



Connect Bay Area Act Funding Provisions, SB 1031 (Wiener/Wahab)



METROPOLITAN
TRANSPORTATION
COMMISSION

Commission Workshop
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MTC's Core Objectives in Sponsoring Connect Bay Area Act



Sustain and Improve Transit

Address transit operating fiscal cliff and improve transit across region.



Rider-Focused Improvements

To accelerate the *Bay Area Transit Transformation Action Plan* implementation, strengthen MTC's network management authority in the enabling legislation.



Improve Mobility for All Users (Fund a Balanced Measure)

Include funding for roadway improvements for all users, including local road repairs, active transportation improvements (Safe Streets) and mobility improvements (Connectivity) as well as climate resilience. Achieve geographic balance.

Expenditure Categories



Transit Transformation

Formula + discretionary program to sustain and/or expand transit service levels and accelerate rider-focused Transformation Action Plan improvements and fund zero-emission transit transition. Ensure riders throughout Bay Area receive benefit, regardless of if system rider uses is experiencing deficit.



Safe Streets

Subvention program to County Transportation Agencies to support safety, equity and climate goals, including through including through bike/ped infrastructure investments, safe routes to transit, resilience, pothole repairs and other safety improvements on local roads.



Connectivity

Multimodal Capital Improvement Program to be developed by MTC in partnership with county transportation agencies, with each county guaranteed a share in proportion to their contributions towards the tax over a specified time frame. Projects required to be in Plan Bay Area 2050+ and successor plans.



Flexible

A combined county + regional program that can be spent on eligible expenditures in the other three categories and ensures each county gets at least 70 percent “return to source” in terms of benefit.

SB 1031 Expenditure Framework

Expenditure Category	\$1.5 B Scenario	\$1 B Scenario
45% - Transit Transformation	\$675 M	\$450 M
40% - Transit Formula	\$270 M	\$180 M
60% - Discretionary	\$405 M	\$270 M
25% - Safe Streets	\$375 M	\$250 M
15% - Connectivity	\$225 M	\$150 M
15% - Flex	\$225 M	\$150 M
TDM Mandate (Transit portion)	\$150 M	\$150 M
TOTAL	\$1.65B	\$1.15B

SB 1031 Averts Fiscal Cliff and Provides New Transit Funding to Every County



- Closes regional transit operations standardized shortfall
- Retains flexibility to respond to governance changes over time
- Rider-based minimum funding levels ensure all transit systems & riders benefit while encouraging growth in ridership

Funding Guarantee	Rider-Based Threshold
\$25 M/year	Operators serving > 5 million riders per year and/or carrying passengers more than 25 million miles per year
\$10 M/year	Counties with small operators serving > 3 million riders per year
\$5 M/year	Counties with small operators serving < 3 million riders per year

Near-Term Transit Operating Shortfalls

FY 2027-28 Transit Operating Shortfalls	
Operators Serving Over 5 Million Riders/Year and/or Carrying Passengers More Than 25 Million Miles/Year	
Operator	Operating Shortfall* (\$ in Millions)
AC Transit	\$ 8
BART	\$ 258
Caltrain	\$ 40
GGBTHD	\$ 35
SamTrans	\$ 0
SFMTA	\$ 218
VTA	\$ 0
WETA	\$ 0
<i>Subtotal</i>	\$ 560
Operators Serving Less than 5 Million Riders/Year and/or Carrying Passengers Less Than 25 Million Miles/Year	
<i>Subtotal</i>	\$ 10
Grand Total	\$ 570

- Based on 2023 standardized deficits developed by MTC to allocate SB 125 state budget funding.
- Based on pre-pandemic funding agreements for existing resources and does not reflect the potential fare revenue benefits of accountability and customer experience measures underway.

Safe Streets: 25% Total

- Program would deliver big boost for local road repairs and bike/ped safety
- The Bay Area's local roads currently score a 67 out of a possible 100 points for pavement conditions, considered "fair."
- Under a \$1B scenario, measure would provide \$250 million per year for local street and road safety & pavement improvements – an almost 40% average increase over current funding from the state gas tax.
- Under a \$1.5B scenario, funding would grow to \$375 million per year regionwide, a 57% average increase.



Connectivity and Flex Funding Categories

The **Connectivity** Program (15%) is envisioned as a **multi-modal capital** program that would be available to fund county priorities that are included in Plan Bay Area 2050+ and successor plans.

Flex Funding (15%) is eligible for any project that is eligible in the Connectivity, Transit Transformation and Safe Streets categories.



Key Discussion Questions

1. Do the post-pandemic changes to the Bay Area's transit funding model require a reexamination of how MTC is allocating transit funding? If yes, should that occur regardless of the outcome of a future regional ballot measure?
2. Should SB 1031 require a higher "return to source" than 70% over time? What are the trade-offs?
3. How should the legislation address concerns that it could put future renewal of local transportation measures at risk?
4. How can the legislation incentivize transit operators to contain operating cost growth and ensure transparency and oversight with respect to funding to offset transit operator deficits?