



A Funding Framework for Bay Area Transportation

Organized and presented by the SFMTA

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

We took the approach to come to a compromise.

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

We did this knowing no proposal would be perfect.

We have developed a compromise proposal with three elements:

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

This proposal provides tools and time.

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

F Potential Funding Strategies

Short-Term: Regional Public Transit Stabilization

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

Long-Term: Transportation Funding Measure to be determined

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

F Potential Funding Strategies

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

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

A Proposed Framework

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

Tax Measure



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

Regional Program



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

Legislation & Policy



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