60-70 percent, respectively) compared to bus operators which tend to serve more local trips. They also have historically relied much more on other operating subsidies, such as local sales tax, more than fares, so the loss of ridership has had less impact on their budgets.

Bay Area Ridership Recovery



Note: Data for Vacaville CityCoach and Union City Transit is not available.

Source: National Transit Database, through Sept. 2024

San Francisco Municipal Transportation Agency (SFMTA) and Alameda-Contra Costa County Transit District's (AC Transit) have both recovered about 75 percent of their pre-COVID ridership.

Given the magnitude of this societal change in commuting behavior, this drop in ridership should not be expected to fully rebound anytime soon.

Since 2020, MTC has been working in partnership with transit agencies and other stakeholders to secure funds to help sustain the Bay Area's transit system that has a workforce of over 15,000 that is over 50 years and tens of billions of dollars of taxpayer investment. We successfully advocated for \$4 billion in federal COVID relief funds and approximately \$500 million in state funds to help sustain transit service.

But as we approach 2025, we are at a crossroads.

Looming Transit Cuts Will Have Dire Impacts; Solving the Problem is In Everyone's Interest

Bay Area transit agencies anticipate they will hit their fiscal cliffs in FY 2026-27. New, reliable and ongoing funding is needed to avert service cuts at AC Transit, BART, Caltrain and SFMTA. Such cuts would harm not just the hundreds of thousands of Bay Area residents who rely on these systems every day (averaging over 950,000 transit trips in August 2024), they would also negatively impact the lives of every person who lives in the Bay Area. Transit service cuts on the magnitude anticipated without a substantial new revenue source would



Photo: ©Noah Berger, MTC

increase traffic congestion, undermine core elements of the region's strategy for tackling housing affordability, and make it infeasible to meet state-mandated climate targets, cutting off access to hundreds of millions of dollars in transportation funds every year.

Cuts to Transit Will Make Traffic Worse for Everyone

The Bay Area's \$1 trillion economy depends on a well-functioning transit system. Consider that the Bay Bridge carries about 118,000 trips per day (one-way) while BART carries almost 200,000. According to [BART's](#) "Role in the Region" report, if 50 percent of weekday BART riders shifted to driving, drivers traveling daily from Walnut Creek to San Francisco could expect to be stuck in traffic for an additional six hours per week. Those driving daily from El Cerrito to downtown San Francisco would face an additional 11 hours of traffic per week. For those living in, working in, or visiting San Francisco, major cuts to Muni would cause severe gridlock; the agency currently carries almost 490,000 trips per day.

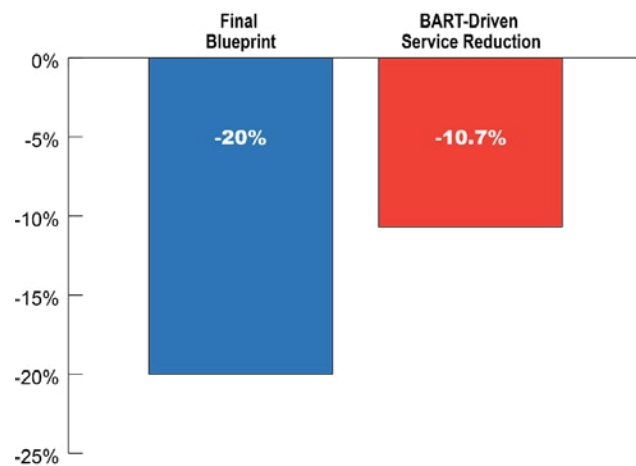
Transit is Foundational to the Bay Area's Housing Affordability Strategy

Plan Bay Area 2050 assumes significant housing growth around BART stations. Over the next 25 years, hundreds of thousands of affordable homes are planned within ½-mile of BART. If BART service is decimated, demand for housing in these locations will drop and the projects will be much harder to build. Housing near public transit has multiple benefits, reducing vehicle use by those who live in it – and thereby lowering traffic levels for everyone else. This improves quality of life and is critical to the region achieving our climate goals. These benefits of locating housing near transit depend on a frequent and reliable transit system.

Achieving the Bay Area's Climate Goals Depends on a Reliable Transit System

Cuts to transit would mean a direct increase in greenhouse gas emissions as many current transit riders would shift to driving. The Bay Area simply cannot achieve the ambitious climate targets set by the state without a convenient and reliable transit system. As shown at top right, an analysis of the impact of BART reducing its headways

Total 2035 Per-Capita CO₂ Emissions in Relation to 2005



Source: MTC.

to one train per hour, cutting lines and holding other transit service at early 2023 service levels would almost cut in half our planned per capita reduction in greenhouse gas emissions from transportation. This would translate not only into negative climate and air quality impacts, it would also cut the region off from access to numerous state transportation programs that improve mobility for people and goods, including the Senate Bill 1-funded Solutions for Congested Corridors Program and the Trade Corridor Enhancement Program which are only eligible to regions that have an approved sustainable communities strategy from the California Air Resources Board.

Cuts to Transit Would Affect the Region's Most Vulnerable Residents the Most

Most importantly, public transit is vital to improving equity in the Bay Area, providing mobility and economic opportunity for the region's most economically vulnerable households. According to MTC's most recent travel survey, 44 percent of Bay Area transit riders have a household



Photo: Mark Jones, MTC



income below \$50,000, compared to about 15 percent of the total Bay Area population. Transit is far more affordable than driving, making it one way to make life in the Bay Area more affordable, especially for households enrolled in the Clipper START program who receive 50 percent fare discounts. Ridership has also recovered much faster at BART stations located in Equity Priority Communities, underscoring the importance of transit to residents of those communities and the benefit of locating affordable housing near transit.

What Types of Service Cuts Are Under Consideration?

Bay Area transit agencies anticipate they will hit their fiscal cliffs in FY 2026-27 when federal, regional and state COVID relief funds will have run out. Without additional funding, operators will have no choice but to make major service cuts and potentially close stations and lines altogether if new funding isn't secured.

For example, BART's projected operating deficit in FY 2026-27 is \$385 million. Like all rail services, BART has high fixed costs, e.g. security is needed for a station, even if trains run infrequently. As a result, BART reports that a 20 percent reduction in operating costs requires an approximate 65 percent cut in service. A 30 percent reduction in operating costs would lead to a service cut of approximately 85 percent.²

If a stable source of funding is not secured by 2026, BART service changes under consideration include:

- 60-minute train frequencies
- 9 p.m. system closure
- Station closures
- Eliminating line(s) of service
- No weekend service

Such service reductions would result in lower ridership whether due to capacity constraints, canceled service hours, or uncompetitive travel times. Lower ridership would further reduce operating revenues, requiring further service and cost reductions. As a result, there may be no level of service cuts adequate to fully close BART's operating gap.

SFMTA's budget has been hit by much lower-than-anticipated parking and city general fund revenues because of a slowdown in San Francisco's overall economy. Without additional resources, Muni has discussed the need to cut up to 20 bus lines and reduce service on up to 28 bus and train routes. AC Transit has an estimated structural deficit of about \$30 million, though in FY 2026-27 it's estimated at \$60 million due to a one-time pension obligation. They have already reduced service by 15 percent and would require reducing service to 70 percent of pre-COVID levels if additional funds aren't secured. Caltrain's budget deficit is forecast to average about \$80 million from FY 2026-30 and would require service cutbacks that would undermine the frequency benefits of electrification that are just starting to yield increases to ridership since the service launched in September 2024.

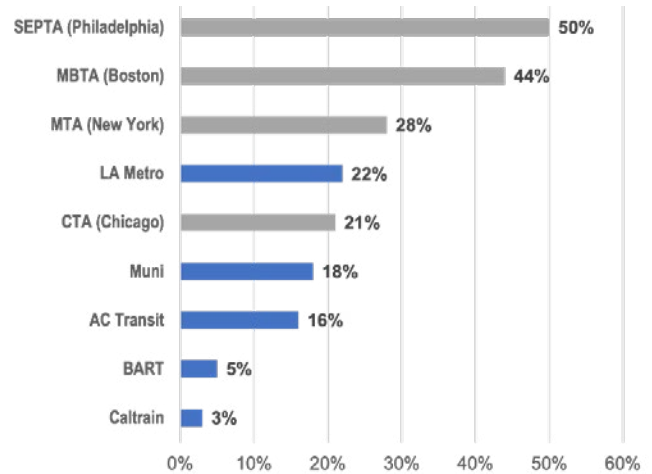
² From: BART's Role in the Region report, June 2024, page 52.

State Partnership is More Important than Ever

In setting the context for the current financial challenge facing the Bay Area's transit system, MTC staff provided background on how transit service has historically been funded, namely as a partnership with the state, region, transit operators, Bay Area voters, and — as part of COVID relief — the federal government. A partnership approach will be needed going forward as well, as illustrated below.

The Bay Area has a proud history of supporting transit through self-help ballot measures (including sales taxes, registration fees and parcel taxes) and through high farebox revenues pre-pandemic. The state provides dedicated transit operating funding through the State Transit Assistance Program and the Low Carbon Transit Operations Program, formula programs funded by the sales tax on diesel fuel, the Transportation Improvement Fee (a vehicle registration fee) and Cap and Trade funds. That said, California transit agencies get

State Share of Operating Expenses (2019)



less state funding than their peers from other states (shown above).

Historically, the federal government has primarily supported Bay Area transit on the capital side, with the exception of the one-time COVID relief funding and allowance for small operators to spend federal funds on transit service.

Continued Partnership Necessary for Future Transit Operating Funding Picture

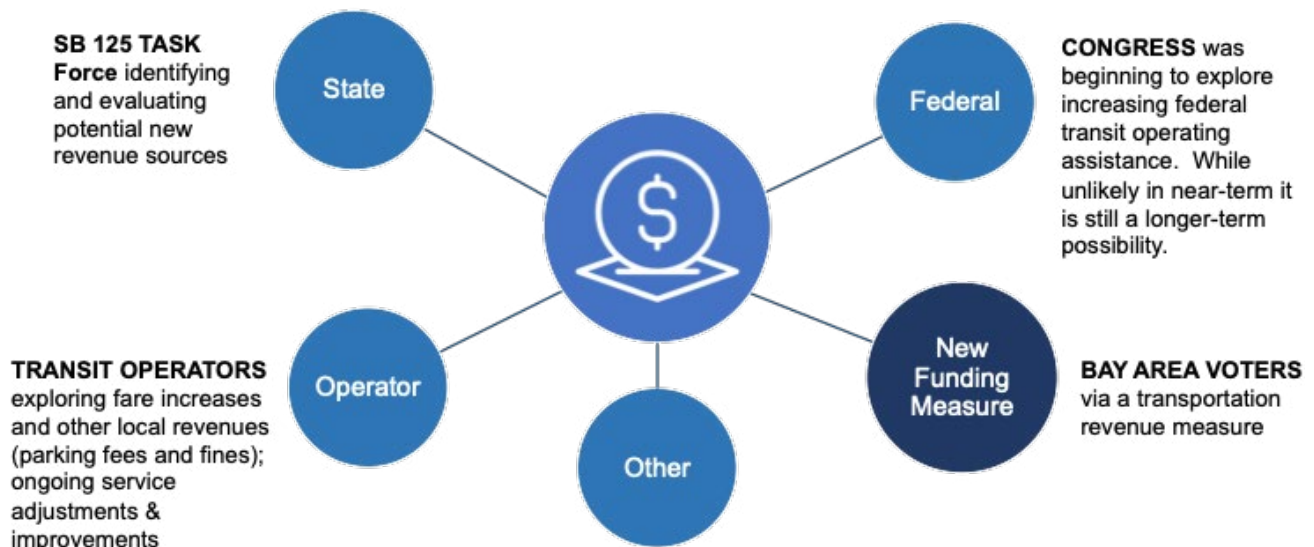




Photo: Jeremy Menzies, SFMTA

When it comes to addressing the operating shortfall and securing sufficient new revenues to prevent the devastating service cuts and outcomes described above, a partnership approach will continue to be needed. And in the near term, this partnership will likely require additional local funds (in the form of new tax revenue and growing fare revenue) and potentially new state funds.

What Are Transit Agencies Doing to Solve the Problem?

Transit agencies across the region are taking action to build ridership and identify new sources of funding:

- Transit agencies are participating in the Regional Network Management Council and in MTC-led regional fare programs that are helping increase transit ridership like Clipper START and Clipper BayPass.
- BART has updated its schedules to provide more consistent frequencies at all hours of the day and week, is replacing its fare gates to combat fare evasion and taking various measures to improve safety.
- SFMTA has implemented transit-priority improvements such as bus-

only lanes to speed up bus service and is seeing ridership on those routes exceed pre-COVID levels.

- On the funding side, the S.F. Controller’s Office started the Muni Funding Working Group that includes the Mayor’s Office, Board of Supervisors, Controller, SFMTA leadership, community partners and the public to gather public input, identify solutions, and provide recommendations to address the near-term and medium-term funding gap.
- Caltrain switched to faster, cleaner, and more comfortable electric service in September 2024 and has seen excellent ridership growth.
- AC Transit recently completed a realignment of their service routes and frequencies to better align with demand.

While efforts like these are essential and transit agencies must continue to prioritize taking actions that attract new riders (and thereby increase fare revenue), a partnership approach will continue to be essential to address transit agencies’ funding gap driven by post-pandemic fare losses and higher costs because of inflation.

To develop options for how a Bay Area ballot measure could be structured, Select Committee members first had to grapple with issues such as:

- how to “define the problem,” i.e., how much funding the measure would contribute to transit operations,
- pros and cons of potential revenue sources, and
- how much funding to contribute to Transit Transformation projects and programs to improve transit and rebuild ridership.

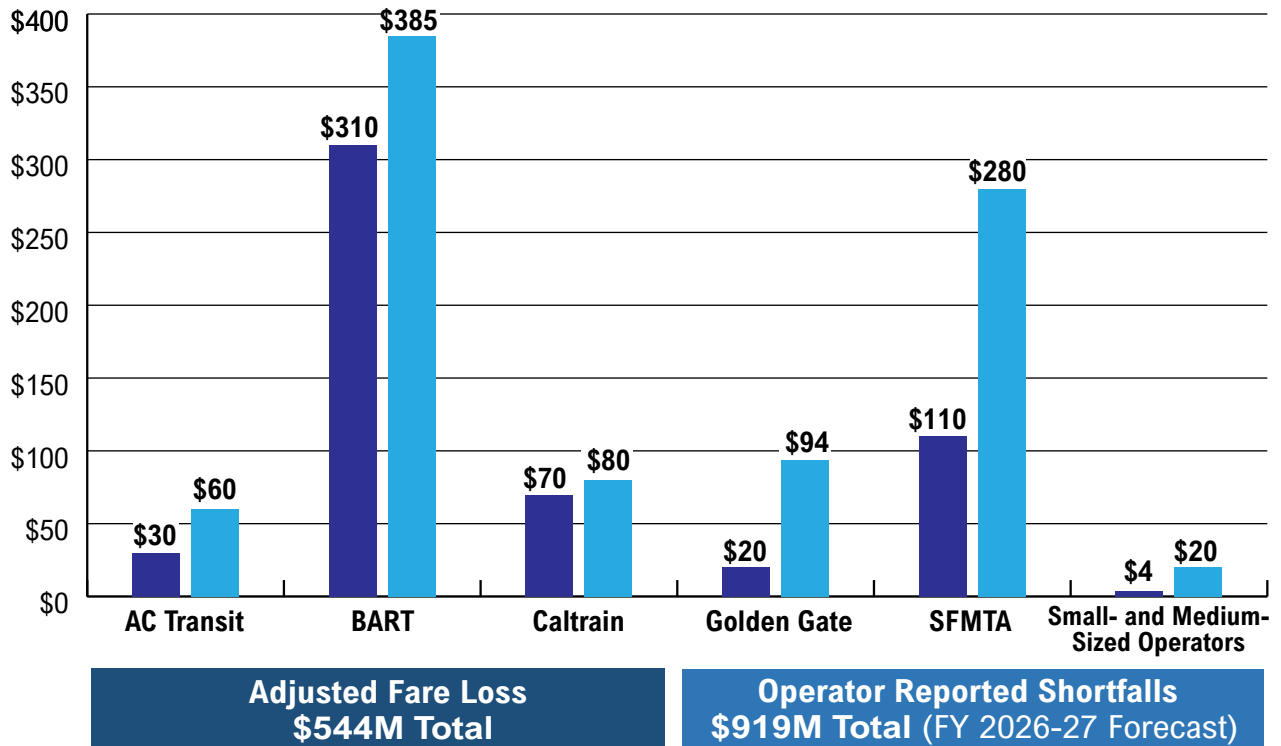
Feedback on these questions supported the development of the revenue measure scenarios developed for the third meeting.

Defining the Problem to Solve

Select Committee members spent several meetings considering what problem the measure is aiming to solve, and specifically, how much funding should be provided for transit operations to help offset transit operating deficits. The Select Committee used FY 2026-27, the first fiscal year of a ballot measure passed in November 2026 and the first year in which operators will run out of stopgap funds, as the basis for analysis. Two approaches were considered:

1. Adjusted Fare Loss. This represents the gap between fare revenue from FY 2019 to FY 2024 (budgeted) plus a two percent annual escalation factor to help account for cost growth since 2019.³ This approach

Defining the Problem to Solve:
Different Measurements of Operating Funding Need



³ This was calculated using FY 2019 actuals compared to FY 2024 budgeted except for SFMTA, where FY 2025 budgeted levels was used as FY 2024 budgeted amounts were known to be overestimated but actuals for FY 2024 were not yet available.

is easy to verify and directly measures the impact of post-pandemic ridership declines.⁴

2. Operator-Reported Shortfalls. This approach sets a target of fully funding the operating deficits, as forecast by the transit agencies. These shortfalls are higher than just the “adjusted fare loss” since they also reflect the expenditure side of the ledger, including increases in energy, maintenance, and labor costs. For SFMTA, operator-reported shortfalls are more than double the adjusted fare loss, since parking and general fund revenues play a major factor in SFMTA’s budget, and both have been negatively impacted by the pandemic.

As shown on page 12, operator-reported shortfalls are much larger than the adjusted fare amounts in some instances, so a revenue measure that targets that level of transit operating funding would help sustain more transit service than one that funds at the adjusted fare loss level. But there is a tradeoff; higher funding levels require a higher tax.

Consideration of Different Revenue Options

The Committee spent significant time discussing different potential revenue mechanisms. (See Appendix D for details.) Sales taxes, for example, are commonly used to support transportation in California, with eight of the nine Bay Area counties now having at least one dedicated transportation sales tax, but this means some counties have high base rates, with

some jurisdictions in Alameda County topping the list at 10.75 percent. Three counties have ½-cent transportation sales taxes that expire in the next decade: San Mateo (2033), Contra Costa (2035) and Santa Clara (2036). The SMART district’s ¼-cent sales tax expires in 2029. There is a concern that if voters approve a new sales tax to address the region’s transit operating needs, they may be unwilling to support a renewal of existing transportation sales tax measures. The Committee also heard concerns from some advocates and members of the public that sales taxes are a regressive tax.





Parcel taxes and payroll taxes were also explored. Some members were worried about a parcel tax making it harder to pass a future regional housing measure, given it would likely be funded by a property tax (the Bay Area Housing Finance Authority (BAHFA) is authorized to put a general obligation bond backed by property taxes or a parcel tax on the ballot among other options). There was concern that payroll taxes would negatively impact the Bay Area economy, causing more businesses to relocate to areas with lower tax burdens. Given the inability to know what voters may be willing to support two years before the measure is on the ballot, several members suggested the legislation should provide flexibility by authorizing two or three different sources — the “menu” approach taken in SB 1031 and AB 1487 (Chiu, 2019), which established BAHFA.

In the Select Committee’s gradients of agreement exercise, sales tax performed the best with parcel tax and payroll tax tied.

⁴ Adjusted fare loss is defined as the difference between expected fare revenue in fiscal year 2024 compared to pre-pandemic FY 2019 fare revenue. A two percent annual escalation is added to account for inflation. While inflation was higher than 2 percent during this period some operators have raised fares to partially account for inflation.

Investing in Transformation

Hypothetical \$100 Million Annual Investment Over Five Years
Half of funds directed to local Transit Transformation priorities

\$25 million	\$20 million	\$40 million	\$15 million
Transit Fares	Mapping & Wayfinding	Transit Priority	Access. & Paratransit
<p>What Benefits Do We Get From This Investment? <i>A more affordable, easier to navigate, faster and more accessible regional transit system.</i></p>			
			
<p>Transit Fares</p> <ul style="list-style-type: none"> • Permanent Free/ Discounted Inter-agency Transfers • Permanent Clipper START Program + enhancements • Permanent Clipper BayPass Program 	<p>Mapping & Wayfinding</p> <ul style="list-style-type: none"> • Regionwide deployment and installation of mapping/wayfinding/ visual identity standard at rail stations, transit hubs, and bus stops on high frequency lines 	<p>Transit Priority</p> <ul style="list-style-type: none"> • Approx. three corridor-wide transit priority projects like SFMTA's Geary Rapid project • Approx. 100+ "hot spot" transit priority interventions (TSP, stop placement/spacing/ design, limited transit or HOV lanes) 	<p>Accessibility</p> <ul style="list-style-type: none"> • Operations support for oneseat paratransit rides to users • Investing in mobility management programs at the county level • Regional support/data clearing house for accessible services

Transit Transformation

The Bay Area public prioritizes a fast, frequent, coordinated, easy-to-use, safe, and affordable transit system. MTC's 2021 Bay Area Transit Transformation Action Plan is a comprehensive plan to deliver such improvements throughout the region. Four of the Plan's recommendations were prioritized for early-action and are in the implementation phase, showing significant promise, including fare programs (free and discounted transfers coming with Next Generation Clipper next spring), Regional Mapping & Wayfinding standards, Transit Priority and Accessibility improvements.

Given the importance of attracting more riders to transit to help achieve the region's

economic, equity and climate goals – plus prior research findings that the Bay Area voters support these customer-experience enhancements – all scenarios considered by the Select Committee dedicate 10 percent of the sales tax funds to Transit Transformation.

If funded in all nine counties from a ½-cent sales tax, \$100 million would be available per year. The Select Committee supported committing half of these funds to local Transit Transformation priorities, in a manner that benefits each county in proportion to their share of sales tax generated. One example of how those funds could be allocated for Transit Transformation over a five-year period and what they could accomplish is illustrated above.

The Select Committee explored four different frameworks from August to October. Two scenarios were presented for feedback at the August meeting: Scenarios 1 and 2. These were revised and evolved into new options presented at the September and October meetings. A high-level summary is provided below to show the progression of the conversation with more details available in Appendix C.

Scenario 1 – Core Transit Framework

Scenario 1 is a 30-year, ½-cent sales tax. As a baseline, it includes the four counties served by transit facing the most significant shortfalls – Alameda, Contra Costa, San Francisco and San Mateo. The other five counties – Santa Clara, Marin, Sonoma, Napa, and Solano – would have the opportunity to opt in. In the four baseline counties, this scenario was described as generating \$540 million per year and \$1 billion per year in all nine counties.⁵

As with all the scenarios, 10 percent of funding from the sales tax would be dedicated to Transit Transformation.

The remaining 90 percent of funds are proposed to be focused on the immediate, urgent need to sustain transit service. In the first eight years, all 90 percent, or \$490 million, would be used to offset loss of fare revenue at BART, Caltrain, AC Transit, and Muni, plus provide funding for small operators in Alameda and Contra Costa counties.

In years nine to 15, the amount available for transit operations would decline as the measure starts transitioning to support county transportation priorities, since several counties have sales taxes expiring in 2033 or soon after. Up to 50 percent of the funds would be for “County Flex,” available to county transportation agencies

for any local priority, including road repairs and other infrastructure, if the projects are aligned with the region’s sustainable communities strategy, Plan Bay Area 2050, or successor plan. Transit service would also be an eligible expense.

In the final 15 years, all 90 percent of the funds would go towards County Flex. In total, counties would receive 50-57 percent of funding from the measure as a direct subvention to spend on county priorities.

For Marin, Napa, Santa Clara, Solano, or Sonoma counties to opt in, their county transportation agency would have to agree to three commitments:

1. Support Transit Transformation with 10 percent per year of funding generated.
2. Provide funding to help close shortfalls for local transit operators as well as multi-county operators in that county. Amounts required for transit operations would be subject to negotiation with MTC and relevant transit operators. All the remaining funds after Transit Transformation and transit operations would be County Flex.
3. Invest at least 30 percent of the County Flex in transit capital, operations or maintenance for operators providing service in that county.

⁵ MTC updated the sales tax revenue forecast in September so Scenario 1A reflects a higher sales tax revenue forecast than Scenario 1 from August.

Scenario 2

Scenario 2 is a 30-year, \$1.5 billion per year measure that covers all nine Bay Area counties. Scenario 2 is funded by either a payroll tax or a parcel tax based on building square footage. This scenario provided 20 percent for Transit Transformation, 50 percent for transit operations and 30 percent for County Flex over all 30 years.

There was concern that such a large measure with a single funding source would have low political viability due in large part to the nature of the funding sources. Several Select Committee members recommended exploring a measure with multiple funding sources so that the tax rate for each source could be lower.

Hybrid Scenario

In response to feedback, in September MTC staff presented the “Hybrid Scenario” which combines the ½-cent sales tax and expenditure elements of Scenario 1 with a payroll tax that generates \$500 million. In response to objections from some Select Committee members to the payroll tax, a parcel tax was added as a potential alternative to the payroll tax to keep both revenue options open for the Hybrid.

A full explanation of the Hybrid’s proposed revenue mechanism and expenditure framework is included in Appendix C.

Scenario 1A – 10-year Core Transit Framework

In response to several requests from Select Committee members for a shorter measure, Scenario 1A was developed for the final Select Committee meeting. As implied by the name, it is a variant of Scenario 1 – the Core Transit Framework – with the same four baseline counties, but for just 10 years. Scenario 1A uses the same funding ratios from the first eight years in Scenario 1 – 10 percent for Transit Transformation and 90 percent for transit operations – but extends them for an additional two years. In this shorter, transit-only measure, Santa Clara would have the option to join but this framework is not proposed as opt-in for North Bay counties since it is a transit-only measure with no funding available for County Flex.

At the October meeting the Select Committee endorsed the concept that half of the Transit Transformation funds be used for county Transit Transformation priorities, benefiting each county in proportion to its share of sales tax revenue generated, resulting in an overall structure in which 95 percent of the revenue is allocated to serving the county in which it is generated.

Several transit agencies are preparing back-up plans for local measures in the event that a regional measure is not considered viable. The large agencies with budget shortfalls plan to conduct polls to gauge public support for their own ballot measures. BART released their poll just days before the final Select Committee meeting and the results were sobering; a ½-cent sales tax to generate operating funds for BART and other transit systems in the five counties that have BART service received just 51 percent support (after pro and con arguments). A large parcel tax (at a flat rate of over \$500 per parcel) fared much worse.

In addition to these operator-specific measures, SFMTA led the development of a framework that tries to resolve some of the differences between stakeholders. They presented their concept at the final Select Committee meeting, which included a minimum geography of the five counties that have BART service, as well as these creative concepts:

- **Variable Tax Rates by County:** The framework would allow for rates to vary by county – whether for a parcel tax or sales tax – to allow each county to generate the revenue required to cover their needs.
- **Variable Payback Periods:** Some counties, especially San Francisco, have large needs as soon as the measure is passed, while others may be willing to delay early funding and receive more later in the measure.



- **Loans to Cover Operations:** A revenue measure would not start generating funds until at least January 2027, halfway through the FY 26/27 fiscal year. The SFMTA framework would allow borrowing against future years to help cover shortfalls in year one.

Several of the concepts in SFMTA's proposal were ranked favorably on the gradients of agreement exercise (Appendix B-1). MTC is coordinating closely with SFMTA and other operators on polling to ensure common approaches.

Photo: ©Karl Nielsen, MTC



A concerted outreach effort allowed stakeholders, elected officials and community advocates to have in-depth conversations and provide input into the development of revenue measure frameworks.

From September through November, stakeholder convenings took place both in-person and remotely. This included:

- Three labor convenings gathered the leaders of Central Labor Councils from many counties as well as representatives from SEIU, ATU and others that represent transit workers, as well as Operating Engineers, Liuna and others from the construction trades.
- Two convenings included leaders from county and regional business associations, including Bay Area Council, Silicon Valley Leadership Group, SAMCEDA and the East Bay Leadership Council.
- Several meetings were held with community advocates, including members of equity-focused Voices for Public Transportation, environmental groups like the Sierra Club and Greenbelt Alliance, bicycle and transit advocates and disability rights advocates.

Additionally, Select Committee Chair Jim Sperring, MTC’s executive team and staff had well over 100 meetings with state legislators, including members of the Bay Area Caucus, staff and board members from transit agencies and community groups. At times, larger meetings were arranged, e.g., following the introduction of Scenario 1, MTC initiated two meetings with executives and board leadership from four baseline counties – Alameda, Contra Costa, San Mateo and San Francisco. (See Appendix A-2 for comment letters from the county transportation agencies in each of these counties.)

This engagement was a crucial complement to the Select Committee process, as small group meetings fostered a deep understanding of the goals, interests, and concerns of the many regional actors. As the revenue measure process continues into 2025, MTC will continue to engage key stakeholders.

MTC’s Policy Advisory Council received regular updates on the Select Committee’s work throughout the process. In their November 2024 meeting, they adopted a motion urging the Commission to support the Hybrid scenario as they support a measure that will improve transit across all nine counties and provide funding for Transit Transformation regionwide.

At the final Select Committee meeting, members ranked components of a transportation revenue measure on a scale of 1 – 5, with 1 being most favorable (full results in Appendix B-1). While none of the components scored mostly 1s and 2s, some clear patterns emerged:

Geography: There was a preference for the measure to be placed on the ballot in the four counties of Alameda, Contra Costa, San Francisco, and San Mateo, with the option for the other five counties to opt in. Requiring all nine counties to participate was not as popular.

Duration: The Select Committee had a slight preference for a measure of 10 years. The commissioners representing the four counties, however, had a strong preference for this 10-year time frame. Santa Clara County commissioners, on the other hand, strongly preferred a 30-year measure.

Transit Operating Funding Target: There was a split on what amount of funding should go towards transit operations. Overall, there was a slight preference for targeting the pandemic-based loss of fare revenue (adjusted for inflation) rather than the larger operator-reported shortfalls. Commissioners, business community and construction labor representatives strongly prefer adjusted fares; transit operating union labor representatives and advocates favored operator-reported shortfalls.

Funding Mechanism: The most highly rated funding mechanism was sales tax, with parcel tax and payroll tax getting significantly less support. That said, committee members showed support for including multiple funding sources in a single measure.

Consensus recommendations

After this ranking exercise, the Committee members worked to reach consensus on several specific recommendations related to both funding and policy. The final resolutions are in Appendix B-2 and include several recommendations that will be considered as enabling legislation is developed, including:

Transit Agency Accountability:

Strengthen oversight of transit agency financial information and condition new funding from a measure on operators complying with Transit Transformation policies adopted through the Regional Network Management framework.

Transit Agency Consolidation: Transit consolidation is worthy of further study but should be pursued separate from enabling legislation for the measure.

Transit Transformation: Support for investing 10 percent of a measure in improvements to make system more connected, affordable, and reliable, with 50 percent invested in proportion to each county's contributions to the measure.

Chair Spering encouraged Select Committee members to communicate any specific concerns about the scenarios for inclusion in this report. Appendices B and H include all relevant letters received from Committee members and other stakeholders who were heavily engaged in the Select Committee process.

MTC at a special Commission meeting on December 9, 2024, approved by a vote of 15 ayes and one abstention (see Appendix A) a motion directing staff to conduct public opinion polling on several frameworks for a potential 2026 transportation tax measure that could avert deep service cuts by BART and other transit agencies, and could spur implementation of the [Bay Area Transit Transformation Action Plan](#) to improve the customer experience for transit riders.

Scenario 1A

The first of the frameworks to be explored for a possible ballot measure in 2026 is Scenario 1A, a 10-year, ½-cent sales tax that would appear on the ballot in Alameda, Contra Costa, San Francisco and San Mateo counties, with an option for Santa Clara County to participate as well. Under this scenario, the sales tax would generate about \$560 million each year, with 90 percent of the money used to support transit operations and the remaining 10 percent reserved for Transit Transformation.

Hybrid Scenario

The second framework — which would raise an estimated \$1.3 billion to \$1.5 billion each year — is the Hybrid Scenario, which includes a 30-year, ½-cent sales tax plus a parcel tax of nine cents per square foot of any building(s) on the property. This measure would appear on the ballot in Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara counties. Marin, Napa, Solano and Sonoma counties would have the option to join. This measure would only be pursued if Santa Clara wanted to participate. As with the first framework, 90 percent of the money from the sales tax portion would

be used to support transit operations and 10 percent would be invested to improve the customer experience for transit riders. Sixty percent of parcel tax revenues would be used to support transit operations with the remaining 40 percent reserved as a “county flex” available to address a range of transportation needs in each participating county.

Variable Rate

The Commission also endorsed staff coordinating with transit agencies on polling a variable rate option. Developed by the San Francisco Municipal Transportation Agency, this third option would feature a higher tax rate in San Francisco (which has proportionally higher transit operating needs than other counties), a lower rate in Santa Clara County, and equivalent rates in Alameda, Contra Costa and San Mateo counties.

The Commission directed staff to share polling results and sponsorship considerations for transportation revenue measure enabling legislation in February 2025.

The Commission also endorsed several policy provisions for inclusion in enabling legislation, including requiring stronger oversight of transit agencies’ financial information and requiring transit agencies to adopt policies to help improve the transit customer experience as a condition of receiving new funds. The Commission recommended against including transit agency consolidation as a topic for enabling legislation.

A link to meeting materials, the motion and final vote tally from the December 9, 2024, special Commission meeting are included in Appendix A to this report.

Next Steps

In January 2025, MTC will begin a poll of Bay Area voters that explores voter sentiments related to the policy provisions endorsed by the Commission and the level of support for Scenarios 1A and Hybrid funding frameworks, along with a variable rate option to be developed in coordination with transit agencies. MTC will develop the poll questionnaire in December 2024 and provide an opportunity for input from key stakeholders. Results will be presented to the Commission in February of 2025 (at the February 14 Joint MTC/ABAG Legislation Committee at the earliest) along with a recommendation about key provisions to include in enabling legislation and bill

sponsorship considerations. Early in 2025, MTC also plans to retain a consultant to conduct a third-party independent review of transit agency finances and local contributions to develop a common understanding and assist in reaching consensus on each county's level of contributions to transit agency operations for transit operators serving that county.

MTC looks forward to working with the Bay Area delegation next year to ensure a viable path forward so that the region's transit system can continue to play the vital role it does today for generations to come.



Photo: ©Noah Berger, MTC



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72R C C COLLEGE VIA SAN PABLO AVE

1539

Photo: Joey Kotfica, MTC



Photo: ©Karl Nielsen, MTC

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NOTE: Do you need appendices materials in an accessible format like large type or in Braille? To request accommodation, please call (415) 778-6757. For TDD/TTY, call 711 and ask to be relayed to (415) 778-6700. We request at least three working days’ notice to accommodate your request.

Appendix A: Special Commission Meeting (12/9/24)

Appendix A1: Materials, Motion and Public Comment

MTC held a special Commission meeting on December 9, 2024, to endorse proposed transportation revenue measure frameworks and policy provisions for polling. The agenda and full meeting materials can be found at this link: [Special Meeting \(12/9/24\) of the Metropolitan Transportation Commission](#).

At the meeting, the Commission approved by a vote of 15 ayes and one abstention a motion to:

1. Endorse key policy provisions and include questions related to them in the poll.
2. Endorse Scenario 1A and Hybrid for polling and additional refinement. Further, permit coordination on polling a variable rate option (if there is interest by partners) to ensure comparability of poll results.
3. Direct staff to return by February 2025 with polling results and sponsorship considerations for transportation revenue measure enabling legislation.

Upon the motion by Commissioner Spering and seconded by Commissioner Canepa, the Commission approved the motion by the following vote:

Ayes (15):

- Chair Alfredo Pedroza, Napa County and Cities
- Vice Chair Nick Josefowitz, San Francisco Mayor's Appointee
- Commissioner Margaret Abe-Koga, Cities of Santa Clara County
- Commissioner Eddie H. Ahn, San Francisco Bay Conservation and Development Commission
- Commissioner David Canepa, San Mateo County
- Commissioner Carol Dutra-Vernaci, Cities of Alameda County
- Commissioner Victoria Fleming, Sonoma County and Cities
- Commissioner Federal D. Glover, Contra Costa County
- Commissioner Rebecca Kaplan, Oakland Mayor's Appointee
- Commissioner Matt Mahan, San Jose Mayor's Appointee
- Commissioner Nate Miley, Alameda County
- Commissioner Stephanie Moulton-Peters, Marin County and Cities
- Commissioner Sue Noack, Cities of Contra Costa County
- Commissioner David Rabbitt, Association of Bay Area Governments
- Commissioner James P. Spering, Solano County and Cities

Abstain (1):

- Commissioner Gina Papan, Cities of San Mateo County

Absent (1):

- Commissioner Hillary Ronen, City and County of San Francisco

Appendix A: Special Commission Meeting (12/9/24)

Appendix A1: Materials, Motion and Public Comment

Public Comment:

Written correspondence was received from Joint Letter from Bay Area Council, CA Alliance for Jobs, SPUR; Robert Powers (BART); Barbara Jue; Adam Rak (C/CAG); Michael Hursh (AC Transit); April Chan (SamTrans); Voices for Public Transportation; Collin Thoma (Disability Services Legal Center); Tilly Chang (SFCTA); and Joint Labor Coalition.

The following members of the public were called to speak: Mike Hursh (AC Transit); Adina Levin (Policy Advisory Council); Cyrus Hall; Abi Rahman-Davies; Mary Lim (Genesis VPT); Claudine Tong (Genesis); Sarah Blain (Genesis VPT); Jonathan Cole (Climate Action California); Manny Leon (California Alliance for Jobs); Sara Greenwald (350 BA); Vallery Lancey; Warren Cushman; Emily Wheeler (Public Advocates); Noel Catasikas (Public Advocates Transit Department); Anthony (Transbay Coalition); Collin Thoma (Disability Services Legal Center); Sophia DeWitt (East Bay Housing); Marjorie Alvord (Genesis); Michaela Wright Petrik; Harry Neil; Aleta Dupree (Team Folds); Zach Lipton; Wendi Kallins (Policy Advisory Council); Erin; Aidan Jones; Carter Lavin; Cody Vaughn; Bob Allen (Urban Habitat); Pamela Campos (Policy Advisory Council); Susannah Parson (All Home); Howard Wong; Peter VanDyke; Peter Strauss; Ian Griffiths; Alexander Maldonado; Bryan Culbertson; Carol Taylor; Adrian Brandt; Geoff Smith; Franz; Jeremy Levine; and Jordan Grimes.

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies



CONTRA COSTA
transportation
authority

COMMISSIONERS

December 4, 2024

Newell Arnerich,
Chair

Jim Spering
Metropolitan Transportation Commission
375 Beale Street
San Francisco, CA 94105

Lamar Hernandez-
Thorpe, Vice Chair

Ken Carlson

Paul Fadelli

Subject: Regional Transportation Revenue Measure

Federal Glover

Dear Commissioner Spering:

Chris Kelley

We appreciate your leadership and efforts to seek regional agreement on potential legislation – and a future ballot measure – that will sustain and improve the regional transit system and address the looming transit fiscal cliff.

Aaron Meadows

Sue Noack

Scott Perkins

Your letter, dated September 20, 2024, invited the Contra Costa Transportation Authority (CCTA) to share our thoughts and approach to addressing the funding gap. We agree that close collaboration and multijurisdictional consensus is the best path forward. Accordingly, we offer the following principles to guide the development of a regional Transit Revenue Measure (TRM) funding framework:

Renata Sos

Timothy Haile,
Executive Director

- **Preserves the Bay Area Rapid Transit (BART):** The TRM must address the fiscal cliff for BART first as it is the only system that serves the four core counties (Alameda, Contra Costa, San Francisco and San Mateo).
- **Four-County Measure Minimum:** The TRM should at a minimum include San Francisco, Alameda, San Mateo, and Contra Costa counties as they form the core of the Bay Area and are served by BART.
- **County Flexible Funds:** After addressing the BART fiscal cliff, the measure should be spent at the discretion of the County Transportation Agencies (CTAs) to address transit funding shortfalls, and transit transformation projects, in partnership with local county transit operators. Contra Costa County residents already contribute significantly to BART – although many do not have a station in their city/town. It is critical that we continue to fund BART feeder bus service, which increases access for these communities to the system they fund.
- **Return to Source:** Each county should receive a minimum of 90% of its revenue contribution.
- **Variable Tax Rate:** The TRM should consider variable tax rates to address the change in travel behavior and the resulting uneven transit funding shortfalls across the region.

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925.256.4700
FAX: 925.256.4701
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Appendix A2: Letters from County Agencies

Jim Spering

Metropolitan Transportation Commission

December 4, 2024

Page 2

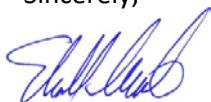
Should a variable tax rate not be feasible, funding shortfalls should be addressed by separate county measures.

- **Revenue Mechanism:** Numerous funding mechanisms should be explored including sales and parcel tax options.
- **Performance Targets:** Funding should be tied to performance targets developed with input from CTAs and transit agencies. To ensure the long-term sustainability and effectiveness of transit services, we emphasize the need for a comprehensive plan that outlines performance targets, addresses current challenges, and sets a clear path forward. This plan should prioritize rider needs and protect investments, increase transparency and accountability, leverage scalable innovative solutions, and proactively address potential service changes.
- **Short-Term Measure:** A short-term measure (10-year or less) would incentivize exploration of new business models, test performance targets, and strengthen our collective voice as we advocate for more State and federal fund sources for transit. It also reduces conflicts with future transportation sales tax extensions, such as Contra Costa County which expires in 2034.

On November 20, 2024, the CCTA Board discussed the recommendations from the Select Committee and proposed funding scenarios. There was general agreement that the above principles should guide the development of a regional TRM.

Thank you again for your commitment to seeking a funding framework. We are optimistic this process will lead us to a successful RTM. We also look forward to continuing parallel conversations about sustainable funding models, should an RTM ultimately be unfeasible. We hope the above information is helpful in achieving regional consensus.

Sincerely,



Newell Arnerich
Chair

Cc: Andrew Fremier, Executive Director, Metropolitan Transportation Commission (MTC)
Alix Bockelman, Chief Deputy Executive Director, MTC
Federal Glover, CCTA Commissioner/MTC Ex-Officio Representative, MTC Commissioner
Sue Noack, CCTA Commissioner/MTC Ex-Officio Representative, MTC Commissioner
Timothy Haile, Executive Director, CCTA

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies



1111 Broadway, Suite 800, Oakland, CA 94607

510.208.7400

www.AlamedaCTC.org

Commission Chair
Councilmember John J. Bauters
City of Emeryville

Commission Vice Chair
Supervisor David Haubert, District 1

Alameda County
Supervisor Elisa Márquez, District 2
Supervisor Lena Tam, District 3
Supervisor Nate Milley, District 4
Supervisor Keith Carson, District 5

AC Transit
President Joel B. Young

BART
Director Rebecca Saltzman

City of Alameda
Mayor Marilyn Ezzy Ashcraft

City of Albany
Councilmember Preston Jordan

City of Berkeley
Councilmember Terry Taplin

City of Dublin
Mayor Michael McCorriston

City of Fremont
Mayor Lily Mei

City of Hayward
Mayor Mark Salinas

City of Livermore
Mayor John Marchand

City of Newark
Councilmember Luis Freitas

City of Oakland
Councilmember At-Large
Rebecca Kaplan
Councilmember Carroll Fife

City of Piedmont
Mayor Jen Cavanaugh

City of Pleasanton
Mayor Kara Brown

City of San Leandro
Mayor Juan González II

City of Union City
Mayor Carol Dutra-Vernaci

Executive Director
Tess Lengyel

October 7, 2024

Jim Spering, Chair
MTC Select Committee on Bay Area Transportation Measure
375 Beale Street, Suite 800
San Francisco, CA 94105

RE: Response to 9/20/2024 Letter on Transportation Revenue Measure

Dear Commissioner Spering:

On behalf of the Alameda County Transportation Commission (Alameda CTC), thank you for your continued leadership and commitment to seeking a framework for a funding measure to provide critical funding to address the fiscal emergency facing the region's transit operators. A robust and sustainable transit system is critical to Alameda County and our region's climate, equity, economic and mobility goals. Alameda CTC is committed to continuing to work with all partners on the options under consideration to support transit.

Alameda CTC's 2024 Legislative Program specifically includes "advocate for sustainable funding to support transit agencies in their continued recovery" as a core legislative priority. Our Legislative Program includes support for efforts to increase transportation funding, including as part of any regional transportation measure, and support for transit agencies as they seek to recover from impacts of the pandemic on fiscal solvency and ridership, including regional efforts to secure sustainable multi-year funding and improve service for the public.

Your letter dated September 20, 2024, requested the four counties served by BART share ideas and options for how to move forward and how to close the funding gaps presented by MTC and the transit agencies. Alameda County's Measure BB already provides significant funding to transit operations and capital needs throughout the county, including over \$90 million annually to support AC Transit operations, comprising their third largest revenue stream. That said, we recognize transit agencies are facing dire funding shortfalls and new revenues are necessary to support transit operations our communities rely upon.

Appendix A2: Letters from County Agencies

Jim Spering
October 7, 2024
Page 2

Per your request, below are initial thoughts for your consideration:

- Consider a shorter-term option focused on saving transit: While transit agencies have long-term structural funding challenges, a shorter-term measure geared towards solving the fiscal emergency may be more palatable to voters and allow for clearer messaging. A shorter-term measure would also allow for the region to demonstrate continued strong local support for transit to the state in ongoing discussions regarding transit funding at the state level. It would also provide transit agencies time to transition their operating models to adjust to the new travel patterns and demonstrate progress to the public.
- Consider multiple funding mechanisms: Sales tax levels in Alameda County already exceed 10 percent. Additional increases to the sales tax are extremely challenging and concerning given the regressive nature of sales tax and impacts on our low-income and most vulnerable residents. We suggest MTC continue looking at other options, such as a parcel tax, or a combination of options to explore ways to reduce the reliance solely on sales tax.
- Consider authorizing legislation that provides flexibility and delegates various authority to the region: the authorizing legislation for Alameda CTC's Measure BB authorized going over the 2 percent cap but delegated the policies, projects and authority to develop an expenditure plan to the county. This provided additional time and flexibility to develop the full details and allowed the expenditure plan to be developed at a more local level. MTC could consider a similar approach to allow the region time to continue to work through the challenging details at a regional and local level, and also provide flexibility to be responsive to the public.

Again, we appreciate the importance of this effort and look forward to working with all stakeholders to support a robust and sustainable transit system.

Sincerely,



John J. Bauters
Chair

Alameda County Transportation Commission

cc: Nate Miley, Supervisor, Alameda County
Carol Dutra-Vernaci, Mayor, Union City
Sheng Thao, Mayor, City of Oakland
Andrew Fremier, Executive Director, Metropolitan Transportation Commission
Alix Bockelman, Chief Deputy Executive Director, Metropolitan Transportation Commission

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies



**San Francisco
County Transportation
Authority**

1455 Market Street, 22ND Floor, San Francisco, California 94103

415-522-4800

info@sfcta.org

www.sfcta.org

November 26, 2024

Jim Spring, Chair Transportation Revenue Select Committee
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, California 94105

SUBJECT: ADDRESSING THE TRANSIT EMERGENCY FACING THE BAY AREA

Dear Chair Spering,

On behalf of Chair Mandelman and the San Francisco County Transportation Authority, I'd like to thank you for your tireless support of Bay Area transit and for the countless hours you have spent discussing potential solutions with partners throughout the region to address the fiscal emergency facing many of the region's transit operators. The San Francisco County Transportation Authority recognizes that a robust, safe, and reliable transit system is necessary to support San Francisco's, the Bay Area's, and the State's climate, equity, economic, and livability goals. This is a pivotal moment for transit operators that need time and resources to transition to less fare reliant revenue models and to respond to new post-pandemic travel patterns.

On October 21, 2024, the MTC Transportation Revenue Measure Select Committee discussed and provided feedback on the latest revenue measure scenarios developed by MTC staff as well as a proposal developed by SFMTA in consultation with other transit operators. We are pleased to see progress being made on multiple scenarios that better address concerns raised by various stakeholders and seem to be gaining more traction. We support continuing to advance the scenarios, including the transit operator scenario and all revenue sources, to enable discussions and refinements to continue, including but not limited to being able to take poll results into account.

While the Transportation Authority's board has not endorsed any of these proposals, staff favor (pending polling information) the two proposals with shorter durations - Scenario 1A and the SFMTA proposal - which would provide urgently-needed financial assistance to our major transit operators; simplify messaging; and ease concerns about taking up part of counties' tax capacity on a long-term basis. We also support further exploring the Hybrid (parcel/sales tax) Scenario and assume all scenarios include direct or side participation by a minimum of the five core Bay Area counties. Finally, we are open to a variable rate model which may offer more options to sufficiently address transit's financial needs while appealing to regional interest in greater San Francisco self-help.

We also support a flexible and inclusive legislative framework, to allow time to gather more information (including polling data) and develop the consensus needed for a regional measure and/or sub-regional solutions to be successful.



San Francisco
County Transportation
Authority

Page 2 of 2

The Transportation Authority greatly appreciates your and MTC's efforts towards building consensus on a regional transportation revenue measure and looks forward to continued collaboration to help transit thrive in the Bay Area.

Sincerely,



Tilly Chang
Executive Director

CC: MTC - A. Fremier, A. Bockelman, R. Long,
SFMTA - J. Tumlin
SFCTA Chair Mandelman

cc: Andrew Fremier, Executive Director, Metropolitan Transportation Commission
Alix Bockelman, Chief Deputy Executive Director, Metropolitan Transportation Commission

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies

2024 BOARD OF DIRECTORS



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APRIL CHAN
EXECUTIVE DIRECTOR

1250 SAN CARLOS AVE
SAN CARLOS, CA 94070
(650) 508-6200

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

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies

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,

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies

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.

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies

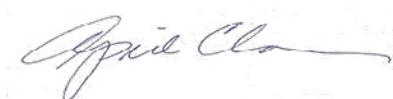
- San Mateo County will propose funding solutions after we establish consensus with MTC about our county's appropriate fair-share contribution. Solutions must fit the problem.
- Although the SMCTA and SamTrans Board of Directors have not yet taken an official position on MTC's proposed regional revenue 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

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY

Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside

December 6, 2024

MTC Commissioners
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

RE: #6b Regional Transportation Measure

Dear Chair Pedroza, Vice Chair Josefowitz and Commissioners:

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.

C/CAG is the County Transportation Agency (CTA) and 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. At the November 14th meeting, the C/CAG Board of Directors authorized this letter expressing San Mateo County's critical concerns and that support for a potential regional measure will necessitate the addressing of these concerns.

San Mateo County is unlikely to support the current proposals because MTC has failed to make the following requested changes or accommodations, which are provided in greater detail below:

- Failure to include opt out language,
- Lack of flexibility and multi-modal investments,
- Lack of robust return to source guarantees,
- Lack of regional transit accountability and transformation measures, and
- Concern about taxation levels and detrimental impact on local funding sources.

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. This schedule means that if there is a regional measure in 2026, individuals and

Appendix A2: Letters from County Agencies

businesses will begin feeling and absorbing the increased taxes right as San Mateo County is beginning to mobilize for a sale tax renewal in 2028. Adding 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. Most 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.

Lack of 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. This lack of local decision-making authority is untenable in San Mateo County. Furthermore, any County expenditure plan must be approved by both C/CAG and the San Mateo County Transportation Authority as both agencies have a role in transportation planning and project implementation in San Mateo County.

Lack of Regional Transit Accountability and Transformation Measures

San Mateo County has a long history of providing capital, operating, and fare surcharge funding regional transportation facilities such as Caltrain and BART. 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 transparent and 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. If there are county contributions to regional transit, all participating counties must contribute their proportionate amount.

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies

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. 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

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY

*Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae • Pacific
Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside*

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 Speri 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 a

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies

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



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**):

Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies

MTC Commissioners
Regional Measure
November 7, 2024
Page 2 of 2

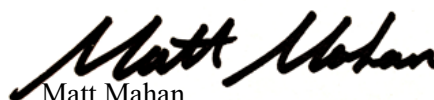
- Ensures VTA meets its contractual obligations to BART and Caltrain in support of their operations (**see Exhibit 2 for past and future payments to BART and Caltrain**)
- Provides resources allowing VTA to directly assist BART and Caltrain in mitigating their pending fiscal deficits by remedying challenges 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,



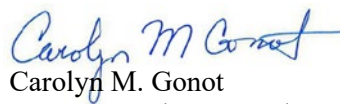
Cindy Chavez
Chairperson, VTA Board of Directors
Santa Clara County Supervisor
MTC Commissioner



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

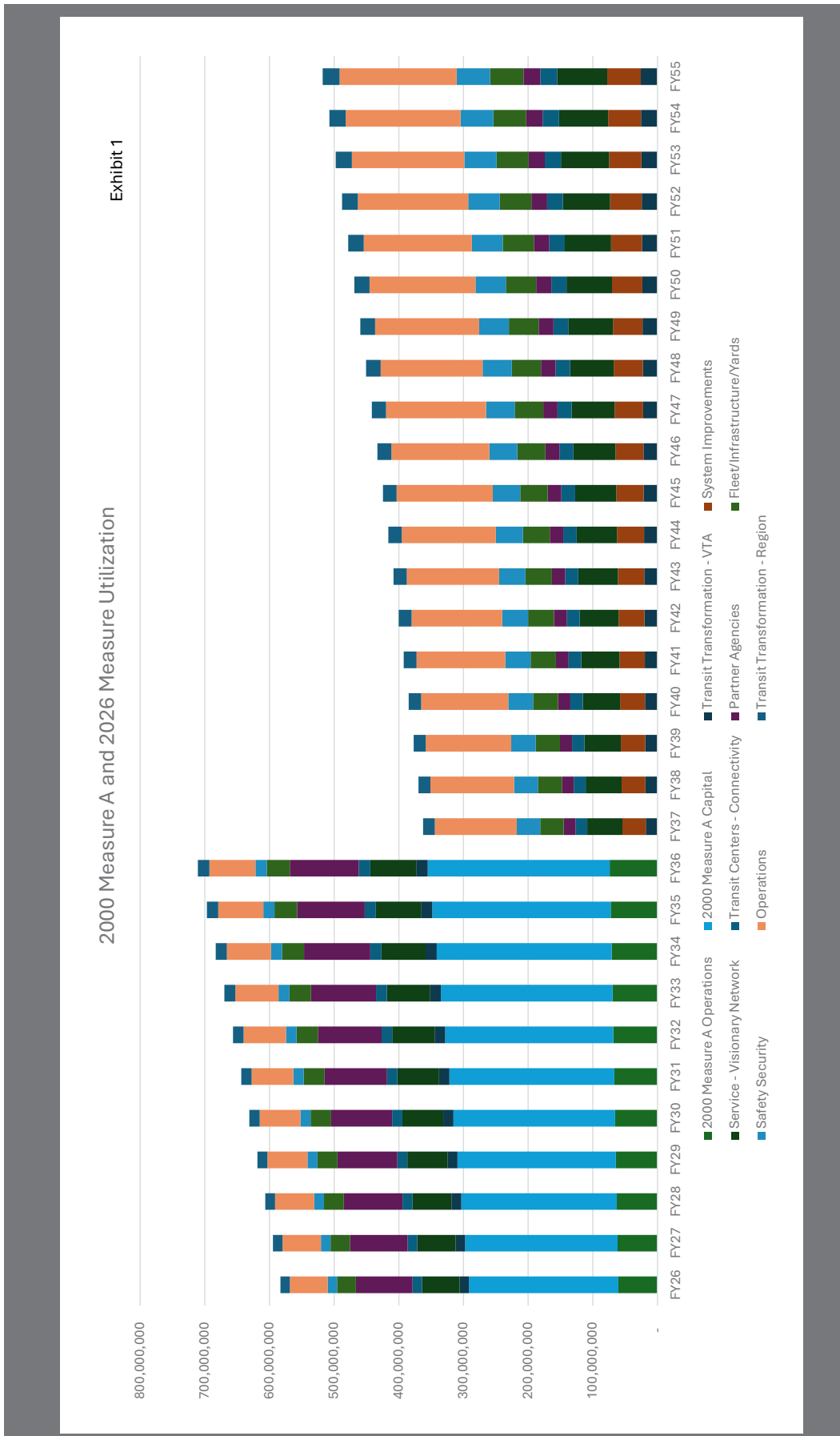


Margaret Abe-Koga
Ex-Officio Member, VTA Board of Directors
Mountain View Councilmember
MTC Commissioner



Carolyn M. Gonot
VTA General Manager/CEO

Appendix A2: Letters from County Agencies



Appendix A: Special Commission Meeting (12/9/24)

Appendix A2: Letters from County Agencies

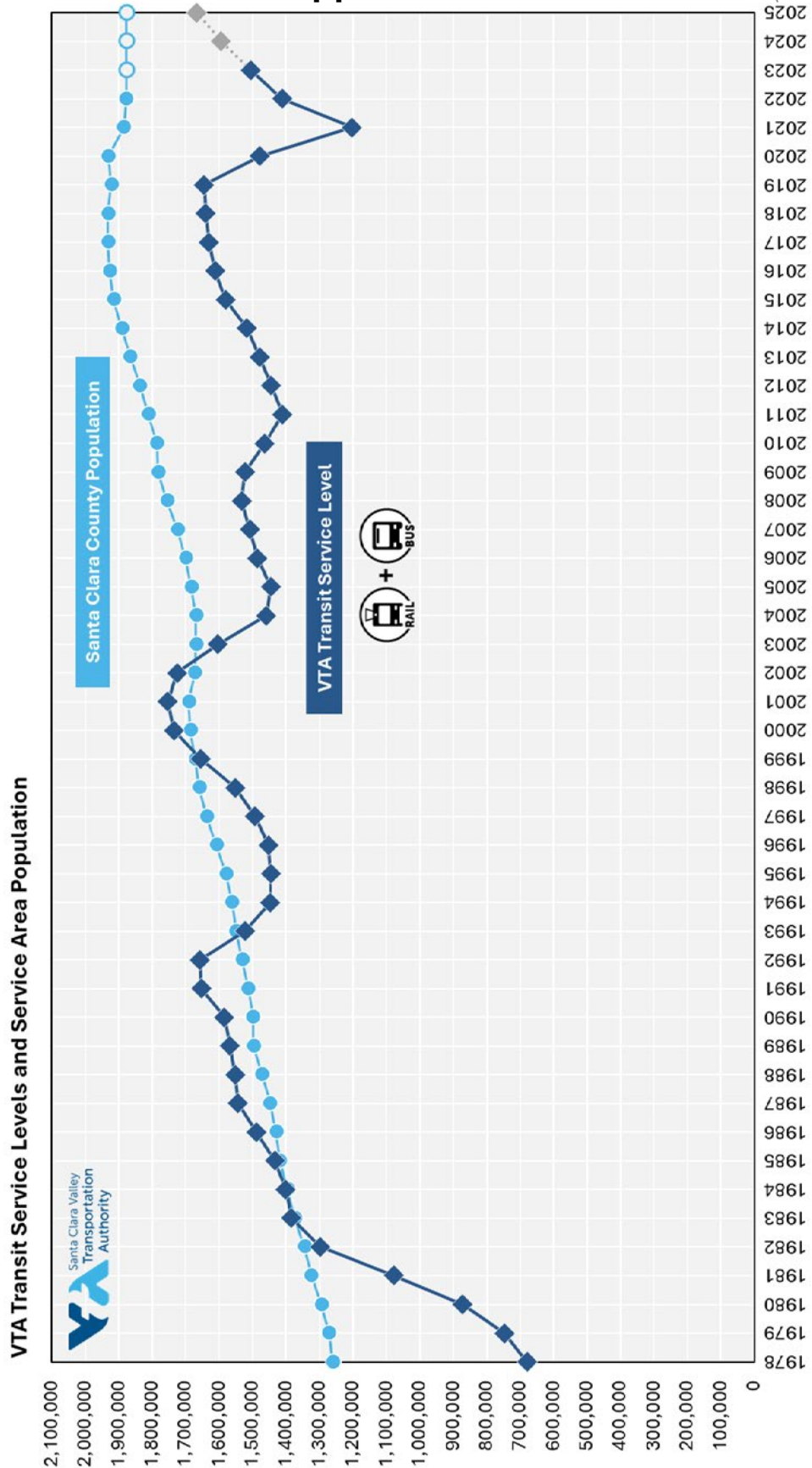
Exhibit 2

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

Appendix A2: Letters from County Agencies

Exhibit 3

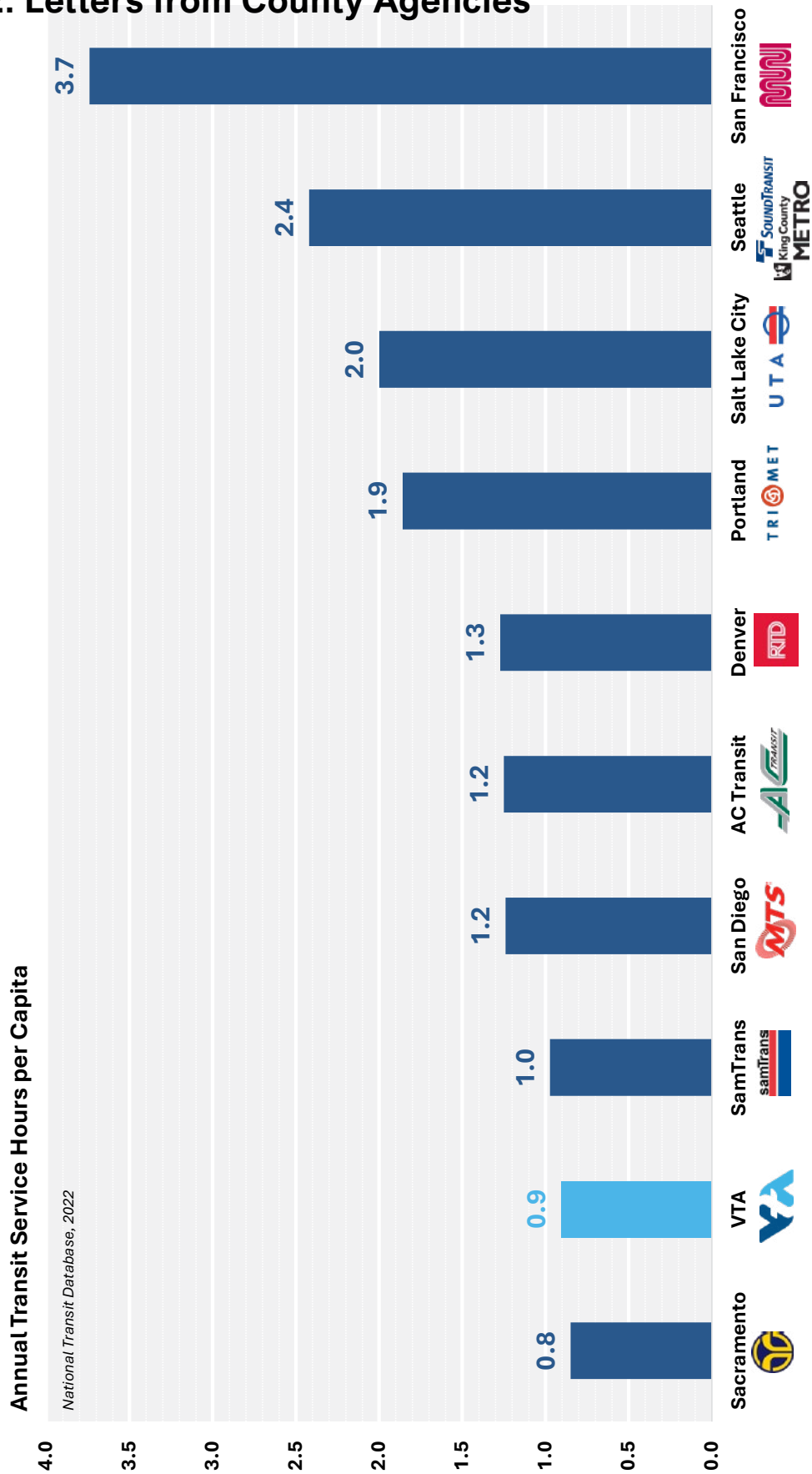
VTA Transit Service Levels and Population



Appendix A2: Letters from County Agencies

VTA Provides Less Service Per Capita Than Most Peers

Exhibit 4



Appendix A: Special Commission Meeting (12/9/24)

Appendix A3: MTC Policy Advisory Council Recommendation

At the MTC Policy Advisory Council’s November 2024 meeting, the Council urged the Commission to support the ‘Hybrid’ scenario. This scenario aligns with the higher expectations outlined in the Council’s motion of August 27, 2024. The Council recommends the following priorities for a transportation revenue measure:

1. Implement a transit measure that covers the 27 transit agencies across the 9 counties.
2. Focus on rider experience rather than agency experience, including maintaining and improving service with well-coordinated fares, schedules, wayfinding, and other aspects of user experience.
3. Develop a regional measure that is transformational and benefits both current and future generations.

The Council notes that there are many gaps that need to be addressed and supports continued efforts to encourage participation from all counties to meet the goals of the Transformation Action Plan.

Upon the motion by Council Member Kinman and seconded by Council Member Glaser, the Council approved the motion by the following vote:

Ayes (19):

- Chair Pamela Campos
- Vice Chair Michael Baldini
- Council Member Carline Au
- Council Member Diana Benitez
- Council Member Zack Deutsch-Gross
- Council Member Anne Olivia Eldred
- Council Member Gerry Glaser
- Council Member William Goodwin
- Council Member Dwayne Hankerson
- Council Member Wendi Kallins
- Council Member Randi Kinman
- Council Member Adina Levin
- Council Member Gabriela Orantes

- Council Member Johnny Parker
- Council Member Phillip Pierce
- Council Member Jeffrey Rhoads
- Council Member Terry Scott
- Council Member Jaime Vilorio
- Council Member Howard Wong

Nays (3):

- Council Member Pradeep Gupta
- Council Member Charley Lavery
- Council Member Vinay Pimple

Absent (4):

- Council Member Ilaf Esuf
- Council Member Chris Fitzgerald
- Council Member Carina Lieu
- Council Member Roland Wong

Appendix B: Select Committee Meeting #5 (10/21/24)

Appendix B1: Final score of gradients of agreement

Results from Gradient of Agreement Exercise at Transportation Revenue Measure
Select Committee's October 23, 2024 Meeting (Agenda Item 4b)

Name, Affiliation	Rank your support for the geographic scope of the measure:	
	At least a 4-county measure (Ala, CoCo, SF, SM) with opt-in for other 5 counties	9-county measure (all required to participate)
Committee Members		
John Arantes, SEIU	Strongly agree	Agree with Reservations
David Canepa, MTC Commissioner	Strongly Disagree	Strongly Disagree
Cindy Chavez, MTC Commissioner	Agree with Reservations	Strongly Disagree
Alicia John-Baptiste, SPUR	Agree with Reservations	Disagree but Will Go Along
Nick Josefowitz, MTC Commissioner	Agree with Reservations	Strongly Disagree
Manny Leon, CA Alliance for Jobs	Neutral or Abstain	Strongly Disagree
Adina Levin, Seamless Bay Area	Agree with Reservations	Strongly agree
James Lindsay, Amalgamated Transit Union	Agree with Reservations	Disagree but Will Go Along
Matt Mahan, MTC Commissioner	Agree with Reservations	Strongly Disagree
Nate Miley, MTC Commissioner	Disagree but Will Go Along	Agree with Reservations
Stephanie Moulton-Peters	Strongly agree	Strongly Disagree
Sue Noack, MTC Commissioner	Agree with Reservations	Strongly agree
David Rabbitt, MTC Commissioner	Strongly agree	Strongly Disagree
Jim Spering, MTC Commissioner	Strongly agree	Agree with Reservations
Ellen Wu, Voices for Public Transportation	Disagree but Will Go Along	Strongly agree
Jim Wunderman, Bay Area Council	Agree with Reservations	Strongly Disagree
Ex-Officio Members/Legislative Staff/Commissioners		
Sunshine Borelli (representing Office of Senator Cortese)	Agree with Reservations	Strongly Disagree
Alicia Lawrence (representing Office of Senator Wahab)	Agree with Reservations	Agree with Reservations
Raayan Mohtashemi (representing Office of Senator Wiener)	Strongly agree	Neutral or Abstain
Gina Papan, MTC Commissioner	Strongly Disagree	Strongly Disagree

Appendix B: Select Committee Meeting #5 (10/21/24)

Appendix B1: Final score of gradients of agreement

Results from Gradient of Agreement Exercise at Transportation Revenue Measure
Select Committee's October 23, 2024 Meeting (Agenda Item 4b)

Name, Affiliation	How much do you agree that the measure should target an investment level equivalent to the following?	
	Adjusted Fares	Operator-Reported Shortfalls
Committee Members		
John Arantes, SEIU	Neutral or Abstain	Strongly Agree
David Canepa, MTC Commissioner	Strongly Disagree	Strongly Disagree
Cindy Chavez, MTC Commissioner	Agree with Reservations	Neutral or Abstain
Alicia John-Baptiste, SPUR	Neutral or Abstain	Neutral or Abstain
Nick Josefowitz, MTC Commissioner	Strongly Disagree	Strongly Agree
Manny Leon, CA Alliance for Jobs	Neutral or Abstain	Strongly Disagree
Adina Levin, Seamless Bay Area	Strongly Disagree	Strongly Agree
James Lindsay, Amalgamated Transit Union	Strongly Agree	Strongly Agree
Matt Mahan, MTC Commissioner	Agree with Reservations	Neutral or Abstain
Nate Miley, MTC Commissioner	Agree with Reservations	Disagree but Will Go Along
Stephanie Moulton-Peters	Strongly Agree	Disagree but Will Go Along
Sue Noack, MTC Commissioner	Strongly Agree	Agree with Reservations
David Rabbitt, MTC Commissioner	Neutral or Abstain	Agree with Reservations
Jim Spering, MTC Commissioner	Strongly Agree	Strongly Disagree
Ellen Wu, Voices for Public Transportation	Strongly Disagree	Strongly Agree
Jim Wunderman, Bay Area Council	Agree with Reservations	Strongly Disagree
Ex-Officio Members/Legislative Staff/Commissioners		
Sunshine Borelli (representing Office of Senator Cortese)	Strongly Disagree	Agree with Reservations
Alicia Lawrence (representing Office of Senator Wahab)	Disagree but Will Go Along	Strongly Agree
Raayan Mohtashemi (representing Office of Senator Wiener)	Strongly Disagree	Strongly Agree
Gina Papan, MTC Commissioner	Strongly Disagree	Strongly Disagree

Appendix B: Select Committee Meeting #5 (10/21/24)

Appendix B1: Final score of gradients of agreement

Results from Gradient of Agreement Exercise at Transportation Revenue Measure
Select Committee's October 23, 2024 Meeting (Agenda Item 4b)

Name, Affiliation	How much do you agree with the following durations and investments?	
	10 years, transit only	30 years, multimodal (including County Flex)
Committee Members		
John Arantes, SEIU	Strongly Agree	Agree with Reservations
David Canepa, MTC Commissioner	Strongly Disagree	Strongly Disagree
Cindy Chavez, MTC Commissioner	Strongly Disagree	Strongly Agree
Alicia John-Baptiste, SPUR	Neutral or Abstain	Neutral or Abstain
Nick Josefowitz, MTC Commissioner	Strongly Agree	Disagree but Will Go Along
Manny Leon, CA Alliance for Jobs	Strongly Disagree	Neutral or Abstain
Adina Levin, Seamless Bay Area	Strongly Agree	Agree with Reservations
James Lindsay, Amalgamated Transit Union	Strongly Agree	Strongly Disagree
Matt Mahan, MTC Commissioner	Strongly Disagree	Strongly Agree
Nate Miley, MTC Commissioner	Strongly Agree	Disagree but Will Go Along
Stephanie Moulton-Peters	Agree with Reservations	Agree with Reservations
Sue Noack, MTC Commissioner	Strongly Agree	Agree with Reservations
David Rabbitt, MTC Commissioner	Agree with Reservations	Agree with Reservations
Jim Spering, MTC Commissioner	Agree with Reservations	Agree with Reservations
Ellen Wu, Voices for Public Transportation	Agree with Reservations	Strongly Agree
Jim Wunderman, Bay Area Council	Neutral or Abstain	Neutral or Abstain
Ex-Officio Members/Legislative Staff/Commissioners		
Sunshine Borelli		
(representing Office of Senator Cortese)	Agree with Reservations	Agree with Reservations
Alicia Lawrence		
(representing Office of Senator Wahab)	Agree with Reservations	Neutral or Abstain
Raayan Mohtashemi		
(representing Office of Senator Wiener)	Agree with Reservations	Agree with Reservations
Gina Papan, MTC Commissioner	Strongly Disagree	Strongly Disagree

Appendix B: Select Committee Meeting #5 (10/21/24)

Appendix B1: Final score of gradients of agreement

Results from Gradient of Agreement Exercise at Transportation Revenue Measure
Select Committee's October 23, 2024 Meeting (Agenda Item 4b)

Name, Affiliation	How much do you agree with the use of these revenue mechanisms?	
	Sales Tax	Payroll Tax
Committee Members		
John Arantes, SEIU	Strongly Agree	Strongly Agree
David Canepa, MTC Commissioner	Strongly Disagree	Strongly Disagree
Cindy Chavez, MTC Commissioner	Agree with Reservations	Neutral or Abstain
Alicia John-Baptiste, SPUR	Agree with Reservations	Strongly Disagree
Nick Josefowitz, MTC Commissioner	Agree with Reservations	Agree with Reservations
Manny Leon, CA Alliance for Jobs	Strongly Agree	Strongly Disagree
Adina Levin, Seamless Bay Area	Disagree but Will Go Along	Strongly Agree
James Lindsay, Amalgamated Transit Union	Neutral or Abstain	Agree with Reservations
Matt Mahan, MTC Commissioner	Agree with Reservations	Disagree but Will Go Along
Nate Miley, MTC Commissioner	Neutral or Abstain	Disagree but Will Go Along
Stephanie Moulton-Peters	Strongly Agree	Strongly Agree
Sue Noack, MTC Commissioner	Agree with Reservations	Agree with Reservations
David Rabbitt, MTC Commissioner	Agree with Reservations	Disagree but Will Go Along
Jim Spering, MTC Commissioner	Strongly Agree	Strongly Disagree
Ellen Wu, Voices for Public Transportation	Strongly Disagree	Strongly Agree
Jim Wunderman, Bay Area Council	Strongly Agree	Strongly Disagree
Ex-Officio Members/Legislative Staff/Commissioners		
Sunshine Borelli (representing Office of Senator Cortese)	Strongly Agree	Neutral or Abstain
Alicia Lawrence (representing Office of Senator Wahab)	Strongly Disagree	Strongly Disagree
Raayan Mohtashemi (representing Office of Senator Wiener)	Strongly Agree	Neutral or Abstain
Gina Papan, MTC Commissioner	Strongly Disagree	Strongly Disagree

Appendix B: Select Committee Meeting #5 (10/21/24)

Appendix B1: Final score of gradients of agreement

Results from Gradient of Agreement Exercise at Transportation Revenue Measure Select Committee's October 23, 2024 Meeting (Agenda Item 4b)

Name, Affiliation	How much do you agree with the use of this revenue mechanism?
	Parcel Tax
Committee Members	
John Arantes, SEIU	Agree with Reservations
David Canepa, MTC Commissioner	Strongly Disagree
Cindy Chavez, MTC Commissioner	Neutral or Abstain
Alicia John-Baptiste, SPUR	Neutral or Abstain
Nick Josefowitz, MTC Commissioner	Agree with Reservations
Manny Leon, CA Alliance for Jobs	Strongly Disagree
Adina Levin, Seamless Bay Area	Strongly Agree
James Lindsay, Amalgamated Transit Union	Disagree but Will Go Along
Matt Mahan, MTC Commissioner	Neutral or Abstain
Nate Miley, MTC Commissioner	Disagree but Will Go Along
Stephanie Moulton-Peters	Strongly Agree
Sue Noack, MTC Commissioner	Agree with Reservations
David Rabbitt, MTC Commissioner	Strongly Disagree
Jim Spering, MTC Commissioner	Disagree but Will Go Along
Ellen Wu, Voices for Public Transportation	Strongly Agree
Jim Wunderman, Bay Area Council	Strongly Disagree
Ex-Officio Members/Legislative Staff/Commissioners	
Sunshine Borelli	
(representing Office of Senator Cortese)	Strongly Disagree
Alicia Lawrence	
(representing Office of Senator Wahab)	Strongly Disagree
Raayan Mohtashemi	
(representing Office of Senator Wiener)	Strongly Agree
Gina Papan, MTC Commissioner	Strongly Disagree

Appendix B: Select Committee Meeting #5 (10/21/24)

Appendix B1: Final score of gradients of agreement

Results from Gradient of Agreement Exercise at Transportation Revenue Measure
Select Committee's October 23, 2024 Meeting (Agenda Item 4b)

Name, Affiliation	How much do you agree with these tax structures or funding frameworks?	
	Single Tax (same rate)	Multiple tax sources in single measure (e.g. Hybrid)
Committee Members		
John Arantes, SEIU	Strongly Agree	Strongly Agree
David Canepa, MTC Commissioner	Strongly Disagree	Strongly Disagree
Cindy Chavez, MTC Commissioner	Strongly Disagree	Strongly Agree
Alicia John-Baptiste, SPUR	Agree with Reservations	Agree with Reservations
Nick Josefowitz, MTC Commissioner	Neutral or Abstain	Agree with Reservations
Manny Leon, CA Alliance for Jobs	Strongly Agree	Strongly Disagree
Adina Levin, Seamless Bay Area	Agree with Reservations	Strongly Agree
James Lindsay, Amalgamated Transit Union	Strongly Agree	Agree with Reservations
Matt Mahan, MTC Commissioner	Strongly Disagree	Strongly Agree
Nate Miley, MTC Commissioner	Neutral or Abstain	Agree with Reservations
Stephanie Moulton-Peters	Strongly Disagree	Agree with Reservations
Sue Noack, MTC Commissioner	Agree with Reservations	Agree with Reservations
David Rabbitt, MTC Commissioner	Agree with Reservations	Agree with Reservations
Jim Spering, MTC Commissioner	Strongly Agree	Agree with Reservations
Ellen Wu, Voices for Public Transportation	Neutral or Abstain	Strongly Agree
Jim Wunderman, Bay Area Council	Neutral or Abstain	Strongly Disagree
Ex-Officio Members/Legislative Staff/Commissioners		
Sunshine Borelli (representing Office of Senator Cortese)	Strongly Agree	Neutral or Abstain
Alicia Lawrence (representing Office of Senator Wahab)	Neutral or Abstain	Neutral or Abstain
Raayan Mohtashemi (representing Office of Senator Wiener)	Strongly Agree	Strongly Agree
Gina Papan, MTC Commissioner	Strongly Disagree	Strongly Disagree

Appendix B: Select Committee Meeting #5 (10/21/24)

Appendix B1: Final score of gradients of agreement

Results from Gradient of Agreement Exercise at Transportation Revenue Measure
Select Committee's October 23, 2024 Meeting (Agenda Item 4b)

Name, Affiliation	How much do you agree with these tax structures or funding frameworks?	
	Variable rate (different rates in different counties)	Allow for financing or loans to meet different cash-flow needs by county
Committee Members		
John Arantes, SEIU	Strongly Agree	Strongly Agree
David Canepa, MTC Commissioner	Strongly Disagree	Strongly Disagree
Cindy Chavez, MTC Commissioner	Strongly Agree	Strongly Disagree
Alicia John-Baptiste, SPUR	Agree with Reservations	Agree with Reservations
Nick Josefowitz, MTC Commissioner	Strongly Agree	Strongly Agree
Manny Leon, CA Alliance for Jobs	Strongly Disagree	Neutral or Abstain
Adina Levin, Seamless Bay Area	Strongly Agree	Strongly Agree
James Lindsay, Amalgamated Transit Union	Disagree but Will Go Along	Neutral or Abstain
Matt Mahan, MTC Commissioner	Strongly Agree	Strongly Disagree
Nate Miley, MTC Commissioner	Disagree but Will Go Along	Disagree but Will Go Along
Stephanie Moulton-Peters	Agree with Reservations	Agree with Reservations
Sue Noack, MTC Commissioner	Agree with Reservations	Agree with Reservations
David Rabbitt, MTC Commissioner	Strongly Agree	Disagree but Will Go Along
Jim Spering, MTC Commissioner	Strongly Agree	Neutral or Abstain
Ellen Wu, Voices for Public Transportation	Strongly Agree	Agree with Reservations
Jim Wunderman, Bay Area Council	Neutral or Abstain	Neutral or Abstain
Ex-Officio Members/Legislative Staff/Commissioners		
Sunshine Borelli (representing Office of Senator Cortese)	Agree with Reservations	Disagree but Will Go Along
Alicia Lawrence (representing Office of Senator Wahab)	Neutral or Abstain	Strongly Agree
Raayan Mohtashemi (representing Office of Senator Wiener)	Strongly Agree	Strongly Agree
Gina Papan, MTC Commissioner	Strongly Disagree	Strongly Disagree

Appendix B2: Motions approved

Select Committee on Bay Area Transportation Revenue Measure

October 21, 2024

Agenda Item 4b

I move that the Select Committee adopt the following recommendations to the Commission related to the framework for a transportation revenue measure:

- Implement transit transformation by investing 10% of the revenue in key improvements that make the system more connected, affordable and reliable and ensure that at least half of these funds are invested in proportion to each county's contributions to the measure.
- All frameworks should be further considered (Scenario 1, 1A and Hybrid and the SFMTA proposal) but the measure should include at least the four core counties from Scenario 1 (Alameda, Contra Costa, San Francisco and San Mateo Counties.)
- All revenue mechanisms discussed at the Select Committee (sales tax, payroll tax and parcel tax including a hybrid measure) should be explored and polled.
- The Select Committee is supportive of supplemental funding for all transit agencies to meet their operating deficits.
- The Commission should review the gradients of agreement scores of all Select Committee members to gain full understanding of the sentiment of the Committee members.

Resolution was approved by a vote of 12-3

Appendix B: Select Committee Meeting #5 (10/21/24)

Appendix B2: Motions approved

Select Committee on Bay Area Transportation Revenue Measure

October 21, 2024

Agenda Item 4c

I move that the Select Committee adopt the following recommendation to the Commission related to policy provisions in enabling legislation for a transportation revenue measure:

- Enabling legislation should include new accountability provisions to provide greater oversight of transit agency financial information.
- It should also provide that to be eligible for funding from measure, operators should be required to report on and comply with policies and programs related to Transit Transformation that would be developed through the Regional Network Management framework.
- The Commission should also consider that transit consolidation is worthy of further study but should be pursued separate from enabling legislation for a transportation revenue measure.
- A citizen initiative should be authorized as part of the enabling legislation.

The motion was approved unanimously.

Appendix B: Select Committee Meeting #5 (10/21/24)

Appendix B3: Formal submittals from organizations represented on the Select Committee



October 19, 2024

Chair Jim Spering
Transportation Revenue Measure Select Committee
375 Beale Street
San Francisco, CA 94105

RE: Comments on October Transportation Revenue Measure Select Committee

Dear Chair Spering,

Thank you for your steadfast leadership in advancing this important work to build consensus on how the Bay Area funds public transportation going forward. I also want to thank MTC staff for their tireless shuttle diplomacy to find scenarios that are acceptable to the many diverse viewpoints on this topic.

Unfortunately, as we arrive at the final meeting of this Select Committee, I am disappointed that the conversation has not progressed 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 improve efficiency and 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. Yet none of these efforts have had a material impact on the way we provide public transit, or the cost of doing so.

We must now 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 substantive change.

There are several changes we think are very reasonable that we insist upon in order to support additional funding for public transit:

- **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

Appendix B3: Formal submittals from organizations represented on the Select Committee



ridership lines, or consider how we could integrate technology to improve mobility at a cheaper cost while providing better options for transit users.

- **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 voters that agencies will use any new funds far more efficiently. We must also ensure that public transit operators are delivering on their promise to create a more seamless, integrated, and commonsense transit network that riders have long 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. We appreciate that BART has made progress in these areas over the past year, and we urge the agency to continue to prioritize these top rider concerns and deliver a safe and clean system at all hours of the day.
- **We must offer a multimodal 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 direct benefits to all transportation users. We recognize that public transit agencies are facing a dire financial crisis, and I believe a measure that includes some funding for other transportation needs stands the best chance of being supported by voters.
- **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 among the various options, it resonates best with voters and thereby offers the greatest opportunity for success.

I'm sorry there is no measure being offered that we can support at this time. However, I look forward to continuing to work together to create a viable option that responds to the diverse transportation needs of Bay Area residents and offers a clear path to success at the ballot.

Sincerely,

A handwritten signature in black ink that reads "Jim Wunderman".

Jim Wunderman
President & CEO

Appendix B3: Formal submittals from organizations represented on the Select Committee



**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

rebuildca.org

OPERATING ENGINEERS
LOCAL UNION #3

ASSOCIATED GENERAL
CONTRACTORS OF CALIFORNIA

NO. CALIFORNIA DISTRICT
COUNCIL OF LABORERS

UNITED CONTRACTORS

NO. CALIFORNIA CARPENTERS
REGIONAL COUNCIL

1415 L STREET, SUITE 1080
SACRAMENTO, CA 95814

Office 916.446.2259

Appendix B3: Formal submittals from organizations represented on the Select Committee



**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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OPERATING ENGINEERS
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Appendix B3: Formal submittals from organizations represented on the Select Committee



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

Appendix B: Select Committee Meeting #5 (10/21/24)

Appendix B3: Formal submittals from organizations represented on the Select Committee

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

Appendix B3: Formal submittals from organizations represented on the Select Committee

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.

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Appendix B3: Formal submittals from organizations represented on the Select Committee

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

Appendix B3: Formal submittals from organizations represented on the Select Committee

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.

Transportation Revenue Measure Scenarios Overview

December 9, 2024

The Transportation Revenue Measure Select Committee (Select Committee) was established by MTC to help Bay Area policy makers and leaders across multiple sectors develop a framework for legislation that would authorize a potential 2026 transportation revenue ballot measure. From June through October 2024, Select Committee members helped to shape scenarios that achieve the following objectives.

Sustain Transit: The scenarios took different approaches to defining the transit operating funding target. The two targets in use are:

1. **Adjusted fare loss:** This aims to respond to the need for a new post-pandemic business model, given the loss of ridership and fare revenue. This target starts with the difference between fare revenue in fiscal year 2024 (budgeted) compared to FY 2019 (actual) and adds a 2% annual escalation to account for inflation.¹
2. **Operator-reported shortfalls:** This sets a target of closing the budget gaps estimated by operators with the goal of sustaining transit service levels for FY 2026-27, the year that the measure would start. This is a higher target than adjusted fare loss since it includes factors such as rising operating costs, including higher energy, maintenance and labor costs.

Improve Transit: Riders want a fast, frequent, coordinated, easy-to-use, safe and affordable transit system. MTC's 2021 *Bay Area Transit Transformation Action Plan* is a comprehensive plan to deliver a better transit system to the Bay Area public. All the scenarios considered by the Select Committee include funding to implement the transformative actions identified in the plan.

Win Support from Legislators and Voters: The Select Committee was critical to building a regional framework to sustain and enhance public transit in the Bay Area. With the

¹ Inflation was higher than 2% during this period but this level was chosen as some operators have raised fares to account for inflation.

Appendix C: Transportation Revenue Scenarios

Appendix C1: Transportation Revenue Measure Scenarios Overview

Select Committee’s work now complete, the proposed scenarios are anticipated to be further refined by MTC, working with local partners and informed by updated polling. The goal is to craft legislation that will secure passage in the Legislature in 2025, positioning the region for a successful ballot measure in 2026.

Scenario 1: 30-year Core Transit Framework

Geography and Funding Mechanism

Scenario 1 is a 30-year, ½-cent sales tax.

The four counties of Alameda, Contra Costa, San Francisco and San Mateo would be automatically included. In these four counties, the measure would generate \$562 million/year.²

The other five counties would have the option to opt-in, with some requirements. The measure would raise approximately \$1.05 billion/year in all nine counties combined.

Counties rely on sales taxes for local transportation priorities. Several counties have sales taxes that expire over the next 12 years: San Mateo County (2033), Contra Costa County (2035) and Santa Clara County (2036).

The 30-year Core Transit Framework introduces a temporal element to help thread the needle between the immediate, urgent need to secure new dedicated transit operating funding to help sustain transit and longer-term county transportation priorities.



Figure 1: Map of counties that are included in Scenario 1 and those counties that may opt in.

² This estimate is for the first year of the measure, FY 2026-27.

Appendix C: Transportation Revenue Scenarios

Appendix C1: Transportation Revenue Measure Scenarios Overview

Expenditure Framework for the Four Baseline Counties

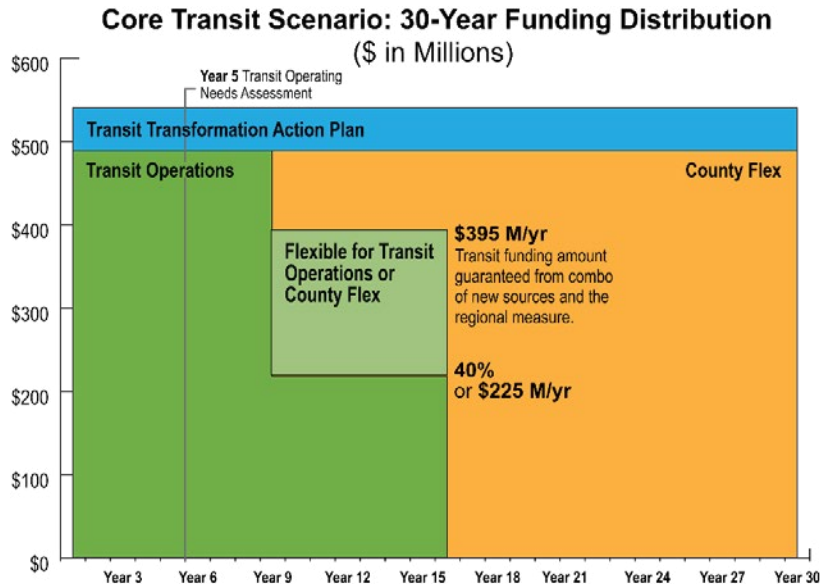


Figure 2: Area graph of the 30-year expenditure plan for Scenario 1

The spending plan invests 10% in Transit Transformation for the life of the measure, to improve the customer experience and grow ridership. Half of the Transit Transformation funds would be allocated in proportion to each participating county’s share of sales tax generated. Funding allocations by county and year are included in Appendix C-2, page 1.

Years 1-8

In the first eight years of the measure, the remaining 90%, or \$504 million per year in the baseline scenario, would fund the adjusted fare loss for operators primarily serving the four counties. This would mitigate service impacts at BART, Caltrain, AC Transit and Muni as well as the small operators in Alameda and Contra Costa Counties. These first eight years can be an important runway for agencies to build their ridership and fare revenue, as well as identify other sources of funds.

There will be a review in year five by MTC to assess transit operations needs and if fare revenue or other sources of funds have rebounded enough to avert service cuts, there could be a partial reduction in transit operating funds. The nature of this review would be further developed over the fall and through the legislative process.

Appendix C: Transportation Revenue Scenarios

Appendix C1: Transportation Revenue Measure Scenarios Overview

Years 9-15

Scenario 1 guarantees a minimum amount of transit operating funding of \$395 million per year during years 9-15. This \$395 million would come from a combination of the transportation revenue measure as well as new, non-local funding sources such as state and federal funds.

The amount of transit operating funding provided by the measure during this period depends on the amount of new, non-local operating funding sources (such as state funding) received in years 9-15, with the measure providing a minimum investment of \$225 million/year even in years where there are substantial new outside sources. For example:

- If there are no new, non-local sources of funds, the measure would allocate \$395 million for transit operations.
- If \$100 million is raised from outside sources, the measure would allocate \$295 million to transit operations, for a total of \$395 million.
- If significant new, non-local funds are obtained, e.g., \$300 million is raised, the measure would still provide the minimum guarantee of \$225 million for a total of \$525 million for transit operations.

Funding levels for transit agencies with operating shortfalls are shown in the chart below. There have been a few updates since the Select Committee adopted this scenario in October. In addition, some updates have been made to the scenarios since the final Select Committee meeting. This includes an updated revenue forecast (increasing it from \$540 million per year to \$562 million per year in FY 2026-27). When combined with a contribution from Santa Clara County to help fund Caltrain's adjusted fare loss, there is an additional \$20 million available to SamTrans and an additional \$10 million for bus service in Alameda and Contra Costa counties.

Appendix C: Transportation Revenue Scenarios

Appendix C1: Transportation Revenue Measure Scenarios Overview

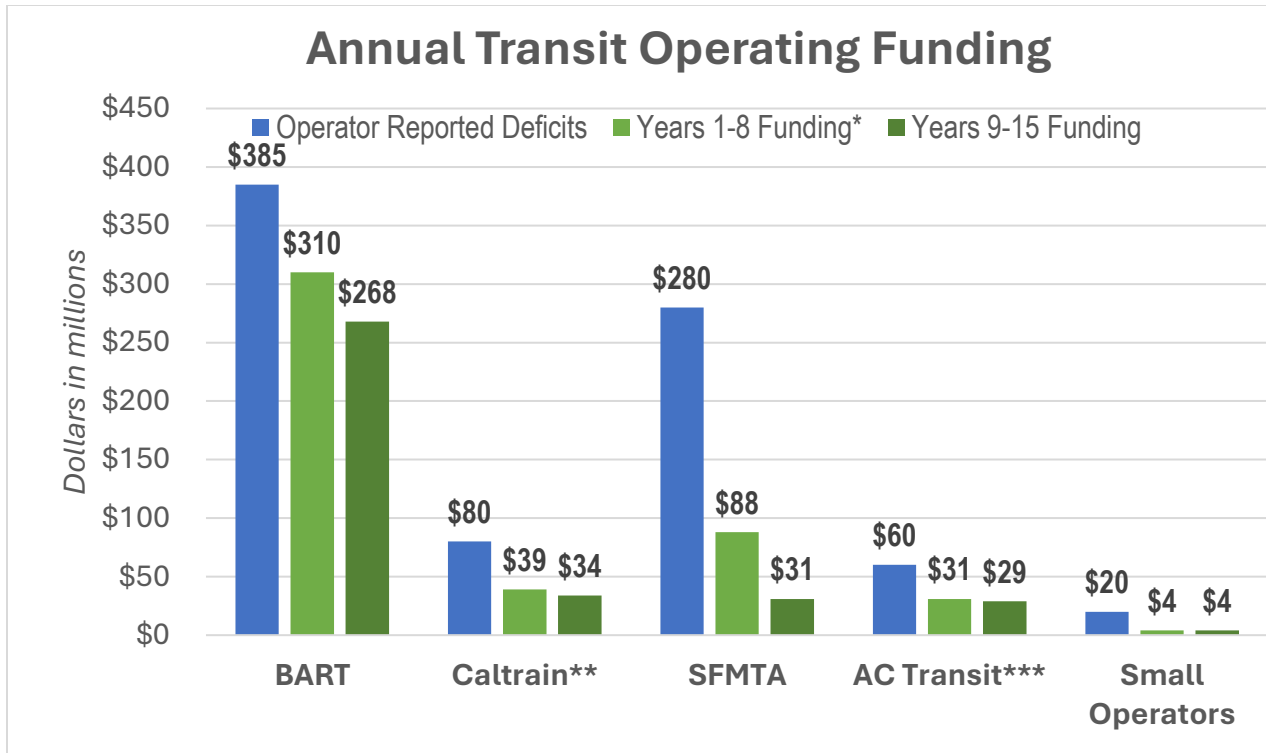


Figure 3: Annual Operating Funds in Scenario 1.

*Years 1-8 funding is sufficient to meet the targeted Adjusted Fare Loss except for SFMTA

**Caltrain would receive \$67 million in years 1-8 but Santa Clara's contribution is not reflected in these totals.

***AC Transit's FY 27 deficit is forecast to be \$60 million, but to subsequently decline to \$30 million per year thereafter. The higher amount in FY 27 is due to a one-time pension obligation.

Scenario 1 can make meaningful contributions to support transit for 15 years as it shifts to a post-pandemic business model. Muni would still be left with a large shortfall, and MTC has committed to working closely with San Francisco and other partners to identify solutions that can help fill that gap.

The remaining funds in years 9-15, or 20-50% of the total measure, would go towards County Flex. These funds would be invested by county transportation agencies for any county transportation priority, including local road repairs or other infrastructure, as long as aligned with Plan Bay Area 2050+ (and successor plans).

Years 16-30

In years 16-30, 90% of funding is allocated to County Flex while 10% continues to be allocated to Transit Transformation to continue improvements to the transit rider experience. Over the life of the measure, 50-57% of the funds would be dedicated to

Appendix C: Transportation Revenue Scenarios

Appendix C1: Transportation Revenue Measure Scenarios Overview

County Flex. Importantly, counties would have the option of investing their County Flex in transit capital, operations and maintenance.

Opt-In County Provisions

In Scenario 1, Marin, Napa, Santa Clara, Solano and Sonoma counties have the opportunity to opt into the measure. For a county to opt in, their county transportation agency would have to agree to three commitments:

1. Support Transit Transformation with 10% per year of funding generated.
2. Provide funding to help close shortfalls for local transit operators as well as multi-county operators in that county. The level of operating support would be subject to discussions with transit operators and an agreement with MTC and would account for existing contractual agreements. All the remaining funds after Transit Transformation and transit operations would be County Flex.
3. Over the life of the measure, invest at least 30% of the County Flex in transit capital, operations or maintenance for operators providing service in that county. Investments would be fully at the discretion of the county transportation agency. Any funding for transit operations would count towards the 30% minimum for transit. The remaining 70% of County Flex could be used for other county transportation priorities.

The distribution of funding for opt-in counties is shown in Appendix C-2, page 2. In terms of timing, it is crucial that the geographic scope of the measure is detailed in the enabling legislation. Counties would be asked to opt in by the first policy committee hearing on the enabling legislation, likely to occur by April 2025.

After the legislation is passed, the four base counties and any opt-in counties would develop expenditure plans for their County Flex funds. Doing so by early 2026 will leave time to develop clear and compelling communications about the measure before it goes to the voters.

Scenario 1A – 10-year Core Transit Framework

Several Select Committee members, transportation agency leaders, and the public made the request that a measure shorter than 30 years be considered. Scenario 1A is a 10-year version of the Core Transit Framework, with the same four baseline counties but with an

Appendix C: Transportation Revenue Scenarios

Appendix C1: Transportation Revenue Measure Scenarios Overview

opt-in option available only to Santa Clara County. This is because in the 10-year Core Transit scenario there is no County Flex and Santa Clara County is the only county that is also served by BART and Caltrain but not already included in the Core Transit scenario.

Scenario 1A uses the same funding ratios from Years 1-8 in Scenario 1 and extends them an additional two years, as follows:

- 10% for Transit Transformation with 50% guaranteed to provide benefit to each county in proportion to its share of sales tax revenue generated.
- 90% for transit operations. Fully funding the adjusted fare loss of most operators (as shown above for years 1-8 in Figure 3).
- For information on the expenditures in this scenario, refer to Appendix C-2, page 3.

Hybrid Scenario

MTC received requests from Senator Weiner’s office, Voices for Public Transportation and several labor organizations to analyze a framework that:

1. Provides at least \$1.5 billion per year, ideally from a progressive funding source.
2. Covers all nine Bay Area counties.
3. Provides transit operating funding aimed to sustain 2023 transit service levels for the life of the measure.

In August, MTC staff presented a framework in response to this request that would be funded by either a parcel tax or a payroll tax. The Select Committee and stakeholders expressed concerns about the political viability of a tax from either of these sources that would generate \$1.5 billion per year.

Several Select Committee members recommended exploring a measure with multiple funding sources so that the tax rate for each source could be lower. In September, MTC staff presented a scenario that incorporates two funding sources. It is called the “Hybrid Scenario” since it combines the ½-cent sales tax and expenditure elements of Scenario 1 with a payroll tax. In October, in response to feedback from Select Committee members and other stakeholders, MTC staff added a parcel tax as a potential alternative to the payroll tax in the Hybrid Scenario. To get to \$1.5 billion, the ½-cent sales tax in all nine counties would generate slightly over \$1 billion per year. A payroll tax of 0.18%, or 18 cents for every \$100 of payroll, would generate \$500 million annually. Alternatively, a

Appendix C: Transportation Revenue Scenarios

Appendix C1: Transportation Revenue Measure Scenarios Overview

parcel tax of approximately \$0.09 per building square foot could also be used to raise \$500 million annually.ⁱ

Expenditure Framework

The Hybrid Scenario builds on the expenditure plan from Scenario 1 as its foundation, as illustrated in Figure 4. It then adds three new layers:

- \$300 million per year to fund regional transit operations, funded by the payroll or parcel tax. This would be used to offset shortfalls for operators in all nine counties, including Golden Gate Transit and the small operators.
- \$200 million per year in additional County Flex. Funding would be distributed to each county based on the amount of the payroll or parcel tax collected in that county. Alameda, Contra Costa, San Francisco and San Mateo Counties would receive some County Flex starting in the first year of the hybrid scenario, unlike Scenario 1.
- Over \$490 million per year of County Flex for the five counties that were “opt-in counties” in Scenario 1. This includes 90% of their sales tax dollars and 40% of their payroll or parcel taxes

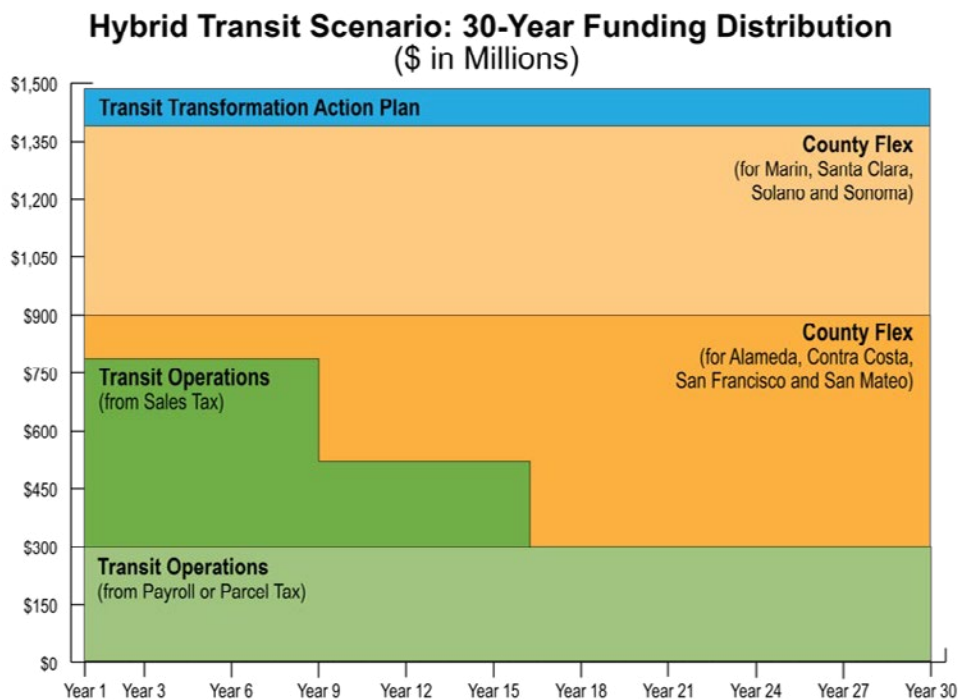


Figure 4: Area graph of the Hybrid Scenario, referencing annual expenditures, in current dollars.

Appendix C: Transportation Revenue Scenarios

Appendix C1: Transportation Revenue Measure Scenarios Overview

Funding for Transit Agencies

By providing approximately \$790 million per year for transit operations in Years 1-8, the Hybrid Scenario can cover about 90% of the most recent operator-reported deficit estimates for FY 2026-27. In Years 9-15, the Hybrid Scenario would provide sufficient funding to cover about 65% of the forecasted deficits. Funding for Muni would decline more substantially in these latter years, as shown below.

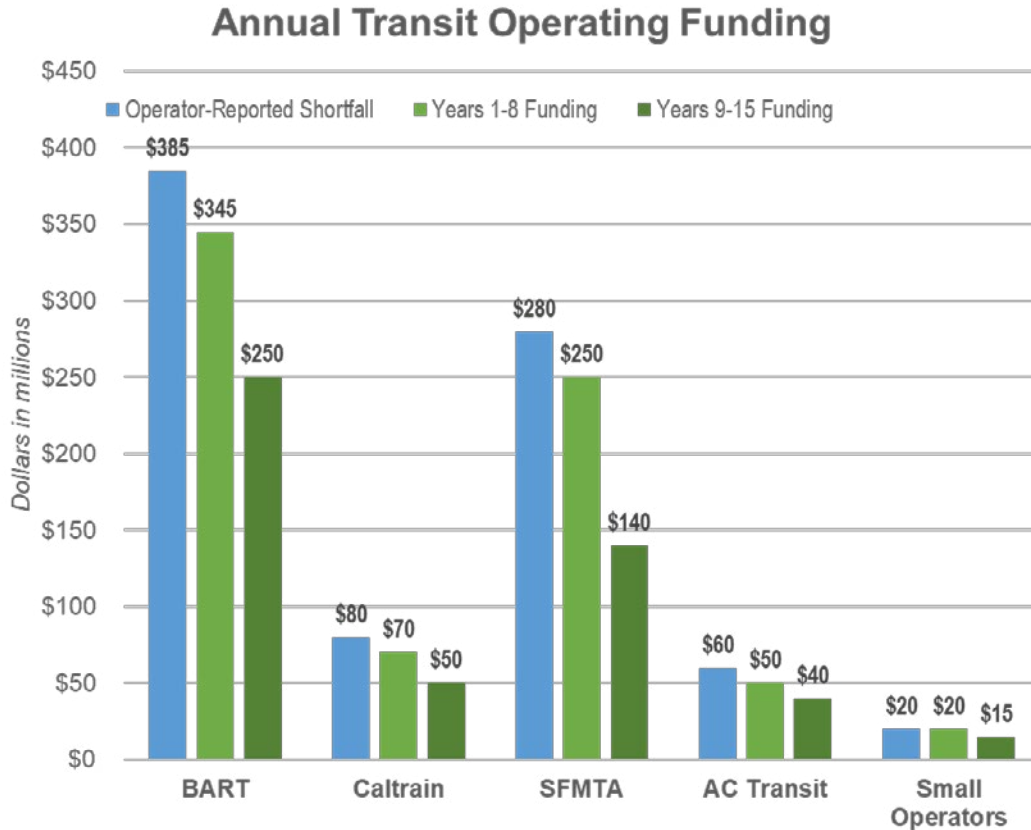


Figure 5: Golden Gate Transit is not illustrated but would receive funding if Marin and Sonoma counties participated in the measure in a Hybrid framework. Funding amount would be determined in consultation with Marin and Sonoma County transit agencies and the Golden Gate Bridge, Highway and Transportation District.

Years 16-30 would provide \$300 million per year for transit operations. Since it is impossible to predict the extent of transit operating funding needs that far into the future, there would be a process starting in Year 14 to assess transit operating needs so as to equitably allocate funding during the latter half of the measure.

The Hybrid scenario was initially presented to the Select Committee as including all nine counties. It has since been updated to include the four core counties automatically, with an opt-in for the five counties of Santa Clara, Marin, Napa, Solano and Sonoma but only if

Appendix C: Transportation Revenue Scenarios

Appendix C1: Transportation Revenue Measure Scenarios Overview

Santa Clara County opts into the measure. This is because of the five counties served by BART and other operators facing significant funding shortfalls, only Santa Clara County commissioners expressed a preference for a 30-year measure. It is proposed to be funded by a ½-cent sales tax plus a 9-cent per building square foot parcel tax.

For a full breakdown of funding from the Hybrid Scenario, see Appendix C-2, pages 4 and 5.

ⁱ At November’s Legislation Committee, MTC staff presented the Hybrid Scenario with the parcel tax (not payroll tax) as one of two options (along with Scenario 1A) that should be further considered and polled by MTC.

Appendix C2: Expenditure and Allocation Details

Appendix C2: Expenditure and Allocation Details

Scenario 1: 4-County Annual Revenues and Expenditures

Annual Revenues and Expenditures

(Dollars in millions)	Revenue Generation	Years 1-8 FY27-FY34		Years 9-15, FY35-FY41				Years 16-30 , FY42-FY56		30-Year Total				
		1/2 Cent Sales Tax	Transformation (10%)	Transit Funding (90%)	Transformation (10%)	Transit Funding*	Min. Remaining to County Flex (20%)**	Max. Remaining to County Flex (50%)**	Transformation (10%)	Remaining to County Flex (90%)	Transformation (10%)	Transit Funding*	Min Remaining to County Flex**	Max Remaining to County Flex**
Core Counties														
Alameda	216	22	194	22	151	43	108	22	194	647	2,610	3,214	3,667	
Contra Costa	122	12	110	12	85	24	61	12	110	366	1,475	1,816	2,072	
San Francisco	104	10	93	10	73	21	52	10	93	311	1,256	1,547	1,765	
San Mateo	120	12	108	12	84	24	60	12	108	361	1,454	1,791	2,043	
4-County Totals	562	56	505	56	393	112	281	56	505	1,685	6,795	8,368	9,547	

In FY 2027dollars, as estimated by Sperry Cosulting.

* Transit funding in years 9-15 may include some new, non-local, sources of funds. The minimum amount proposed from the measure is \$225M per year.

** If no new, non-local funding is raised, then measure provides \$393M for Transit and County Flex receives 20% of the measure in that year. If \$168M or more is received, then County Flex receives 50% of county-generated revenue.

Funding by Transit Operator

	Years 1-8 Annual	Years 9-15 Annual	15-Year Total
AC Transit	32	29	455
BART	317	293	4,589
Caltrain***	43	39	613
SFMTA	93	32	971
Others	4	-	32
Additional Funding to Distribute	21	-	167
Total	505	393	6,828

***Assumes Caltrain will receive partial funding of their deficit from the core counties, and the remainder from Santa Clara County. Exact amount from each still to be determined. Golden Gate would receive funding if Marin/Sonoma opt in.

Date: 12/4/24

Scenario 1: Opt-in Counties

(Dollars in millions)	Annual Funding		30-Year Total	
	Transformation 10%	County Flex 90% (30% Min. for Transit)****	Transformation 10%	County Flex 90% (30% Min. for Transit)****
Opt -In Counties				
Santa Clara	31	281	937	8,432
Marin	4	32	106	953
Napa	3	23	75	675
Solano	6	50	168	1,515
Sonoma	6		193	1,733
Opt-in Total	49		1,479	13,308

In FY 2027dollars, as estimated by Sperry Cosulting.

****To opt in to the measure, counties must provide funding to help close budget gaps for transit operators serving their county. There is also a requirement that 30% of County Flex is to be invested in transit capital, operations or maintenance over the life of measure. Funding for the county's operator shortfalls would count towards the 30% County Flex transit investment.

Appendix C: Transportation Revenue Scenarios

Appendix C2: Expenditure and Allocation Details

Scenario 1A: 10-Year, 4-County 1/2 Cent Sales Tax

Updated by Sperry Consulting to use projected 2024 taxable sales, and escalated for projected inflation in 2025 and 2026.

County	YEARS 1-10		
	Revenue Generation in 4 Counties - 1/2 Cent Sales Tax*	Transformation (10%)	Transit Funding (90%)
Core Counties			
Alameda	\$ 216	\$ 22	\$ 194
Contra Costa	\$ 122	\$ 12	\$ 110
San Francisco	\$ 104	\$ 10	\$ 93
San Mateo	\$ 120	\$ 12	\$ 108
Core Counties Subtotal	\$ 562	\$ 56	\$ 505

*In FY 2027 dollars, as estimated by Sperry Consulting.

Appendix C: Transportation Revenue Scenarios

Appendix C2: Expenditure and Allocation Details

Scenario 1A: 10-Year, 4-County 1/2 Cent Sales Tax

Funding by Transit Operator

	Annual	10-Year Total**
AC Transit	\$ 31	\$ 311
BART	\$ 307	\$ 3,070
Caltrain***	\$ 39	\$ 390
SFMTA	\$ 88	\$ 880
Small operators	\$ 4	\$ 44
<i>AL/CC Feeder Bus</i>	\$ 10	\$ 100
<i>SM Feeder Bus and Samtrans</i>	\$ 20	\$ 200
<i>Additional funds to be distributed</i>	\$ 5	\$ 50
90% Subtotal Total	\$ 505	\$ 4,995

**10-year totals are in constant FY 2027 dollars and would be higher if escalated.

***Assumes Caltrain will receive partial funding of their deficit from the core counties with contribution from Santa Clara County.

- 1) Indexing for inflation added \$22M. When combined with contribution from Santa Clara to reduce San Mateo's Caltrain contribution, funds are used for:
 - \$20 M for San Mateo feeder bus and SamTrans.
 - \$10 M for Alameda and Contra Costa for Feeder Bus which can include AC Transit feeders to BART.

Note: Totals may not sum due to rounding.

Appendix C2: Expenditure and Allocation Details

Appendix C2: Expenditure and Allocation Details

Hybrid: 30-Year 1/2 Cent Sales Tax + \$0.09/bldg. sq. ft. Parcel Tax

Geography: Minimum of 5 counties, maximum of 9 but proposed for consideration only if Santa Clara opts in.

Annual Revenues and Expenditures

(Dollars in millions)	Revenue Generation	Years 1-8 FY27-FY34		Years 9-15 FY35-FY41			Years 16-30 FY42-FY56	
		1/2 Cent Sales Tax	Transformation (10%)	Transit Operations (90%)	Transformation (10%)	Transit Operations (40%)	Remaining to County Flex (50%)	Transformation (10%)
Core Counties								
Alameda	\$ 216	\$ 22	\$ 194	\$ 22	\$ 86	\$ 108	\$ 22	\$ 194
Contra Costa	\$ 122	\$ 12	\$ 110	\$ 12	\$ 49	\$ 61	\$ 12	\$ 110
San Francisco	\$ 104	\$ 10	\$ 93	\$ 10	\$ 42	\$ 52	\$ 10	\$ 93
San Mateo	\$ 120	\$ 12	\$ 108	\$ 12	\$ 48	\$ 60	\$ 12	\$ 108
4 County Totals	\$ 562	\$ 56	\$ 505	\$ 56	\$ 225	\$ 281	\$ 56	\$ 505

+

Core Counties	Parcel Tax	Years 1-30	
		Support for Regional Transit Operations *	County Flex
Alameda	\$ 111	\$ 66	\$ 44
Contra Costa	\$ 80	\$ 48	\$ 32
San Francisco	\$ 57	\$ 34	\$ 23
San Mateo	\$ 51	\$ 30	\$ 20
4 County Totals	\$ 299	\$ 179	\$ 119

+

Opt in Counties	1/2 cent Sales Tax + Parcel Tax	Years 1-30			
		From Sales Tax		From Parcel Tax	
		Transformation	County Flex	County Flex	Support for Regional Transit Operations
Santa Clara	\$ 435	\$ 31	\$ 281	\$ 49	\$ 74
Marin	\$ 53	\$ 4	\$ 32	\$ 7	\$ 11
Napa	\$ 34	\$ 3	\$ 23	\$ 4	\$ 6
Solano	\$ 76	\$ 6	\$ 50	\$ 8	\$ 12
Sonoma	\$ 96	\$ 6	\$ 58	\$ 13	\$ 19
Remaining Counties	\$ 695	\$ 49	\$ 444	\$ 81	\$ 121

*There would be a regional process in Years 14-15 to calculate the allocation of transit funding in Years 16-30. Consideration for funding would not be limited to operators receiving funding in Years 1-15.

Sales tax data provided by Sperry Consulting. Sales tax based on FY27 forecasts. Parcel Tax provided by NBS Consultants.

Appendix C: Transportation Revenue Scenarios

Appendix C2: Expenditure and Allocation Details

Hybrid: 30-Year 1/2-Cent Sales Tax + \$0.09 cent Parcel Tax

30-Year Totals

NOTE: Calculations assume all counties participate.

<i>(Dollars in millions)</i>	Subvention to Counties		Regionally Distributed			Total
	County Flex	Support for Regional Transit Operations	Transit Operations	Transformation		
Alameda	\$ 4,996	\$ 1,994	\$ 2,157	\$ 647	\$ 9,795	
Contra Costa	\$ 3,029	\$ 1,435	\$ 1,219	\$ 366	\$ 6,048	
San Francisco	\$ 2,453	\$ 1,032	\$ 1,038	\$ 311	\$ 4,834	
San Mateo	\$ 2,650	\$ 909	\$ 1,202	\$ 361	\$ 5,122	
Santa Clara	\$ 9,907	\$ 2,212		\$ 937	\$ 13,056	
Marin	\$ 1,170	\$ 326		\$ 106	\$ 1,602	
Napa	\$ 786	\$ 166		\$ 75	\$ 1,027	
Solano	\$ 1,750	\$ 353		\$ 168	\$ 2,271	
Sonoma	\$ 2,117	\$ 575		\$ 193	\$ 2,884	
Grand Total	\$ 28,857	\$ 9,003	\$ 5,616	\$ 3,164	\$ 46,639	

Funding by Transit Operator

	Years 1-8 Annual	Years 9-15 Annual	15-Year Total*
BART	\$ 347	\$ 250	\$ 4,524
Caltrain	\$ 72	\$ 52	\$ 940
Golden Gate Transit	\$ 45	\$ 21	\$ 502
SFMTA	\$ 252	\$ 142	\$ 3,009
AC Transit	\$ 54	\$ 39	\$ 705
ACE	\$ 4	\$ 3	\$ 47
LAVTA	\$ 2	\$ 1	\$ 24
NVTA	\$ 2	\$ 1	\$ 24
Soltrans	\$ 4	\$ 3	\$ 47
WestCat	\$ 5	\$ 4	\$ 71
ECCTA	\$ 2	\$ 1	\$ 24
Total	\$ 787	\$ 517	\$ 9,915

*Note: Totals by operators are only calculated for the first 15 years.

There would be a regional process in Years 14-15 to calculate the allocation of transit funding in Years 16-30. Consideration for funding would not be limited to operators receiving funding in years 1-15.

Note: Totals may not sum due to rounding

Appendix D: Revenue Sources Examined

The Select Committee was tasked with narrowing down the list of potential funding sources for the revenue measure. Given the high stakes, the most important criterion was political feasibility, i.e., the potential for a funding source to be approved by the state legislature and to get support from Bay Area voters at a funding level high enough to fund one of the investment targets.

Three funding sources made it through this screen: sales tax, parcel tax per building square foot, and payroll tax. Those sources, as well as the vehicle registration surcharge, had been included in SB 1031 (Wiener and Wahab). As seen in the chart below, it was determined the rate would have to be so high on the vehicle registration surcharge that it would rate low on political feasibility, so it was removed from consideration.

Tax Type	Rate for \$1 billion	Rate for \$1.5 billion	Comments
Sales tax	0.5 cents	0.75 cents	Some opposition due to equity concerns but very common source for transportation in CA
Parcel tax (per building sq. ft.)	\$0.186/sq. ft.	\$0.279/sq. ft.	Some precedent in transportation but not a typical source in CA. Common source for K-12 education.
Payroll tax	0.36%	0.54%	Could be split 50/50 employee/employer
Income tax	0.17%	0.25%	Strong opposition from businesses, wealthy households
Corporate Head Tax	\$216/employee	\$324/employee	Strong opposition from businesses
Vehicle Registration Surcharge	Range of \$100-\$600/year	Range of \$150-\$900/year	Rate would vary based on vehicle's value. A challenge is over 40% Bay Area's vehicles are valued below \$5K.
Vehicle Miles Traveled Fee	1.52-cents/mile	2.28-cents/mile	Politically very challenging, not supported by public

Source: MTC with financial analysis provided by Sperry Capital.

Appendix E: BART & Caltrain Funding Background

Appendix E: BART Funding Background

Historically, BART has funded most of its rail service costs with passenger (fare and parking) revenues. This allowed MTC to prioritize regional transit funding to other operators. Pandemic-driven passenger revenue losses have up-ended BART’s successful funding model. Now, because of reduced ridership, FY25 passenger revenues are projected to be \$440M less than was forecast for FY25 back in 2019. With this drop in revenues, BART is now heavily reliant one-time state and federal emergency assistance to fund rail service. Emergency aid is projected to be fully expended by April 2026.

	FY25 Budget (\$M)
Operating Revenue	
Passenger fares & parking fees	252
Other operating revenue (advertising, IT contracts, investments, etc)	45
Total Operating Revenue	298
Local Funding (see table below for breakdown by county)	
BART District sales tax	320
BART District property tax	64
Other local assistance	50
Total Local Funding	435
State Funding	
State Transit Assistance (Revenue-based, State of Good Repair)*	49
Other state programs (LCTOP, LCFS)	17
Total State Funding	66
Total Regular Revenues	798
One-time Emergency Aid	
Federal aid	270
State and regional aid (SB125)	58
Total Emergency Aid	328
	1,126

* While BART is eligible for population-based STA and TDA funds, MTC does not typically program these sources to BART.

Breakdown of Local Operating Funding by County

In BART District counties (San Francisco, Alameda, and Contra Costa), BART receives 75% of a one-half cent sales tax, and part of the 1% general property tax levy. In Santa Clara County, VTA pays for the O&M costs of BART Silicon Valley. BART also receives several smaller contributions of local assistance.

Fund Source (\$M)	San Francisco	Alameda	Contra Costa	San Mateo	Santa Clara	Other/ Regional	Total*
BART District sales tax	82	148	90	0	0	0	320
BART District property tax	22	24	18	0	0	0	64
Other local assistance	0	8	0	4	35	2	50
Total	\$103	\$180	\$109	\$4	\$35	\$2	\$435
% of local funding	24%	42%	25%	1%	8%	1%	100%
<i>% of service hours</i>	21%	46%	18%	12%	3%	NA	100%
<i>% of riders (exits)</i>	44%	34%	14%	6%	2%	NA	100%
<i>% of passenger miles **</i>	36%	33%	19%	9%	4%	NA	100%

* In addition to the operating support shown in this table, BART District residents pay taxes to fund BART capital reinvestment. VTA provides capital contributions for BART Silicon Valley.

** attributed to the county of exit station

Provided by BART Staff, August 8, 2024.

Appendix E: BART & Caltrain Funding Background

Appendix E: Caltrain’s Funding Background

Prior to the pandemic, Caltrain had the highest fare recovery of any system in the Bay Area. Caltrain’s Go Pass program and regular passenger fares accounted for about 73% of the agency’s operating budget. Caltrain is also launching a new electrified service which was an investment 90% paid for by state and federal funds, benefitting the region with cleaner and more frequent service. The maintenance costs of the new overhead catenary system along with high costs for electric energy, insurance and maintaining two types of fleets (diesel and electric) have increased the agency’s operating costs. These costs were meant to be covered by Measure RR, a sales tax measure passed in 2020 that was supposed to cover the increased operating costs from electrification, the previous contributions from county member agencies, and much needed state of good repair and capital projects. Given the tremendous impact of the covid-19 pandemic on commuting to downtown San Francisco and long-term ridership trends, Caltrain’s fare revenue has dropped significantly, with fare revenue dropping from \$103 million in 2019 to \$43 million in 2023, a loss of \$60 million per year (higher when adjusted for inflation). Even with Measure RR and aggressive ridership increase projections, loss of farebox revenue and member contributions, combined with significant increases in electricity and other costs still leaves Caltrain with a significant ongoing operating deficit. This deficit is in excess of \$77M per year, on average, in a seven-year period starting in FY 2027. This equates to over 30% of Caltrain’s operating budget. Caltrain will update operating deficit projections in November 2024 with at least one full month of revenue service of the electrified system and a better understanding of energy usage costs.

	FY24 Budget (\$M)	% of Total FY24
Operating Revenue		
Passenger fares	47	24%
Parking and Rental Income	3	2%
Other operating revenue	6	3%
Total Operating Revenue	56	29%
Local Funding (see table below for breakdown by county)		
Measure RR sales tax	118	61%
Other local revenue	.5	0%
Total Local Funding	119	61%
State Funding		
State Transit Assistance (Revenue-based*)	13	7%
Other state programs (LCTOP)	7	4%
Total State Funding	20	10%
Total Revenues	195	100%
Operating Expenses		
Rail Operator Service	105	55%
Wages and Benefits	18	9%
Fuel	15	8%
Insurance	10	5%
Professional Services	9	5%
Facilities and Equipment Maintenance	8	4%
Security Services	8	4%
Managing Agency Admin Overhead	4	2%
Utilities	3	2%
Other operating expenses	12	6%
Total Expenses	192	100%

Provided by Caltrain Staff, August 20, 2024.

Appendix E: BART & Caltrain Funding Background

Appendix E: Caltrain's Funding Background

	FY25 Budget (\$M)	% of Total FY25
Operating Revenue		
Passenger fares	54	26%
Parking and Rental Income	3	1%
Other operating revenue	6	3%
Total Operating Revenue	63	30%
Local Funding (see table below for breakdown by county)		
Measure RR sales tax	120	58%
Other local revenue	.5	0%
Total Local Funding	121	58%
State Funding		
State Transit Assistance (Revenue-based*)	10	5%
Other state programs (LCTOP)	14	7%
Total State Funding	24	12%
Total Revenues	208	100%
Operating Expenses		
Rail Operator Service	106	45%
OCS/TPS Maintenance	25	11%
Wages and Benefits	21	9%
Electricity	20**	8%
Insurance	11	5%
Professional Services	10	4%
Facilities and Equipment Maintenance	9	4%
Security Services	8	3%
Fuel	5	2%
Managing Agency Admin Overhead	4	2%
Utilities	3	1%
Other operating expenses	16	7%
Total Expenses	238	100%

* While Caltrain is eligible for population-based STA and TDA funds, MTC does not typically program these sources to Caltrain.

**Electrified service numbers reflect only 9 months of operating Oct 2024 – June 2025

Breakdown of Local Operating Funding by County

Caltrain member counties include San Francisco, San Mateo and Santa Clara Counties. Caltrain receives a 1/8 cent sales tax (Measure RR) in these counties.

Fund Source (\$M)	San Francisco	San Mateo	Santa Clara	Total*
Measure RR	25	29	66	120
Total	\$25	\$29	\$66	\$120
% of local funding	21%	24%	55%	100%
<i>% of weekday train stops*</i>	13%	48%	39%	100%
<i>% of riders (AM Boardings)</i>	21%	37%	42%	100%
<i>% of trackage miles</i>	6%	28%	66%	100%

*Assumes full electrified service schedule

Provided by Caltrain Staff, August 20, 2024.




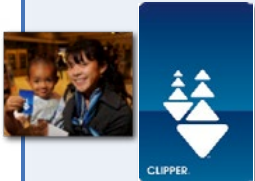







Photo: Noah Berger, MTC

Bay Area Transit Transformation Action Plan

The Metropolitan Transportation Commission (MTC), Bay Area transit agencies, state elected officials and advocates developed the *Bay Area Transit Transformation Action Plan* (Transformation Action Plan) in 2021 to reshape the Bay Area’s transit system into a more connected, more efficient and more customer-focused network across the entire region.

Using the Transformation Action Plan as its roadmap, MTC and Bay Area transit agencies are focused on five areas — fares and payment, customer information, transit network, accessibility, and funding — to improve the Bay Area’s transit network for existing and future riders. Learn more about the latest developments in each of these areas in the fact sheets that follow.

Transformational Outcomes Identified in the Transformation Action Plan

Fares and Payment	Customer Information	Transit Network	Accessibility	Funding
<p>Simpler, consistent, and equitable fare and payment options.</p>  	<p>Make transit easier to navigate and more convenient.</p> 	<p>Transit services managed as a unified, efficient, and reliable network.</p>  	<p>Transit services for older adults, people with disabilities, and those with lower incomes are coordinated efficiently.</p>  	<p>Use existing resources more efficiently and secure new, dedicated revenue to meet funding needs.</p>  

Appendix F: Transit Transformation Action Plan Fact Sheet

Bay Area Transit Transformation Action Plan, continued



Project Highlights for 2024

- ▶ MTC in May approved **\$18.3 million in funding for eight near-term transit priority projects in San Jose, San Francisco, Redwood City and the East Bay**. These investments will be used to reduce transit travel times and improve transit reliability for bus and light-rail service at problem "hotspot" locations.
- ▶ MTC and Bay Area transit agencies in January **expanded the Clipper® START pilot program — which provides transit-fare discounts for lower-income adults ages 19 to 64 —** to include a uniform 50% discount for rides on all systems that accept Clipper for fare payment.
- ▶ Seven employers currently are participating in Phase 2 of the **Clipper® BayPass pilot program, which provides some 31,000 workers with free and unlimited access to all bus, rail and ferry services in the Bay Area**. The program's purpose is to study the impact of a single pass that can be used for unlimited access to all Bay Area transit and learn how it might grow ridership.

- ▶ **New transit maps and signs —** designed to help make transit journeys easier to understand for both existing and new riders by delivering information that is clear, predictable and consistent across service areas and county lines — were unveiled in September and will be tested at two transit hubs later this fall. The goal is to develop a common set of signs and maps that will be used across all transit locations, from individual bus stops to major hubs where multiple systems connect.

Review the
Transit
Transformation
Action Plan:

mtc.ca.gov/TransitActionPlan



For more information, contact:

- ▶ Melanie Choy, Director
Regional Network Management
mchoy@bayareametro.gov
- ▶ Rebecca Long, Director
Legislation and Public Affairs
rlong@bayareametro.gov

Appendix G: Bay Area Sales Tax Rates

Bay Area Sales Tax Rates Today

County	Current Sales and Use Minimum Tax Rate	Current Sales and Use Maximum Tax Rate	Increment for Transportation (excluding TDA 1/4-cent)	Approx. Sales Tax Revenue Generation for Transportation, excl. TDA (FY24 \$M)	County Transportation Sales Tax Nearest Sunset (FY)
Alameda	10.25%	10.75%	1.5%	\$590	2045
Contra Costa	8.75%	10.25%	1.0%	\$220	2035
Marin	8.25%	9.25%	0.75%	\$50	2050*
Napa	7.75%	8.25%	0.5%	\$20	2044
San Francisco	8.625%	8.625%	1.12%	\$210	Post-2050
San Mateo	9.375%	9.875%	1.62%	\$360	2033
Santa Clara	9.125%	9.375%	1.75%	\$1,000	2036
Solano	7.375%	9.25%	NA	NA	NA
Sonoma	9.0%	10.0%	0.5%	\$60	2045*

* Includes Sonoma Marin Area Rail Transit (SMART) 1/4-cent sales tax, which expires in FY 2029.

Source: California Department of Tax and Fee Administration; Sperry Consulting Fiscal Year 2024 sales tax revenue estimates applied to county tax increments.

Appendix H: Other correspondence received

Additional correspondence (includes letters shared with the MTC/ABAG Joint Legislation Committee at their November 8 meeting and others received through December 10) included on following pages.

Appendix H: Other correspondence received



Congress of the United States
House of Representatives
Washington, D.C. 20515

September 23, 2024

Mr. Andrew Fremier, Executive Director
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105

Dear Mr. Fremier,

We write to express our strong concerns about any potential actions to raise bridge tolls or taxes in the San Francisco Bay Area, specifically with the purpose of funding public transit agencies' operations. We have these concerns because any increases will continue to disproportionately impact low and moderate-income residents across the Bay Area and in our districts. We hope that by engaging with you, you can identify a solution that supports riders in both the short-term and long-term, and also is a responsible use of taxpayer funding.

We believe regressive taxes or fees, such as a sales tax, are not the solution because they will continue to take a larger percentage of low-income households' income, as compared to high-income groups. We're also concerned because previous proposals would have significantly benefitted only a select number of the 27 transit agencies across the Bay Area, with certain counties receiving significantly less funding than their residents would contribute in tax revenue. No county should profit disproportionately off of contributions of other counties – all should pay their fair share to receive the benefits.

If implemented, we believe that the funds generated by additional bridge tolls or taxes will not be the optimal use of taxpayer funds if transit and planning agencies continue with 'business as normal.' We recognize and appreciate the difficulties of the Covid-19 pandemic and the subsequent impacts to transit. Congress recognized this hardship by providing over \$1 billion in emergency federal funding for transit agencies across the Bay Area to survive throughout the pandemic. Prior to the pandemic, federal funding consisted of only 1%, or \$52 million, in operating funding.¹ Now that the pandemic is behind us and ridership remains below pre-pandemic levels, we need a clear-eyed evaluation of how transit systems should adapt to this new normal.

The conversations regarding the financial health of our transit operators have focused almost exclusively on new revenue, with too little consideration of cutting costs. We believe continuing to force money into transit systems that are inefficient, without requiring any transformational and effective changes, would be a misuse of taxpayer funds, and relying on external funding sources for operations such as continually increasing bridge tolls or a sales tax is not a

¹ [MTC Transit Funding Overview, April 24, 2024](#)

Appendix H: Other correspondence received

sustainable, long-term solution to fixing transit services. In our opinion, any additional funding should be used to transform our Bay Area transit systems into efficient and effective transportation options and prioritize the rider by ensuring each system is safe, clean, comfortable.

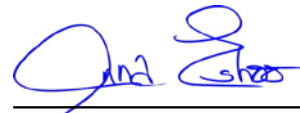
We also caution against attempting to cut costs by consolidating existing agencies. We appreciate that the MTC has taken consolidation off the table, but it remains an active proposal in the Legislature. Many of the benefits of seamless travel across multiple modes can be achieved through greater cooperation and coordination between existing agencies. While the potential cost savings are nebulous, consolidating poses clear upfront costs in harmonizing divergent governance structures, labor agreements, and sources of tax revenue.

As your Transportation Revenue Measure Select Committee continues to meet and debate the best options for transit, we hope you will consider our serious concerns and engaging with us in this process. We look forward to working with you to find an efficient and effective solution for all those who live in the Bay Area.

Sincerely,



Mark DeSaulnier
Member of Congress



Anna G. Eshoo
Member of Congress



John Garamendi
Member of Congress

Appendix H: Other correspondence received

From: Sophia D

Sent: Monday, September 23, 2024 3:59:57 PM

To: MTC-ABAG Info <info@bayareametro.gov>

Subject: Comment for the Select Committee on a Regional Transportation Measure

External Email

Dear Commissioners:

My name is Sophia D. I am with EBHO part of Voices for Public Transportation. We are the leading affordable housing advocacy coalition in Alameda and Contra Costa counties and we are part of the winning coalition for a regional measure that funds abundant transit, with progressive sources, and is climate positive. **The latest scenarios are moving further away from a proposal the majority of people will be excited to support.** A successful measure needs to raise at least \$1.5 billion a year and have a sustainable source of transit funding over the life of the measure in order to **save union jobs**, increase transit service levels, and implement regional initiatives like free transfers, transit priority, and make improvements to **access for seniors and people with disabilities.**

On an individual level, as someone who relies on transit to get to work, take care of daily errands and be an active and involved part of my community, transit service cuts would upend my life and remove much of the freedom of movement I enjoy. It would also cause a traffic nightmare and prevent us from reaching our climate goals or building the housing we need. The Bay Area can— and MUST— do better.



Rev. Sophia D.

Chief Program Officer

EAST BAY HOUSING ORGANIZATIONS (EBHO)

Appendix H: Other correspondence received



Alameda-Contra Costa Transit District

Mike Hursh, General Manager

October 18, 2024

Jim Spering, Chair
Transportation Revenue Measure Select Committee
Metropolitan Transportation Commission
375 Beale Street
San Francisco, CA 94105

Re: Item 4b, Transportation Revenue Measure Scenario Updates

Dear Chair Spering,

I am writing on behalf of the Alameda-Contra Costa Transit District (AC Transit) to express my deep concerns regarding the current Transportation Revenue Measure proposals. I appreciate MTC's commitment to building consensus during this urgent and immediate need for transit operating funds to keep transit running. As the CEO of AC Transit, I want to emphasize the critical importance of equitable funding and support for our transit services in the East Bay.

As I have previously mentioned, I am extremely concerned that AC Transit will not receive a fair share from the current proposed scenarios. It will be difficult for AC Transit to support a scenario that fills only 50% of our projects annual operating deficit need.

This inequity would have serious implications for our operations and the communities we serve. Our most vulnerable and underrepresented communities stand to be hit hardest by service cuts if AC Transit's projected deficit is not adequately addressed. We currently serve over 150,000 riders on an average weekday, and in just the first quarter of this fiscal year, we have already surpassed 10 million rides. The number of individuals who rely on our service is significant and cannot be overlooked.

From the outset of this process, we have stressed the necessity for equity to be integrated into the revenue distribution equation. Unfortunately, this has not been adequately reflected in the proposed allocations. AC Transit is facing a projected deficit of \$146 million over the next four years, starting next fiscal year. With emergency federal assistance ending this fiscal year and state financial support concluding next year, the challenges we face are exacerbated by rising operational costs.

It's important to note that our current deficit projections are based on maintaining only 85% of service levels. We have no intention of remaining at this reduced level; we aim to restore our service to 100% as soon as possible. Given our resource constraints, we are committed to maximizing our existing resources and directing service where it is needed most.

1600 Franklin Street - Oakland, CA 94612 - TEL (510) 891-4753 - FAX (510) 891-7157 - www.actransit.org

Appendix H: Other correspondence received

The MTC's reliance on fare box recovery as the primary metric for determining transit agency needs is neither fair nor equitable. We have requested an equity analysis and advocated for the inclusion of ridership data in future funding allocations. Without these changes, diminished AC Transit service will only worsen the existing inequities faced by our riders.

I urge the committee to reconsider the proposed revenue distribution and to ensure that the East Bay receives its fair share. Our communities deserve reliable and equitable transit service, and we stand ready to collaborate in any way that ensures our collective goals are met.

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

Sincerely,



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

Appendix H: Other correspondence received

CITY OF OAKLAND



CITY HALL • ONE CITY HALL PLAZA • OAKLAND, CALIFORNIA 94612

Office of the Mayor
Honorable Sheng Thao

(510) 238-3141
FAX (510) 238-4731
TDD (510) 238-3254

October 18, 2024

Jim Spering, Chair
Transportation Revenue Measure Select Committee
Metropolitan Transportation Commission (MTC)
375 Beale Street
San Francisco, CA 94105

Re: Bay Area Transportation Revenue Measure

Dear Chair Spering,

As the Mayor of Oakland, the largest city in Alameda County and served by AC Transit, with almost half of AC Transit riders getting on and off the bus in Oakland, I am writing to urge the Metropolitan Transportation Commission (MTC) to include additional funding for AC Transit as you develop the Bay Area Transportation Revenue Measure. I am deeply concerned that Oakland's public transit system will not receive its fair share from this revenue measure. Scenario 1A leaves 50% of AC Transit's projected annual deficit unfunded.

I worry that communities like Oakland will be significantly impacted by service cuts if AC Transit's funding needs are not met. 75 percent of AC Transit riders are people of color, 65 percent are low-income, and nearly half depend on public transit to travel to school, work, medical appointments, or grocery stores.

According to the MTC's Plan Bay Area 2050, Oakland is defined as an equity priority community. The MTC employs an Equity Priority Communities framework in decision-making for many of its grant programs. This framework should also be applied when reviewing transportation revenue measure proposals. Ensuring financial stability for AC Transit and the East Bay will garner support from Alameda County for passing a funding measure for transit operators. Put simply, I fear that Oaklanders will not give this measure the support at the ballot box it needs if we feel we are being left behind for the benefit of our neighbors.

Appendix H: Other correspondence received

I appreciate the time and care that the entire Select Committee has put into this process and I thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Sheng Thao". The signature is written in a cursive, flowing style.

Sheng Thao
Mayor, City of Oakland

CC: Members, MTC Transportation Revenue Measure Select Committee
Commissioners, Metropolitan Transportation Commission

Appendix H: Other correspondence received

October 18, 2024

The Honorable Jim Spering, Chair
Bay Area Transportation Revenue Measure Select Committee
Metropolitan Transportation Commission
375 Beale St.
San Francisco, CA, 94105

Re: Comments for October Select Committee Hearing

Dear Chair Spering:

On behalf of the California Alliance for Jobs and the 2,000 employers and 100,000 union construction workers that we represent from the Central Valley to the Oregon border, I am submitting this formal letter to provide comments to be considered by the Metropolitan Transportation Commission's Bay Area Transportation Revenue Measure Select Committee. 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. However, 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.

Per the Select Committee agenda packet released on October 15th, upon review, we are disappointed that all the proposed scenarios fail to take into account many of our priorities that have been conveyed at previous hearings, and furthermore, based on polling carried out throughout this year, fail to offer a viable pathway to attain voter approval. Moreover, we are unsatisfied with the outreach / vetting process over the past five months as specific advocates continuously appear to have a number of priorities funded in all scenarios when we 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.

Below are several priorities that we have communicated on countless occasions that have not been comprehensively considered:

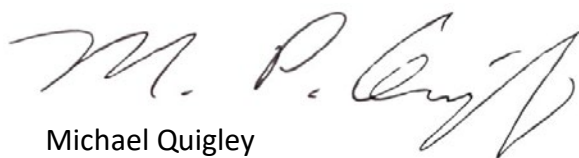
- Balanced Expenditure Plan: A more tailored and focused measure that possesses a more direct link between its constituents and services provided may have a better opportunity for success. This includes equal amounts of both transit and infrastructure / capital funding.

Appendix H: Other correspondence received

- 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 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.

We recognize that the development of a regional measure while addressing a variety of priorities is a challenging endeavor. We also know that the scenarios put forth will not have the consensus of the Select Committee. The abovementioned priorities are both reflective of what voters have conveyed through extensive polling and also the priorities of the construction industry. We know the inclusion of these priorities will get MTC closer to achieving the needed consensus on any successful regional measure that will be put in front of Bay Area voters.

Sincerely,



Michael Quigley
Executive Director

Appendix H: Other correspondence received

From: Carol T.

Sent: Sunday, October 20, 2024 1:11:04 PM

To: MTC-ABAG Info <info@bayareametro.gov>

Subject: Transportation Revenue Measure Select Committee for 10/21/24 Meeting

To respected members of the MTC Transportation Revenue Measure Select Committee:

Because Monday, October 21, 2024 is the last meeting of this committee I feel pressured to bring up concerns which may be outside the current agenda.

I am a public transit rider - mine is an outsider's view. Throughout these proceedings it seems to me this committee has been generally seeing Golden Gate Transit as "that cute little bus company up north somewhere."

Big numbers are not the only measure of importance.

I believe that if BART were to stop running tomorrow people in the East and South Bay will have alternative means of traveling. But if Golden Gate Transit stops running tomorrow nobody in Sonoma or Marin will have a way of getting to San Francisco or the East Bay by public transit. There isn't any other. We'll have nothing.

Not only that but GGT is our only reliable service running evenings and holidays in both Sonoma and Marin. People in both counties who work at restaurants, stores or go to night classes will have no ride home. Same for holidays because Sonoma County Transit does not run a single bus on any holiday.

It's easy to get sentimental and talk about Sonoma veterans with no way to get to San Francisco's Fort Miley for medical services. Or the black teens stuck in the ghetto of Marin City with no way to go anywhere including the Saturday night movies in San Rafael.

GGT is an intrinsic part of life in Sonoma and Marin and the spine of all public transportation for both counties. For fifty plus years I personally have witnessed their providing reliable services with no noticeable deferred maintenance, no major accidents or work stoppages. Service has only been suspended for floods and fires as far as I know. All this from a company maintaining the Golden Gate Bridge while running boats and buses.

The most important thing for me now is that while BART has the numbers, Golden Gate Transit has our backs.

Please do not forget us.

Thank you,

Carol T.

Bus Rider

Genesis, a member of Voices for Public Transportation

Appendix H: Other correspondence received

October 21, 2024

Dear MTC Commissioners and Select Committee Members,

We understand the urgency of the financial challenges for transit agencies like BART, Muni, Caltrain, and AC Transit. Getting these agencies on a sustainable footing is important for the region, but Sonoma and Marin counties should not be left out of the conversation about transit funding. Marin and Sonoma need additional transit funding to prevent fiscal cliffs, add new regional connections, and increase local service in order to increase access and reduce congestion and greenhouse gas emissions.

We have two multi-county agencies that will face large fiscal challenges without additional revenue in the next 4 years. Golden Gate Transit hasn't recovered from the loss of bridge tolls, and MTC's numbers project a \$35 million deficit. The ¼ cent sales tax in Marin and Sonoma for SMART that raises approximately \$51 million annually expires in 2029. Both services are critical to getting people up and down the 101 corridor and to San Francisco.

However, North Bay residents have additional important transit needs. The North Bay is lacking in regional transit connections outside of the 101 corridor that are critical to serving current travel needs and reducing congestion. There is only limited Golden Gate service across the Richmond Bridge. Frequent connections to the East Bay will serve both North Bay residents and East Bay residents who work in Marin. We also need transit infrastructure and service across Hwy 37 connecting Marin to Vallejo.

In both Marin and Sonoma counties, we need funding for additional local transit service. Current service is too infrequent to attract riders and inadequate to meet current riders' needs, especially in the evenings and weekends. Currently, Sonoma County Transit doesn't provide service on holidays. SMART's limited weekend schedules make trips inconvenient for Marin and Sonoma residents that want to try using the train for some trips.

The transit improvements in the Transit Transformation Action Plan to make service more user-friendly and affordable are also critical for Marin and Sonoma residents. All students at Santa Rosa Junior College were eligible for the BayPass pilot and in the first year they took over 140,000 trips, with at least 20% of trips outside Sonoma and Marin counties. The wayfinding pilot will help people navigate the Santa Rosa transit center. People with disabilities and seniors are in need of the improvements to accessibility and paratransit.

Please don't leave the North Bay out of the regional transit funding conversation. We have critical transit funding needs for our existing service, and we need to improve our connections to the rest of the Bay Area.

Sincerely,

Appendix H: Other correspondence received

Jack Swearingen, Chair Friends of SMART

Wendi Kallins, Sustainable Marin

Nathan Spindel, Safe Streets Petaluma

Omar Carrera, Canal Alliance

Carol Taylor, Genesis

Collin Thoma, Disability Services and Legal Center

Dave Sorrell, TDM-CP, Seamless Bay Area & Association for Commuter Transportation,
Northern California Chapter

Stephen Birdlebough, Chair Sonoma County Transportation & Land-Use Coalition

Appendix H: Other correspondence received

From: Kenne B.

To: MTC-ABAG Info <info@bayareametro.gov>

Subject: Idea for permanently adequately funding Bay Area transit agencies - Bay Area wide toll increases to ensure ongoing viability of transit

External Email

To whom it may concern,

Many ideas have been floated to preserve funding for Bay Area transit agencies to keep them permanently funded. This is a critical issue over the next few years and beyond.

These ideas include parcel taxes, sales tax increases, and income tax increases. These are all unpopular. Of these, parcel taxes are the most regressive and likely the most unpopular. Sales taxes and income taxes are at least progressive and less likely to be resisted by the voters.

However...

I propose something much more direct, and likely far more palatable, since there is an obvious direct cause-and-effect relationship between how the increase is collected, and what it is spent on - making it easier and less stressful to get around.

Toll increases throughout the Bay area - SIGNIFICANT increases - earmarked for preservation and improvement of Bay Area transit.

Such increases may be large - like at least tripling current tolls system-wide. ALL of the increases go to ongoing transit agency funding.

This makes driving more expensive. It also permanently preserves and improves service levels of BART, MUNI, AC Transit and all of the other Bay Area transit agencies.

Driving becomes more expensive to provide a truly viable transit alternative to driving. Car traffic congestion is relieved. By providing a truly viable, and far less stressful, transit alternative to driving.

This could be a real winner for all involved.

Thanks,



Kenne J B.

PS - A cost-saving idea too: Amalgamation of all Bay Area transit agencies, as is the case in New York. This would significantly reduce costs and increase efficiency.

Appendix H: Other correspondence received

MTC'S Transportation Revenue Measure Scenarios (Item 4b)

Dear MTC Commissioners and Select Committee Members,

I am Collin Thoma the Systems Change Advocate with Disability Services and Legal Center (DSLCL). We serve people with disabilities and seniors in Sonoma, Napa, Mendocino and Lake counties. While we do not serve Marin County my comments still pertain to Marin given its close proximity to our service area. My comments today are regarding MTC'S Transportation Revenue Measure Scenarios. While I am glad to see a plan to increase funding for transportation services in the San Francisco Bay Area I have concerns regarding the funding for the North Bay Counties.

The level of transportation services in Marin, Sonoma and Napa counties are quite different from the level of service in San Francisco, the East and South Bay. The frequency of fixed routes and paratransit service does not meet the demand. The areas of service are also more limited and are disconnected from other North Bay counties. This makes it quite difficult to travel between counties. The only transit providers that serves multiple counties is Golden Gate Transit and the Sonoma Marin Area Rail Transit (SMART). Both providers only serve Marin and Sonoma counties, mostly around the Highway 101 corridor leaving out a large portion of both counties. Both of these providers are also quickly approaching a fiscal cliff in just a few short years. SMART tax will expire unless it is re-approved which is not guaranteed. Golden Gate Transit has seen a reduction in trips post pandemic resulting in less revenue for their service. This is why having a funding option that includes the whole Bay Area is so important to help avoid the fiscal cliff.

All North Bay counties have a mix of rural and urban areas and while level of transportation in the urban area is decent at best, the same can't be said for rural areas. The rural areas greatly need transit improvements. These areas often have more limited bus routes and service times. This makes it harder for those to use the bus since more planning is required, which can be challenging for some. Furthermore, it severely limits paratransit services which are commonly used by people with disabilities and seniors. In my three and a half years at DSLCL I have helped dozens of consumers (clients) who live in these rural areas. I have had some success in getting paratransit services for these consumers. However, I often need to supplement it with Community Based Organizations (CBO'S) transportation services. In some cases, the CBO rides are the only option available since the consumer live outside of the paratransit service area and, can't use the fixed route bus. These options are also pretty limited since there are not a lot of CBO'S that provide transportation. Additionally, some CBO'S only serve a small portion of the county they operate in. Sonoma, Napa and Marin counties are some of the quickest aging populations in the state which will put more of a demand on public transportation.

A major challenge for people with disabilities and seniors is getting transportation service to San Francisco, the East or South Bay. Many need to go to these parts of the Bay Area for medical appointments or for social activities. While those who have Medi-Cal can get

Appendix H: Other correspondence received

transportation through their plan for these trips, it is nearly impossible for those who do not have Medi-Cal. This is because there is no easy one-seat ride or seamless and easy transfers between transit providers. There are a few companies that provide transportation for medical appointments but cost hundreds of dollars. People with disabilities and seniors often can't afford those trips due to their very limited income from the Social Security benefits and the extremely high cost of living. In my three and a half years at DSLC I have tried to help several consumers who don't have Medi-Cal to get their medical appointments with very little success.

Given the challenges in the North Bay, I strongly recommend the commission and the select committee adopts a hybrid model that automatically includes all 9 counties, so no county has to opt-in. If scenario one is adopted, I worry that it would have a significant negative impact on the level of transportation and transportation providers in the North Bay.

Thank you for taking your time to review my comments regarding MTC'S Transportation Revenue Measure Scenarios and for your efforts to improve transportation. I hope to see a final plan that will work for the entire Bay Area. This will be great to see since the plans that the commission has to improve transportation are greatly needed. These plans will make it much easier to use public transportation especially for people with disabilities, seniors and other marginalized groups who often heavily rely on it.

Sincerely,

Collin Thoma

Systems Change Advocate

Disability Services & Legal Center (DSLCL)

521 Mendocino Avenue

Santa Rosa, CA 95401

(707)636-3076





September 9, 2024

Re: Policy Considerations for a Regional Revenue Measure

Chair Spering,

At the August 26th meeting of the Transportation Revenue Measure Select Committee you requested that Committee members provide input regarding policy considerations that could accompany a regional transportation revenue measure. The following suggestions are focused on policy approaches that will help ensure the Bay Area's transit system is both responsive to customer needs and accountable to the region's taxpayers.

General Principles

The 2025 legislative session is the region's final opportunity to secure the needed enabling legislation to place a regional transit funding measure on the ballot. As we work under the pressure of an impending fiscal cliff we urge the Committee, MTC Commissioners and Legislators to be measured and deliberate regarding which policy provisions are attached to authorizing legislation for funding and which ones should be considered independently. Specifically we would advise learning from past experience and hewing to the following general principles:

- ***Strive for simplicity.*** Enabling legislation for a regional measure is likely to be complicated but it must also be readily understood and supported by a wide range of local, regional and state policy makers. Any policy provisions included in legislation must be as succinct and clear as possible, supporting an overall bill that can be readily understood by elected officials and explained to the public.
- ***Avoid blanket mandates.*** The magnitude and immediacy of financial need varies significantly among the region's transit operators. We therefore advise against pairing enabling legislation with the inclusion of universally applied policy provisions that are likely to be perceived as divisive or onerous. Doing so creates a dangerous misalignment of incentives where policymakers representing operators and jurisdictions that do not immediately need funding may be motivated to oppose legislation that others urgently need passed.

Appendix H: Other correspondence received

- ***Embrace incremental change.*** While voters and policymakers are clear that they want to see transformation, the reality is that transit is a complex system that is funded and regulated at many different levels of government. Important improvements to the region's transit system are already underway and more are needed - but the process to make this change real will take time, resources and many individual steps. Enabling legislation for a regional measure should be viewed as one opportunity among many to both cement the progress we are making and continue efforts to improve the system.

Regional Policy Considerations

SPUR supports MTC's Network Management structure and we expect to see it evolve and strengthen over time. To that end we would like to see any major infusion of regional funding be accompanied by policy provisions that strengthen network management and ensure that riders and the public benefit from a coordinated regional transit system. We believe that a regional measure can best achieve this outcome both by providing funding for coordination initiatives and by clearly tying any transit agency's receipt of new monies to ongoing compliance with the programs and policies defined by MTC's regional network management structure.

We would also like a regional measure to contain policy provisions that strengthen financial transparency and build the public's trust that their tax dollars are being used effectively. Progress toward this goal can be achieved by requiring that MTC take basic steps to strengthen its monitoring and disclosure of key financial and productivity metrics describing the operations of the region's transit agencies - work that is underway as part of MTC's ongoing development of Regional Network Management Performance Measures. These and other measures should be tracked over time, regularly benchmarked against state and national peers, and reported alongside a select number of non-transit measures related to cost and productivity including changes to regional CPI and auto-traffic volumes. Additionally, we also believe that MTC should routinize its practice of collecting and standardizing operator financial forecasts, originally mandated under SB 125. Specifically, we think this could be done efficiently via incorporation of revised forecasting requirements into the existing, cyclical Short Range Transit Plan (SRTP) process.

Sustained monitoring and reporting of basic transit cost and productivity metrics is an essential and overdue first step to build trust in our regional system and to lay the groundwork for further transformation. Without this basic information policy makers cannot truly understand the systems they are being asked to direct nor are they well positioned to decide where interventions or change may be needed.

Appendix H: Other correspondence received

BART Accountability

BART is facing the largest operating deficit of any Bay Area transit agency and providing funding to sustain BART service must be a central and enduring expenditure priority within any future regional revenue measure. The scale of BART’s financial need along with the potential for revenues to flow from one or more counties not currently represented in the BART District presents a significant and unique accountability challenge that must be addressed.

Without presupposing a specific approach we urge focus on this issue and encourage a dialog among the counties that are currently represented within the BART District and those whose relationship with BART is governed by separate contractual agreement. SPUR believes that sustained new operating funding for BART is essential - and we also appreciate that such funding must come with a commensurate degree of oversight and representation.

Addressing Consolidation

The outright consolidation of transit agencies is a fraught and complex topic whose study is unlikely to result in tangible benefits to Bay Area riders or taxpayers in any near-term timeframe. While consolidation is much discussed in our region, it is important to state that the number of individual transit agencies in the Bay Area is neither unique nor disproportionate when compared to other parts of the state. The SCAG region in Southern California has more than 100 operators, for example, and California as a whole has over 200. While consolidation is an important topic, discussions around SB 1031 made it clear that this issue has the potential to upend already challenging efforts to advance regional transit funding. We strongly urge that any future study of consolidation be kept entirely separate from a regional funding measure.¹

Sincerely,

Alicia John-Baptiste
CEO, SPUR

¹ A more detailed discussion of SPUR’s views on a potential consolidation study can be found in our [January 2024 letter](#) to Senator Wahab’s office regarding SB 926 (a bill that was subsequently merged into SB 1031).

Appendix H: Other correspondence received



METROPOLITAN
TRANSPORTATION
COMMISSION

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

Date: September 23, 2024

To: Transportation Revenue Measure Select Committee and
Transportation Revenue Measure Executive Group

From: MTC Policy Advisory Council Chair, Pamela Campos

Re: Policy Advisory Council Priorities for a Regional Transportation Revenue Measure

On August 27, 2024, the MTC Policy Advisory Council met and discussed their priorities for a future regional transportation revenue measure. This memo summarizes the discussion and includes a specific recommendation from the Council.

Discussion

- **Transit Funding and Gaps:** The conversation addressed the differences between the adjusted fare gap (calculated based on fare changes from 2019-2024 with inflation) and the operating gap (forecasted by operators). Concerns were raised about potential service impacts on transit agencies like SFMTA and AC Transit if fare-focused formulas were implemented.
- **Regional Collaboration:** There was general agreement on the importance of a transit measure encompassing all nine counties and 27 agencies, emphasizing rider experience and the need for transformational changes in transit services. The discussion highlighted the necessity of maintaining and improving service frequency to boost ridership.
- **Equity in Transit Planning:** Equity was a recurring theme, with participants stressing the importance of including diverse community voices in the planning process. The need for effective outreach and engagement strategies was emphasized to ensure that marginalized communities are well represented.
- **Legislative Considerations:** The challenges in passing regional legislation include different community needs, a focus on the fiscal cliff and meeting the goals of the transformation action plan, which is why flexibility is key in developing a measure that is likely to pass.

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- **Community Engagement:** Council continues underscoring the importance of community involvement in transit planning and funding. Council advocates for a participatory approach that leads with public guidance and collaboration from the design phase to implementation.

Overall, the meeting highlighted the strength in flexibility, collaborative efforts needed to address regional transit challenges, and the critical role of the Policy Advisory Council in shaping effective transportation policies. The Council voted in favor—with 16 Members present, 11 ayes, 4 abstains, and 1 no—of the following motion:

Recommendation

The Council presents the following recommendations to the Commission on Policy Advisory Council priorities for a transportation revenue measure as follows:

1. Have a regional transit measure that covers the 27 transit agencies in the nine counties.
2. Focus is on rider experience and not agency experience, including maintaining and improving service with well-coordinated fares, schedules, wayfinding, and other aspects of user experience.
3. Have a regional measure that is transformational and has benefits for current and future generations.

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Transportation Revenue Measure Select Committee

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Comments Received

Agenda Item 4a

September 23, 2024

 Outlook

Fw: public comment on September 23, 2024 Transportation Revenue Measure Select Committee agenda item 4a

From Brittney Sutherland <bsutherland@bayareametro.gov>

Date Wed 9/18/2024 1:16 PM

To Brittney Sutherland <bsutherland@bayareametro.gov>

From: Bill [REDACTED]

Sent: Wednesday, September 18, 2024 12:59:00 PM

To: MTC-ABAG Info <info@bayareametro.gov>

Subject: public comment on September 23, 2024 Transportation Revenue Measure Select Committee agenda item 4a

Good morning:

I am writing as a resident and taxpayer in Santa Clara County.

We don't need another regressive transportation funding measure. Our taxes are already too high.

Vote NO.

Over the last several elections, voters in Santa Clara County have passed multiple tax and fee increases including gas taxes, the Caltrain Measure RR tax, two bridge toll increases, three VTA sales taxes, Santa Clara County's Measure A 1/8 cent sales tax, the state prop 30 1/4 cent sales tax and the 2010 Measure B Vehicle Registration Fee of \$10. Additionally, we're on the hook to pay back numerous state bond issues including high-speed rail, the Proposition 1 water bond and the infrastructure bonds of 2006.

All this nickel and diming contributes into making the Bay Area a horribly expensive place to live; especially for people of modest means, who must pay the greatest percentage of their income in these regressive taxes and fees. Each increase by itself does not amount to much, but the cumulative effect is to add to the unaffordability of the region.

Before increasing taxes YET AGAIN, waste needs to be removed from transportation projects. For example, we need to eliminate the redundant and BART extension between the San Jose and Santa Clara Caltrain stations. The BART segment from these stations will duplicate both the existing Caltrain line and VTA's 22 and 522 buses.

Why don't the wealthy high rollers at MTC suggest taxing rich tech companies and leave the little guy alone for a change?

Bill H.

Appendix H: Other correspondence received

September 23, 2024



Alameda-Contra Costa Transit District

Michael Hursh, General Manager

September 20, 2024

Jim Spering, Chair
Transportation Revenue Measure Select Committee
Metropolitan Transportation Commission
375 Beale Street
San Francisco, CA 94105

Re: Transportation Revenue Measure Scenario Updates

Dear Chair Spering:

I am writing regarding the updated Transportation Revenue Measure scenarios presented to the Transportation Revenue Measure Executive Group on September 17, 2024. I appreciate your comments reiterating that this is an urgent regional emergency to preserve and save public transit. To ensure the Bay Area economy remains viable and thriving, public transit needs assistance recovering from the COVID-19 pandemic. As we continue discussions, I want to again reiterate my concerns on behalf of the Alameda - Contra Costa Transit District (AC Transit).

As I mentioned during the September 17th Transportation Revenue Measure Executive Group meeting, I am concerned that as currently structured, it will be difficult to gain support from voters and from members of the legislature that represent the AC Transit service area. At the request of MTC, AC Transit's current deficit projections are based on 2023 service levels of 85 percent. While we have taken every step to manage the fiscal crises in all areas that we control, the fact remains that as presented, the scenarios still fail to recognize the impact to the riders and voters residing in the AC Transit Service area. We have a dire need to operate significantly more service beyond pre-pandemic levels, restoring at a minimum, 100 percent of pre-pandemic service levels.

AC Transit, and most bus operators, do not realize significant farebox revenues, yet we still face significant inflation-driven deficits. Deficits are further compounded by unfunded mandates including the regulatory requirement to transition our more than 650 bus fleet to zero-emission by 2040. Specifically, regardless of scenario, the proposed revenue distributions should be

Appendix H: Other correspondence received

informed by an equity analysis. AC Transit provides service to some of the lowest-income communities in the Bay Area. The scenarios must acknowledge equity, so we are not penalizing the most financially challenged who rely on public transit every day.

To reiterate, as MTC continues to work with the public transit operators in the region, I urge the Transportation Revenue Measure Select Committee to continue to solve for the issues including a funding distribution methodology that considers unfunded mandates, ridership, equity, and inflation-driven operating cost increases. Despite reduced service levels at AC Transit, 74 percent of our riders have returned to riding our bus service. With 65 percent low-income riders and 75 percent people of color, we remain concerned that without long-term funding solutions to address transit operations funding shortfalls, the most vulnerable will be significantly impacted.

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

Sincerely,



Michael Hursh, CEO/General Manager
Alameda – Contra Costa Transit District (AC Transit)

cc: MTC Transportation Revenue Select Committee
AC Transit Board of Directors

Appendix H: Other correspondence received

Transportation Revenue Measure Select Committee

Comments Received

September 23, 2024
Northern
California
District
Council

LIUNA!

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Agenda Item 4a

5672 Stoneridge Drive, Suite 200
Pleasanton, CA 94588
Ph: (925) 469-6800 Fax: (925) 469-6900
www.ncdclaborers.org

September 20, 2024

The Honorable Jim Spering, Chair
Bay Area Regional Measure Select Committee
Metropolitan Transportation Commission
375 Beale St.
San Francisco, CA 94105

Re: Comments on MTC Revenue Measure Scenarios

Dear Chair Spering:

On behalf of the Northern California District Council of Laborers and our nearly 30,000 members, I am submitting this formal letter to provide comments to be considered by the Metropolitan's Bay Regional Measure Select Committee. 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. However, what we do know is that a balanced, efficient and safe transportation system enhances the quality of life, provides significant economic benefits and improves air quality to the entire Bay Area. Below are several key priorities that we want to convey and have considered by the Bay Area Regional Measure Select Committee.

- **Reasonable mitigation efforts:** We will not support any measure that mandates requirements for full mitigation of highway and road construction projects. The existing process strikes a fair and equitable process between considering environmental impacts and providing an operationally safe and efficient transportation system. Full mitigation of projects will severely restrict funding and reduce the ability to deliver regional transportation priority projects; many times, costs associated with mitigation outweigh actual project costs. In our perspective, this approach is simply a veiled attempt to curtail much-needed highway and road construction projects.
- **Everyone Pays:** A regional measure will ask the voters (both transit and non-transit users) to tax themselves to primarily fund a public service they don't necessarily utilize on a regular or frequent basis. It's important to convey to the voters that their government is also taking the challenging steps to demonstrate all entities are in resolving this issue together. While cutting service may not be the best option, we ask that MTC and transit entities come up with new policies aimed at improving efficiencies, safety and operational costs.
- **Successful Measure:** Extensive polling and the ultimate stalling of Senate Bill 1031 provides sufficient evidence that a broad nine-county transit-heavy regional measure is not what Bay Area voters will support. A more tailored and focused measure that possesses a more direct link between its users and services provided may have a better opportunity for success at the ballot box. Additionally, providing as much flexibility as possible for non-transit obligated funds will be ideal to provide public agencies the tools

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serving the 46 Northern California Counties



Appendix H: Other correspondence received

to demonstrate to businesses, alternative transportation users and motorists that they too will receive benefits from the measure.

- **Proper Tax levy:** Throughout the select committee process a variety of tax levy options have been introduced and explored. Historically, a sales tax has been the revenue mechanism used to successfully fund local transportation measures in the Bay Area. The Laborers will not support the inclusion of supplementary tax levies (i.e. parcel & payroll tax) in a new measure. It has been proven through extensive polling that a sales tax resonates with the voters and has the greatest probability of success; any attempt to “load up” a measure with additional funding mechanisms will risk dragging the entire measure down.

Thank you for your consideration, and we look forward to reviewing a set of proposed final scenarios in advance of your October 2024 meeting.

Sincerely,



Oscar De La Torre
Business Manager

ODLT:dle
liuna!67

Appendix H: Other correspondence received



The Honorable Jim Spering, Chair
Bay Area Regional Measure Select Committee
Metropolitan Transportation Commission
375 Beale St.
San Francisco, CA, 94105

Re: Comments for Select Committee

Dear Chair Spering:

On behalf of Operating Engineers Local 3, I am submitting this formal letter to provide comments to be considered by the Metropolitan's Bay Area Regional Measure Select Committee. 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. However, we do know that an efficient and safe transportation system improves the quality of life and provides significant economic benefits to the Bay Area, including local jobs for our Skilled and Trained Workforce, the Operating Engineers. Below are several key priorities we want to convey and have considered by the Bay Area Regional Measure Select Committee.

- **Reasonable Mitigation Efforts:** We will not support any proposal/measure that includes requirements for full mitigation of highway/road projects. The existing process strikes a fair and balanced approach between considering environmental impacts and providing an operationally safe and efficient transportation system. Full mitigation of projects will limit the amount of completed projects as, many times, mitigation costs now amount to more than actual project costs.
- **Everyone Pays:** A regional measure will ask the voters (both transit and non-transit users) to tax themselves to primarily fund a public service they don't necessarily utilize on a regular or frequent basis. It's important to convey to the voters that their government is taking the challenging steps to demonstrate all entities are trying to resolve this issue together. While cutting services may not be an option, we ask that MTC and Transit entities come up with a slate of changes that can be made. We ask that reforms (but not consolidation) be included in that slate.
- **Successful Measure:** Extensive polling and the ultimate stalling of SB 1031 provides sufficient evidence that a broad nine-county, transit-heavy regional measure is not what Bay Area voters will support. A more tailored and focused measure that possesses a more direct link between its constituents and services provided may be more successful. Additionally, providing as much flexibility as possible for non-transit obligated funds will be ideal in order to provide public agencies with the tools to demonstrate to businesses and motorists that they too will receive benefits from the measure.
- **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 been the revenue mechanism used to successfully fund transportation measures over time, we will not support the inclusion of other

Appendix H: Other correspondence received

September 23, 2024

tax levies (i.e. parcel and payroll tax) in a new measure. A sales tax resonates with the voters and has the greatest probability of success.

As the business manager of Operating Engineers Local 3, the largest construction trades local in North America, I know the challenges of funding these types of projects, but I also know the importance of funding them, not just for the communities that utilize the benefits but for the workforce that completes the projects, as their money feeds back into economic growth of the communities impacted. It's a win-win. Please take our priorities into consideration, as you debate these issues. As you can see, we are all committed to working together to make this funding and the subsequent services and projects this funding will provide happen. The above bullet points outline how funding may be possible!



Dan Reding
Business Manager

Appendix H: Other correspondence received

September 20, 2024

The Honorable Jim Spering, Chair
Bay Area Regional Measure Select Committee
Metropolitan Transportation Commission
375 Beale St.
San Francisco, CA 94105

Re: Comments for Select Committee

Dear Chair Spering:

On behalf of the Nor Cal Carpenters Union, I am submitting this formal letter to provide comments to be considered by the Metropolitan's Bay Regional Measure Select Committee. 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. However, what we do know is that an efficient and safe transportation system improves the quality of life and provides significant economic benefits to the Bay Area. Below are several key priorities that we want to convey and have considered by the Bay Area Regional Measure Select Committee.

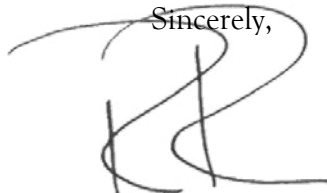
- **Reasonable mitigation efforts:** we will not support any proposal / measure that includes requirements for full mitigation of highway / road projects. The existing process strikes a fair and balanced process between considering environmental impacts and providing an operationally safe and efficient transportation system. Full mitigation of projects will limit the amount of completed projects as, many times, mitigation costs now amount to more than actual project costs.
- **Everyone Pays:** a regional measure will ask the voters (both transit and non-transit users) to tax themselves to primarily fund a public service they don't necessarily utilize on a regular or frequent basis. It's important to convey to the voters that their government is also taking the challenging steps to demonstrate all entities are in resolving this issue together. While cutting service may not be an option, we ask that MTC and transit entities come up with a slate of changes that can be made. We encourage reforms (but not consolidation) be included in that slate.

Appendix H: Other correspondence received

September 23, 2024

- **Successful Measure:** extensive polling and the ultimate stalling of SB 1031 provides sufficient evidence that a broad nine-county transit-heavy regional measure is not what Bay Area voters will support. 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. Additionally, providing as much flexibility as possible for non-transit obligated funds will be ideal in order to provide public agencies with the tools to demonstrate to businesses and motorists that they too will receive benefits from the measure.
- **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 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.

Sincerely,

A handwritten signature in black ink, appearing to be 'RR' with a large, stylized flourish above it.

Ron Rowlett

Director of Public Relations and Governmental Affairs
Nor Cal Carpenters Union

Appendix H: Other correspondence received

From: Nathan S.

Sent: Saturday, September 21, 2024 2:39:28 PM

To: MTC-ABAG Info <info@bayareametro.gov>

Subject: Public comment for September MTC Select Committee Meeting

External Email

Dear MTC Select Committee,

I live in [REDACTED] (Sonoma County), where I advocate for safe streets improvements. Residents of Sonoma County are in the winning coalition for a regional measure that funds abundant transit, with progressive sources, and is climate positive. The latest scenarios are moving further away from a proposal the majority of people will be excited to support.

I use SMART and Golden Gate Transit to get around the North Bay and San Francisco. I would like to see those transit services continue to increase as they continue to increase their ridership.

To preserve union jobs, enhance transit services, and implement regional initiatives like free transfers and improved accessibility, the measure must secure at least \$1.5 billion annually with sustainable funding.

Public transit, walking, and cycling are crucial for addressing climate change. We should focus road spending on maintenance and safety, avoiding highway expansion. All investments, including flexible county funds, should be climate-neutral at minimum.

Effective public transit is key to creating dense, walkable cities. Without it, we face increased congestion, oversized parking facilities, and barriers to essential housing development.

Thank you,

Nathan S.

[REDACTED]

Appendix H: Other correspondence received

From: Iris B.

Sent: Sunday, September 22, 2024 11:54:35 AM

To: MTC-ABAG Info <info@bayareametro.gov>

Subject: Support excellent funding for regional public transit

External Email

Dear people at MTC -

I'm Iris B., a retired nurse and senior with disabilities who's depended on MUNI and all public transit for 50 years in San Francisco. I'm part of a coalition that strongly supports a regional measure to give excellent funding for public transit (with progressive sources), and which will help decrease the devastating effect of climate change. The measure requires \$1.5 billion per year to increase public transit services, improve access to seniors, people with disabilities, and working-class people who depend on public transit to get to work, get children to school, go to medical appointments, shop, etc. It will be a great help to the economy and provide critical jobs (including union jobs). Good public transit is also an integral part of the strategy to protect against increased global warming.

I've been dependent on MUNI, BART, and all public transit for all shifts of my nursing jobs. I was already retired when the pandemic hit but continued to take MUNI (where everyone wore masks and tried to keep safe distances). Who was riding MUNI then, and who's riding MUNI now? Essential workers, working-class families, people from BIPOC communities who kept city services going, although many of them would not be able to afford an increase in transit fares. Raising fares and cutting transit services will hurt the workers that all cities depend on, and will have a damaging effect on the economy and environment.

I worked on the struggles for Free MUNI For Youth and Free MUNI For Seniors, both huge successes in San Francisco. I hope you have the determination and clear sightedness to support this current regional measure for strong and sustainable funding for public transit. Corporate ideas of the same old strategy of raising fares and cutting services would hurt communities across California.

Sincerely,

Iris B., RN

Appendix H: Other correspondence received

November 4, 2024

David Canepa, Chair, 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 Commissioner Canepa,

We appreciate the work the Commission has put into ensuring we can preserve and enhance public transit services throughout the Bay Area. As you know, this is an urgent situation. Bay Area transit needs help, first and foremost because revenue sources have not recovered since the pandemic, and relief funding from the federal and state governments will run out in less than two years. Post-pandemic, the financial model that supported Bay Area transit agencies no longer works. Financial gaps created by societal, economic and changes in mobility choices will not be closed when things return to what they once were. This means we need a new funding framework for Bay Area transit. At this time in the process, all tools should be on the table. Further, time is needed to seriously consider what sustainable measures for transit are required.

We have actively participated in the Transportation Revenue Measure Executive Group that provided input to the MTC Transportation Revenue Measure Select Committee to develop a potential transportation revenue measure for a 2026 ballot. We seek a solution to fund the immediate needs of the region's transit agencies that addresses the feedback received at the California State Legislature and the MTC Select Committee. It should also incorporate feedback from the technical staff at the transit agencies and other organizations in the Bay Area. This letter outlines the provisions that we agree should be included in the funding framework for state authorizing legislation. We encourage the Commission to advance a framework that preserves existing local revenue measures, provides time for the regional transit operators to restructure their funding programs, and seeks to develop lasting and sustainable funding programs.

1. **Term:** The proposed framework should include both short-term, regionally funded relief to preserve transit, and allow for a longer-term regional funding measure to achieve financial sustainability and transit transformation. Transit agencies have little time before both federal and state relief are exhausted. The immediate need is to fill the gap when this funding runs

 **311 Free language assistance** / 免費語言協助 / Ayuda gratis con el idioma / Бесплатная помощь переводчиков / Trợ giúp Thông dịch Miễn phí / Assistance linguistique gratuite / 無料の言語支援 / Libreng tulong para sa wikang Filipino / 무료 언어 지원

Appendix H: Other correspondence received

out and provide time for transit agencies to adapt to evolving financial conditions. We recommend a minimum of 10 years of programming with a maximum term of 30 years.

2. **Defined Regional Priorities:** The program of investments to be funded collectively by the region should support multiple counties for the benefit of all residents of and visitors to the Bay Area and should include the following:
 - **Regional Rail System** that includes BART, Caltrain and rail around the Bay, which will be completed via BART to Silicon Valley
 - **Regional Transit Service** consisting of our regional bus services that provide direct connectivity to this regional rail network and regional transit nodes
 - **Regional Transit Transformation**, which includes fare integration, fare program modernization, cleanliness, safety and customer experience improvements

The measure should prioritize funding the needs of the regional program before allocating remaining funds to local priorities. This is consistent with the Select Committee's recommendation adopted as part of Agenda Item 4b at its meeting on October 21, 2024.


3. **Range of Options:** The district, for purposes of this measure, should include four counties (Alameda, Contra Costa, San Francisco and San Mateo), with the option to include up to all nine Bay Area counties. It should provide options for a sales tax, a parcel tax or combination of the two to allow the region to identify the best option for generating the needed revenues and gaining voter support. This is consistent with the Select Committee's recommendation adopted as part of Agenda Item 4b at its meeting on October 21, 2024.
4. **Flexibility:** The sales tax and/or parcel tax rates should be allowed to vary by county to align with the needs for each county to set its rate so it can meet its contribution to regional priorities and then fund any additional local needs.
5. **Financing:** MTC should be empowered to allocate a portion of the revenue to allow for financing to close transit agencies' immediate gaps. Financing could also be used to align funding with the timeline for needs.
6. **Independent Auditor:** The measure needs to include accountability through an independent auditor, to ensure that funds are distributed as envisioned in the legislation, that the expenditure plan is enacted upon as legislated, and to recommend any needed reforms to ensure that the legislation is implemented as intended. This is consistent with the Select Committee's recommendation adopted as part of Agenda Item 4c at its meeting on October 21, 2024.
7. **Citizen Initiative:** The authorizing legislation should allow for the measure to be a qualified citizen initiative consistent with the Select Committee's recommendation adopted as part of Agenda Item 4c at its meeting on October 21, 2024.

Appendix H: Other correspondence received

An option that addresses each of these provisions was presented to the Select Committee at its meeting on October 21, 2024, and is available here: [Metropolitan Transportation Commission - File #: 24-1308 \(legistar.com\)](#).

Thank you again for collaborating with us to make sure we can keep supporting Bay Area residents in getting to work, school, the grocery store and the many other places where they live their daily lives. We can't afford to lose transit.

Sincerely,



Jeffrey Tumlin
Director of Transportation

cc: MTC Commissioners
Andrew Fremier
Alix Bockelman
Rebecca Long

Appendix H: Other correspondence received



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

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www.bayareacouncil.org

The Historic Klamath
Pier 9, The Embarcadero
San Francisco, CA 94111

1215 K. Street, Suite 2220
Sacramento, CA 95814

Appendix H: Other correspondence received



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,

A handwritten signature in black ink that reads 'Jim Wunderman'.

Jim Wunderman
President & CEO

P. 415.946.8777
www.bayareacouncil.org

The Historic Klamath
Pier 9, The Embarcadero
San Francisco, CA 94111

1215 K. Street, Suite 2220
Sacramento, CA 95814

Appendix H: Other correspondence received



Alameda-Contra Costa Transit District

Michael Hursh, General Manager

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.

Appendix H: Other correspondence received

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

Appendix H: Other correspondence received



BOARD OF DIRECTORS 2024

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EXECUTIVE DIRECTOR

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

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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

Appendix H: Other correspondence received



Alameda-Contra Costa Transit District

Michael Hursh, General Manager

December 6, 2024

Alfredo Pedroza, Chair
Metropolitan Transportation Commission (MTC)
375 Beale Street
San Francisco, CA 94105

Dear Chair Pedroza,

I am writing on behalf of the Alameda-Contra Costa Transit District (AC Transit) to convey urgent concerns regarding the proposed Transportation Revenue Measure scenarios. While we greatly appreciate the Metropolitan Transportation Commission's (MTC) commitment to addressing the critical need for future sustainable transit funding, it is imperative to adopt an equitable approach in resource allocation. This is especially vital for agencies like AC Transit, which provide essential services to many of the Bay Area's most transit-dependent communities.

Unfortunately, AC Transit's financial needs remain unmet under Scenario 1A. The agenda item 6b, *"Endorsement of Proposed Transportation Revenue Measure Frameworks and Policy Provisions for Polling,"* inaccurately asserts that both scenarios (1A and Hybrid) would avert the most severe service cut scenarios for BART, AC Transit, and Caltrain. If AC Transit's fiscal needs are not addressed, we will be forced to reduce bus service to approximately 70 percent of pre-pandemic levels, mirroring the skeletal service provided during the height of the COVID-19 pandemic.

AC Transit faces a projected \$62 million deficit in FY 2026-27. Under Scenario 1A, AC Transit would receive \$30 million annually - an amount that falls woefully short of preventing these drastic service cuts. The report incorrectly states that AC Transit's elevated deficit in FY 2026-27 of \$62 million is due to a one-time pension obligation, when in reality it is the final year of a 20-year effort to prudently pay down our pension obligations. After decades of economic loss and substantial underfunding, the pension fund is forecasted to grow beyond the 80 percent funded ratio. Further, the pension fund is governed by an independent board not under the control of the AC Transit board. This is yet another example where a "one size fits all" approach is being put forward, failing to recognize the individual financial obstacles transit agencies face.

Restoring 100 percent of service, as other operators in the region have done, would further increase AC Transit's deficit projections to \$91 million in FY 2027, \$65 million in FY 2028 and \$62 million in FY 2029.

Since the onset of the pandemic, AC Transit has taken significant measures to maintain fiscal stability, including cost reductions and maintaining service levels at 85 percent of 2019 levels. Despite these challenges, over 75 percent of our riders have returned, with average weekday ridership exceeding 126,000 as of last month. Between July and October of this fiscal year alone, ridership has nearly reached 14 million.

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These figures underscore the critical role AC Transit plays in connecting our communities. However, the proposed revenue distribution based on fare loss is inherently inequitable and fails to account for the disproportionate impact on transit-dependent riders. Allocations should consider ridership levels to ensure resources are directed to transit systems carrying the highest percentage of riders compared to pre-pandemic levels.

As previously stated, AC Transit faces a projected \$62 million deficit in FY 2026-27, leaving a gap of almost \$30 million under Scenario 1A. While this elevated amount may be short-term, it is immediate and would force AC Transit to fill in the gap with emergency reserve funding. The reliance on emergency reserve funds to cover this shortfall highlights the precarious situation, potentially leaving AC Transit vulnerable without any financial safeguards. Additionally, the uncertainty of the measure advancing in the Legislature and being passed by the voters would likely force us to start reducing service in advance to ensure we do not run short of funds. Any further cuts in service from our already reduced level would significantly impact many riders without other means of transportation.

Further reductions in service could include:

- Elimination of peak-hour Transbay service between the Salesforce Transit Center in San Francisco and the East Bay.
- Elimination of lifeline All-Nighter Service between San Francisco and the East Bay.
- Significant frequency reductions to bus routes in Central and Southern Alameda County.
- Frequency reductions to key routes in the urban core from Alameda to Richmond.

Attempting to recover service and ridership after decimating service levels to 70 percent would be incredibly difficult to do, and in essence would defeat the purpose of the entire revenue measure.

Ultimately, service reductions such as those listed above require approval from the AC Transit Board of Directors. However, I have included them here as illustrative of the severity of cuts AC Transit riders would experience under Scenario 1A. A revenue measure that results in AC Transit reducing service has a very low likelihood of success in Alameda and Contra Costa counties.

Finally, I request that the MTC conduct robust polling to understand public opinion, as the current summaries rely on speculative assumptions and limited information. The polling **must** include questions addressing tradeoffs between service levels and other priorities, such as transit transformation, capital projects, and roadway improvements. Past MTC polls have not included tradeoff questions making those polling results difficult to rely on as the basis for expenditure recommendations. I strongly urge the Commission to reconsider the current approach to funding allocations and ensure that AC Transit receives its fair share of funding. Our communities deserve reliable, equitable transit options. AC Transit stands ready to continue collaborating to develop equitable solutions that sustain essential transit services for the Bay Area.

Appendix H: Other correspondence received

If you have any questions, feel free to contact me at 510-891-4753 mhursh@actransit.org or Claudia Burgos, Director of Legislative Affairs and Community Relations, at 510-701-2935 cburgos@actransit.org.

Sincerely,



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

cc: AC Transit Board of Directors
The Honorable Jesse Arreguin
The Honorable Mia Bonta
The Honorable Tim Grayson
The Honorable Alex Lee
The Honorable Aisha Wahab
The Honorable Buffy Wicks
The Honorable Scott Wiener

Appendix H: Other correspondence received

From: Barbara Jue [REDACTED]
Sent: Friday, December 6, 2024 1:57 PM
To: MTC-ABAG Info <info@bayareametro.gov>
Subject: MTC Regional Measure (Agenda Item #6b)

Dear MTC Commissioners:

I am a member of the Voices for Public Transportation Coalition. Given the national election results, we are not getting help from the federal government and California's budget will be under pressure - we need to take action in the region to protect and improve Bay Area transit. I am a long-time mass transit rider and rely on various county transit systems (namely Muni, AC, BART, CalTrain) to get around our sprawling region. The fiscal health of these systems is vital to me.

Scenario 1A is a losing proposition! It asks voters to tax themselves and accept service reductions. It doesn't meet the needs of Muni or AC Transit. A four county measure will need to rely heavily on voters in Alameda and San Francisco to pass and this scenario provides significantly less per rider to Muni and AC Transit. Of four large agencies, AC Transit and Muni carry approximately 75% of the ridership and will receive approximately 25% of the funding.

This measure needs to raise enough revenue to address the current operator shortfalls and provide for improvements in the transit transformation plan. It 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.

The measure should prioritize transit funding, thus reducing greenhouse gas emissions. It should meet our state statutory obligations under SB 375. At a minimum, any flexible funding should be for projects that are climate neutral in their projected emissions.

The hybrid scenario more equitably responds to the Bay Area's transit funding needs, but we have serious reservations about the phasing out of dedicated transit funding over the life of the measure. Bay Area transit agencies need a sustainable source of funding to improve riders' experience and continue to provide the service that millions rely on. We need a scenario that provides stable funding for transit over the life of the measure. Agencies can then set their budgets to reliably improve service for riders, rather than needing to budget for inevitable future decreases in funding.

I hope you will consider a bold vision for public transportation that provides a progressive and sustainable source of funding to actually improve service and rider experience. Transit is an essential part of our climate goals — cuts to public transit are not acceptable!

Barbara Jue
[REDACTED]

Appendix H: Other correspondence received



MTC'S Transportation Revenue Measure Scenarios

Dear MTC Commissioners,

I am Collin Thoma the Systems Change Advocate with Disability Services and Legal Center (DSLC). We are an independent living center (ILC) that serves people with disabilities and seniors in Sonoma, Napa, Mendocino and Lake counties. While we do not serve Marin County my comments still pertain to Marin given its close proximity to our service area. Furthermore, we work with the Independent Living Center Marin Center for Independent Living that serves Marin County. Both DSLC and Marin CIL serve thousands of consumers (clients) every year. Furthermore, Sonoma, Napa and Marin counties are some of the quickest aging populations in the state which will put more of a demand on public transportation. My comments today are regarding MTC'S Transportation Revenue Measure Scenarios. While I am glad to see a plan to increase funding for transportation services in the San Francisco Bay Area, I have concerns regarding that the North Bay Counties won't be included in the final revenue measure. Not including the North Bay can have a serious negative impact on people with disabilities and seniors who often rely on public transportation to get around.

The level of transportation services in Marin, Sonoma and Napa counties are quite different from the level of service in San Francisco, the East and South Bay. The frequency of fixed routes and paratransit service is more limited and doesn't meet the demand. The areas of service are also more limited in the outskirts of the cities/towns and in rural areas.

There is also a significant disconnect of multi county service since Golden Gate Transit and SMART train are the only providers that serve multiple counties. Both providers only serve Marin and Sonoma counties, mostly around the Highway 101 corridor leaving out a large portion of both counties. This also completely leaves out Napa and Solano counties, making getting to and from these counties very difficult. Like all other transit providers, SMART and Golden Gate Transit are also quickly approaching a fiscal cliff. SMART current tax measure will expire in the

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Appendix H: Other correspondence received



next few years unless it is re-approved which is not guaranteed. Golden Gate Transit has seen a reduction in ridership post pandemic resulting in less revenue for their service. This is why having a funding option that includes the whole Bay Area is so important to help avoid the fiscal cliff.

All North Bay counties have a mix of rural and urban areas and while the level of transportation in the urban area is decent at best, the same can't be said for rural areas. The rural areas have more limited bus routes and service times. This makes it harder for those to use the bus since more planning is required, which can be challenging for some. Furthermore, it severely limits paratransit services which are commonly used by people with disabilities and seniors. In my three and a half years at DSLC I have helped dozens of consumers (clients) who live in these rural areas. I have had some success in getting paratransit services for these consumers. However, I often need to supplement it with Community Based Organizations (CBO'S) transportation services. In some cases, transportation provided by CBO'S are the only option available since the consumer live outside of the paratransit service area. These options are also pretty limited since there are not a lot of CBO'S that provide transportation. Additionally, some CBO'S only serve a small portion of the county they operate in. I have also had some instances where I needed to help consumers who live in urban areas with getting alternative transportation. This can be due to the gaps of transportation in urban areas.

Another major challenge for people with disabilities and seniors is getting transportation service to San Francisco, the East or South Bay. Many need to go to these parts of the Bay Area for medical appointments or for social activities. While those who have Medi-Cal can get transportation through their coverage plan for these trips, it is nearly impossible for those who do not have Medi-Cal. In my three and a half years at DSLC I have tried to help several consumers who don't have Medi-Cal to get their medical appointments with very little success. This is because there is no easy one-seat ride or seamless and easy transfers between transit providers. People with disabilities and seniors need easy transfers as it can be challenging to plan their trip

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Appendix H: Other correspondence received



to make numerous transfers. Furthermore, some may become easily fatigued if they have to make multiple transfers. There are a few companies that provide transportation for medical appointments but cost hundreds of dollars. People with disabilities and seniors often can't afford those trips due to their very limited income from the Social Security benefits and the extremely high cost of living.

Given the challenges in the North Bay, I strongly recommend the commission adopts a hybrid model that automatically includes all 9 counties. If Scenario One is adopted, I worry that it would have a significant negative impact on the level of transportation and transportation providers in the North Bay. If this option is adopted, I would like to see the MTC work closely with the North Bay governments to opt-in to the plan. I would prefer to see the hybrid model adopted so all Bay Area counties are included. This is because of the aforementioned transportation challenges in the North Bay. Furthermore, there is no universal bus service like AC Transit that serves multiple cities and counties. This means that the local transportation providers have a smaller ridership base that will provide revenue to fund their services. Also, the hybrid model will also act as a safety net if the SMART tax is not renewed or changed to provide less money. Furthermore, if the SMART tax is renewed or increased the hybrid model will enhance SMART funding. The city of Petaluma is also proving that strong funding can be used to provide successful transportation enhancements. They have made bus trips free for everyone, making it much more appealing to ride the bus. Furthermore, they have started a pilot program called LumaGo which is an on-demand shuttle for the downtown area. In the few short months, the shuttle has been running they have already provided thousands of rides and is proving to be a great transportation option.

Thank you for taking your time to review my comments regarding MTC'S Transportation Revenue Measure Scenarios and for your efforts to improve transportation. I hope to see a final decision that will work for the entire Bay Area. This will be great to see since the plans that the commission has to improve transportation are greatly needed. These plans will make it much

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Appendix H: Other correspondence received



easier to use public transportation especially for people with disabilities, seniors and other marginalized groups who often heavily rely on it.

Sincerely,

Collin Thoma

Systems Change Advocate

Disability Services & Legal Center (DSLC)

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Santa Rosa, CA 95401

(707)636-3076



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PETER RATTO

APRIL CHAN
GENERAL MANAGER/CEO

December 6, 2024

Commissioner Alfredo Pedroza
Chair, Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA, 94105

Subject: SamTrans Budget Update

Dear Chair Pedroza,

We appreciate the effort MTC has put into developing a potential funding ballot measure to sustain the Bay Area's transit systems. Although we have reservations detailed in our letter dated November 6, 2024, to Commissioner Sperring, we are committed to continuing the conversation with the goal of creating a fair and practical solution for the transit systems in the Bay Area.

Throughout this process, MTC designated SamTrans as an agency with a balanced budget with no operational fiscal cliffs. When MTC first assessed the fiscal health of various transit agencies, SamTrans adhered to MTC's request and only provided operational revenues and costs from our financial statements. We did not provide other financial information that would have increased the burden to our operating budgets, including items such as debt service or capital program contributions that draw from operating funds.

We now understand some agencies included these items that we specifically excluded. This lack of a common denominator puts SamTrans at a significant disadvantage when calculating SamTrans' financial position within a regional measure. It also makes our prior written request for an independent Third-Party Reviewer of each agency's budget deficits and proposed fair-share calculations even more imperative.

Although at this time SamTrans is in a stronger operating financial position than many agencies due to our bus ridership recovery rates and healthy sales tax revenues, we are similarly struggling with the ability to fund capital infrastructure needs. Additionally, we find ourselves at an inflection point where expenses are outpacing growth in revenues. Several Fiscal Year 2025 operations contracts and

SAN MATEO COUNTY TRANSIT DISTRICT
1250 San Carlos Avenue
San Carlos, CA 94070-1306 (650) 508-6200

Appendix H: Other correspondence received

Pedroza

December 6, 2024

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recently ratified collective bargaining agreements with union employees exceeded budgetary projections adopted in June 2023. Furthermore, the cost of necessary capital investments continues to rise. While our revised budget for FY 2025 is balanced, this was achieved by using reserves. Maintaining financial stability through responsible fiscal management is a top priority for SamTrans.

SamTrans recently launched the development process for the FY 2026 and FY 2027 two-year budgets. And we aim to present the updated 10-Year Financial Outlook to our Board this spring before the budget approval process. Based on preliminary figures, we believe the upcoming budgets will likely have structural deficits that rely on reserves to cover the gaps.

As we move forward with a regional measure proposal, we urge MTC to ensure agencies are calculating budget deficit projections consistently. A regional measure that fairly and sustainably addresses funding gaps experienced by Caltrain and SamTrans has a better chance to earn the support of San Mateo County voters.

Please contact Government and Community Affairs Director Jessica Epstein at epsteinj@samtrans.com if you have any questions or need any additional information.

Sincerely,



April Chan
General Manager/CEO

Cc: San Mateo County Transit District Board of Directors
San Mateo County Transit District State Legislative Delegation
David Canepa, Commissioner, Metropolitan Transportation Commission
Gina Papan, Commissioner, Metropolitan Transportation Commission

SAN MATEO COUNTY TRANSIT DISTRICT
1250 San Carlos Avenue
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December 9, 2024

Bay Area Regional Transportation Measure Position Paper

Throughout the MTC 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.

In this paper we evaluate the MTC staff proposals for a regional measure against our principles and provide positions on the components and associated policies for a regional measure.

Evaluating MTC's scenarios against the Voices' priorities

Scenario 1A

Equitable and transformative expenditures	--	Not enough funding to maintain and improve service. Distributing revenue based on lost fare revenue is inherently inequitable.
Progressive funding	-	Sales taxes are regressive
Climate positive	+-	All money is for transit, but will likely increase emissions due to transit service cuts if additional funding not allocated to transit operations

Voices for Public Transportation | www.VoicesForPublicTransportation.org

Voices for Public Transportation (VPT) is a coalition of transit rider and worker unions, community-based organizations, and equity advocates across the Bay Area.

Appendix H: Other correspondence received



Scenario 1A is a losing proposition! It asks voters to tax themselves and accept service reductions. A four-county measure will need to rely heavily on voters in Alameda and San Francisco to pass. This funding distribution doesn't meet the needs of Muni or AC Transit. Of the four large agencies, AC Transit and Muni carry approximately 75% of the ridership and would receive approximately 25% of the funding. We need a measure that addresses the operating needs at all the agencies.

Hybrid Scenario

Equitable and transformative expenditures	+ -	Basing distribution on operator need is more equitable and sustains more service, however transit funding is not over the life of the measure
Progressive funding	+ -	Includes a progressive source in addition to the regressive sales tax
Climate positive	+ -	More funding for transit is climate positive, but the county flex funding could be used for projects that increase emissions

The hybrid scenario more equitably responds to the Bay Area's transit funding needs, but we have serious reservations about the phasing out of dedicated transit funding over the life of the measure. Bay Area transit agencies need a sustainable source of funding to improve riders' experience and continue to provide the service that millions rely on. This scenario should provide stable funding for transit over the life of the measure, so that agencies can set their budgets to reliably improve service for riders, rather than needing to budget for inevitable future decreases in funding. In addition, we need assurances that the county flex funding won't increase emissions.

Voices for Public Transportation | www.VoicesForPublicTransportation.org

Voices for Public Transportation (VPT) is a coalition of transit rider and worker unions, community-based organizations, and equity advocates across the Bay Area.

Appendix H: Other correspondence received



Components of a measure

MTC has been discussing a number of components of a revenue measure. Voices for Public Transportation used our guiding principles to develop our recommendations for these components.

1. Amount of funding for 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 prioritize serving equity priority communities who rely on transit, maintaining and regrowing ridership, and reducing GHG emissions.

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 seniors and people with disabilities.

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.

Voices for Public Transportation | www.VoicesForPublicTransportation.org

Voices for Public Transportation (VPT) is a coalition of transit rider and worker unions, community-based organizations, and equity advocates across the Bay Area.



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. If polling finds that a 10-year measure is more popular with voters, we ask that the authorizing legislation include the ability to renew the measure with voters on a future ballot.

6. Number of counties

Transit is inherently regional; people need to be able to travel across county lines and there is need for additional transit funding in all nine counties. Without prescribing a single measure, the following criteria should be met:

- a. Avoid any situation where voters in a single county are asked to vote on multiple measures in the same year to maintain their service
- b. All counties participate in Transit Transformation, without taking existing funding from service provision
- c. Multi-county agencies have funding needs met
- d. Possibility to fund new multi-county transit service to meet existing gaps or deficiencies in service

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 any forecasted VMT increase for the first 20 years after the project is completed. Funding for VMT mitigation can't come from sources that would otherwise have been used to reduce VMT.

Accountability

We support accountability provisions to provide oversight of the measure spending.

Voices for Public Transportation | www.VoicesForPublicTransportation.org

Voices for Public Transportation (VPT) is a coalition of transit rider and worker unions, community-based organizations, and equity advocates across the Bay Area.

Appendix H: Other correspondence received



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.

Conclusion

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. The scenarios that MTC is putting forward aren't meeting the moment and risk failure at the ballot.

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. The measure must make transit better, not just plug a hole.

Voices for Public Transportation | www.VoicesForPublicTransportation.org

Voices for Public Transportation (VPT) is a coalition of transit rider and worker unions, community-based organizations, and equity advocates across the Bay Area.

Appendix H: Other correspondence received



SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
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2024

December 5, 2024

Bevan Dufty
PRESIDENT

Mark Foley
VICE PRESIDENT

Robert Powers
GENERAL MANAGER

The Honorable Alfredo Pedroza
Chair, Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

DIRECTORS

Debora Allen
1ST DISTRICT

Mark Foley
2ND DISTRICT

Rebecca Saltzman
3RD DISTRICT

Robert Raburn, Ph.D.
4TH DISTRICT

Melissa Hernandez
5TH DISTRICT

Elizabeth Ames
6TH DISTRICT

Lateefah Simon
7TH DISTRICT

Janice Li
8TH DISTRICT

Bevan Dufty
9TH DISTRICT

RE: Support for Scenario 1A Framework for Regional Transportation Revenue Measure

Dear Chair Pedroza,

The San Francisco Bay Area Rapid Transit District (BART) appreciates the ongoing work of the Metropolitan Transportation Commission (MTC) and its staff to develop consensus around a regional transportation revenue measure. Jim Sperring, as Chair of the Transportation Revenue Measure Select Committee, MTC Commissioners, and executive leadership have been accessible throughout this process, and I have appreciated the opportunity to represent BART on the Transportation Revenue Measure Executive Group.

Considering MTC's objectives for a regional measure and the District's ongoing fiscal challenges, BART is in support of Scenario 1A as the most viable option to move forward into legislation. Under this framework, BART would receive approximately \$307 million a year to help address our operating deficits. A 10-year, half-cent sales tax also avoids potential conflicts with future renewals of county revenue measures and provides time for plans at the state and federal level to develop regarding long-term transit operating assistance.

While BART is one of the most cost-efficient rail systems in the US, should we receive funding at this level, we are committed to implementing additional efficiencies, cost reductions, and revenue generating efforts. If Scenario 1A moves forward as a four-county measure, BART is also committed to working with our partners in San Mateo County on an equitable solution to sustaining BART service in that county. We welcome discussions on accountability and metrics associated with new funding, consistent with allocations in Senate Bill (SB) 125 funding and recommendations adopted by the Select Committee in October.

We look forward to being an active participant in the process to refine scenarios as the commission considers their priorities for a regional measure framework, and we appreciate your ongoing consideration of BART's operating shortfalls.

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December 5, 2024

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Thank you again for your commitment to keeping Bay Area transit running long into the future and for all the work that the Select Committee, Commission, and staff have done to get us to this point.

Sincerely,



Robert M. Powers
General Manager

cc: Metropolitan Transportation Commissioners
BART Board of Directors
Executive Director, Metropolitan Transportation Commission

Appendix H: Other correspondence received



December 4, 2024

The Honorable Alfredo Pedroza, Chair
Metropolitan Transportation Commission
375 Beale St., San Francisco, CA, 94105

Re: Comments on Proposal for a Regional Transportation Measure

Dear Chair Pedroza:

On behalf of the Bay Area Council, the California Alliance for Jobs, and SPUR, we thank MTC for its work to build consensus on how the Bay Area funds public transportation. Each of our organizations appreciated the opportunity to serve on the Transportation Revenue Measure Select Committee, and while that process did not reach a final agreement on how to move forward, we have continued to collaborate to identify areas of alignment across our organizations.

We understand the transit and overall transportation challenges the Bay Area is experiencing and know there will be no easy solution to resolve the funding issues we face. We also believe that an efficient and safe transportation system for all improves quality of life and provides significant economic benefits to the Bay Area. However, as we have just observed in this past election, business as usual is not acceptable to the voters. Any future funding measure must be innovative, forward-thinking, and supplemented with extensive research to identify voters' transportation priorities.

Below are several key principles that our organizations believe are essential to any measure the will be developed and proposed to Bay Area voters:

- **Sustain and Transform Transit:** Our organizations participated in the Select Committee and remain engaged in this process because we are concerned about the future of transit in the Bay Area and understand its importance to our residents, the economy and the environment. We need to address the looming funding crisis and find a solution that ensures our transportation system continues to function.

At the same time, sustaining transit alone is not enough. Extensive public outreach has made clear that voters want a safer, cleaner and more integrated transit network and will need to see any new investment paired with a strong commitment to transformation. This means delivering the improvements riders and the public want to see- including enhanced safety, security and cleanliness in our stations and on our vehicles as well as customer improvements to make the

Appendix H: Other correspondence received

transit system more integrated and easier to use. It also means a renewed focus on controlling costs to reduce shortfalls over the long term as well as strong, independent oversight of agency finances.

- **A Multi-Modal Expenditure Plan:** 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, and while we urgently need funding to sustain and improve these systems, we also need an expenditure plan that delivers benefits to all transportation users. We believe there is a path toward a balanced and compelling multi-modal expenditure plan that is attractive to voters, supports and transforms transit, and advances our region's climate goals.
- **Flexibility and Pragmatism:** Successfully passing a regional transportation measure 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 a reasonable and fair approach to geographic distribution of funds that will help counties feel assured that their residents' tax dollars are being put to good use delivering benefits and supporting local priorities over time.

Additionally, a revenue measure must rely on a viable tax mechanism. While all revenue sources have challenges, 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. Our organizations want to help address the crisis transit and transportation face- and we will only support a measure that we believe can succeed.

We hope the above principles are helpful as the Commission considers how to advance a future regional transportation measure. We appreciate the continued work of all involved in this challenging process and look forward to continued engagement.

Sincerely,



Jim Wunderman
President & CEO
Bay Area Council



Michael Quigley
Executive Director
California Alliance for Jobs



Alicia John-Baptiste
CEO
SPUR

Appendix H: Other correspondence received



Public Comment for Agenda Item 6b



MTC Commissioners,

We, the undersigned unions representing the dedicated employees of Alameda-Contra Costa (AC) Transit, Bay Area Rapid Transit (BART), Caltrain, and the San Francisco Municipal Transportation Agency (MUNI) are writing to urge you to support legislation authorizing a regional revenue measure for Alameda, Contra Costa, and San Francisco, and San Mateo counties, while allowing Marin, Santa Clara, and Sonoma Counties to opt-in. This is the last remaining opportunity to prevent multiple public transit services from collapsing causing unnecessary harm to our major job centers, working families, climate and air pollution goals, and public sector workers.

Our transit systems are facing an unprecedented crisis. The aftermath of the COVID-19 pandemic, coupled with shifts in work patterns, concerns about transit safety, and declining farebox recovery, has created a perfect storm that threatens the very foundation of the public transportation network in the Bay Area. The Metropolitan Transportation Commission (MTC) projects that without new revenue sources, Bay Area transit agencies could face annual deficits exceeding \$700 million starting as early as 2026. This fiscal cliff not only jeopardizes essential services but also puts at risk the livelihoods of thousands of hardworking employees who deliver transportation services to communities in the region.

Our members have kept the Bay Area moving during the toughest times, often at great personal risk. They deserve our unwavering support. Their expertise, dedication, and institutional knowledge are invaluable assets that your constituents cannot afford to lose. Further, our transit agencies serve as the backbone of the Bay Area economy providing direct links to our downtown areas for workers and tourists, and reaching 67% of jobs in the 9-county Bay Area region through BART and one transfer at a connecting agency. Without BART, drivers would experience roughly 20 more hours in traffic per week with traffic increased by 73% on the Bay Bridge and 22% in the Caldecott Tunnel during commute hours.

To address these pressing challenges effectively while enhancing system efficiency, we stress that the legislation to authorize a revenue measure must, at minimum, incorporate the following critical provisions:

- Preservation of at least current service levels;
- Funding for transformative transit programs to improve service for riders;
- Robust annual reporting and oversight at both county and regional levels; and
- Protections for union transit workers from furloughs, layoffs, and reductions in benefits.

In addition to meeting the urgent fiscal needs of transit agencies facing imminent financial disaster, any funding sources authorized by this legislation must be designed to ensure equitable disbursement of funds while minimizing the burden on low-income communities and

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Public Comment for Agenda Item 6b

transit-dependent populations. As such, we are currently opposed to the sole use of a sales tax to fund the ballot measure and recommend a regional progressive gross receipts tax or payroll tax to primarily provide the resources to address the transit fiscal cliff.

We are aware of the political realities of solely focusing on transit operational funding in a ballot measure and therefore also recommend a citizen's initiative as the vehicle to place the measure on the 2026 ballot, additional revenue generated for road and transit priority infrastructure maintenance, at least 90% of funds kept within the generating county, and a short-term length of 12 years to allow time for stabilization, identification and implementation of new funding sources by the agencies.

The scale of this crisis requires a region-wide solution. MTC must rise to this moment and act decisively to safeguard public transit, which is essential not just for mobility, but for our climate goals, economic resilience, and social equity. We urge you to vote in support of recommending a progressive tax measure on the 2026 ballot that generates enough revenue to solve the fiscal crisis, funds transit transformation programs to make the system more connected, affordable, and reliable, and provides critical resources for road repair and transit-first safe streets.

The Transit Operators Labor Unions stand ready to support this effort and collaborate with MTC in advocating for this type of measure with stakeholders and on the 2026 ballot.

Sincerely,

John Arantes, BART Chapter President, SEIU Local 1021

Matt Broad, Legislative Advocate, Amalgamated Transit Union California Conference Board

Louie Costa, Safety and Legislative Director, SMART Transportation Division

Sal Cruz, President, AFSCME Local 3993

Owen Goetze, Vice President, AFSCME Local 3916

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Photo: ©Noah Berger, MTC



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