

Draft Funding Proposal for Prop 1B: Regional Transit Funding



Programming and
Allocations Committee

March 7, 2007

STA Policy – History

Base Policy - 1991 Total 10-Year: \$198 M	Proposition 42 Program - 2005 Total 10-Year: \$181 M	Proposition 1B Program - 2007 Total 10-Year: \$347 M
North Counties/Small Operators: \$62 M Paratransit: \$43 M Regional Coordination: \$67 M	Translink: \$44 M Lifeline: \$91 M	TBD - \$347 M
Estimated Surplus Funds: \$26 M	Estimated Surplus Funds: \$46 M	

STA Background and History

Proposition 111 approved in 1990

- ▶ Shifted % shares of statewide STA between “revenue based” formula and “population based” formula
- ▶ Revenue-based and Population-based funds distributed 30%/70% -- Prop. 111 changed to 50%/50% statewide
- ▶ Bay Area receives a much larger amount of STA revenue-based funds than the region’s share of statewide population because of high local funds/ridership
- ▶ Consequently, Prop. 111 resulted in a 51% increase in combined STA funds to the Bay Area.

Base STA Policy in Response

MTC “shared” its population based funds with the small operators, starting in 1991:

- ▶ **Northern counties:** Proportional share of regional population
- ▶ **Small operators and Vallejo:** Proportional to population of the service area
- ▶ **ADA paratransit:** Base amount to each county with an annual CPI adjustment; county amounts proportional to share of disabled population
- ▶ **Balance goes to MTC Regional Coordination Program**

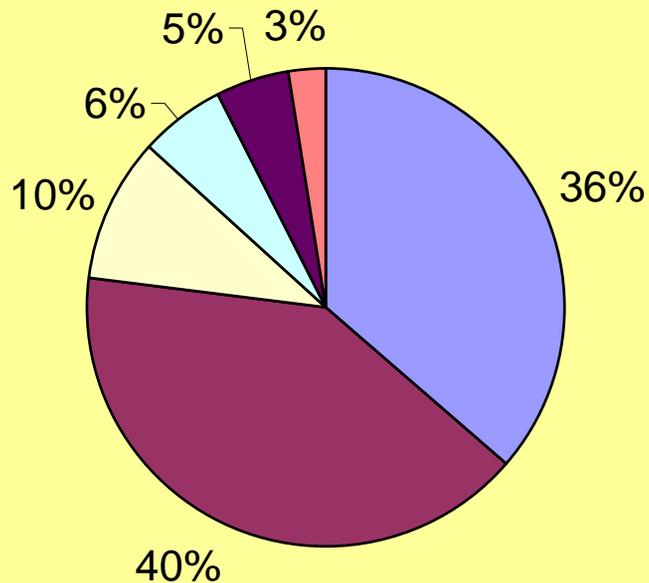
Note: No direct subvention to large transit operators

STA Policy – Proposition 42 Increment

- ▶ Proposition 42 dedicated the sales tax on gasoline for transportation purposes.
- ▶ \$280 million in new population-based revenue for the Bay Area over 25 years.
- ▶ Commission adopted a different policy for the Prop. 42 increment in Transportation 2030.
- ▶ \$176 million is dedicated to Lifeline Program and \$104 million to build/operate TransLink[®] program

Proposition 1B – Staff Proposal

Proposed Investment Strategy



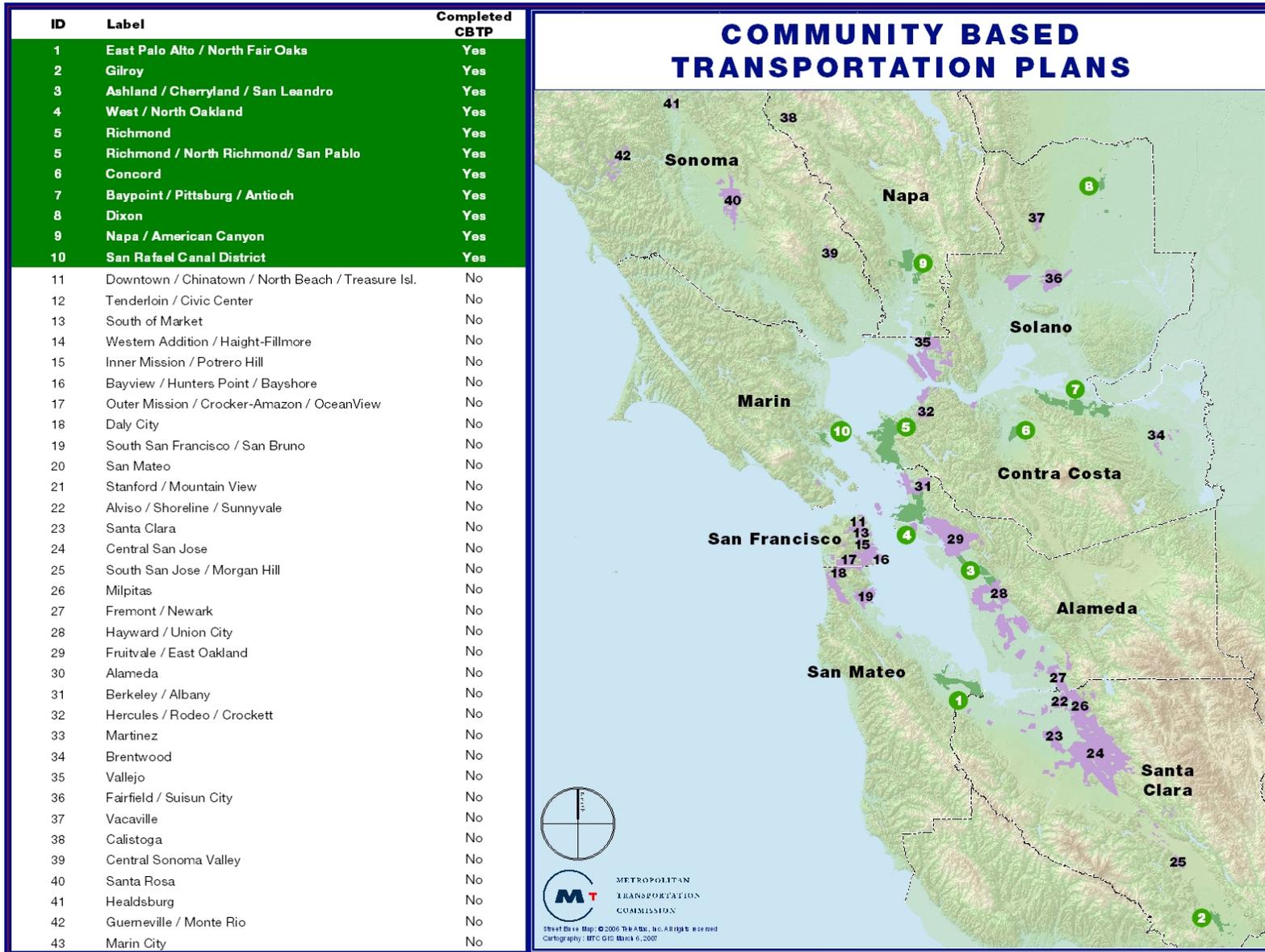
Total = \$419 M

- Lifeline Funding for Transit Operators (\$153 M)
- Urban Core Transit Improvements (\$169 M)
- Small Operators - Operating Enhancements (\$41 M)
- Small Operators - Capital Improvements (\$25 M)
- Zero Emission Buses (\$20 M)
- Program Reserves (\$11 M)

Proposition 1B – Policy Principles

1. Expand “Lifeline” commitment to low-income communities
2. Invest in urban core to support Smart Growth vision
3. Provide funding for ridership growth on smaller transit systems
4. Continue progress in Clean Air bus compliance

1. Expand Lifeline Commitment



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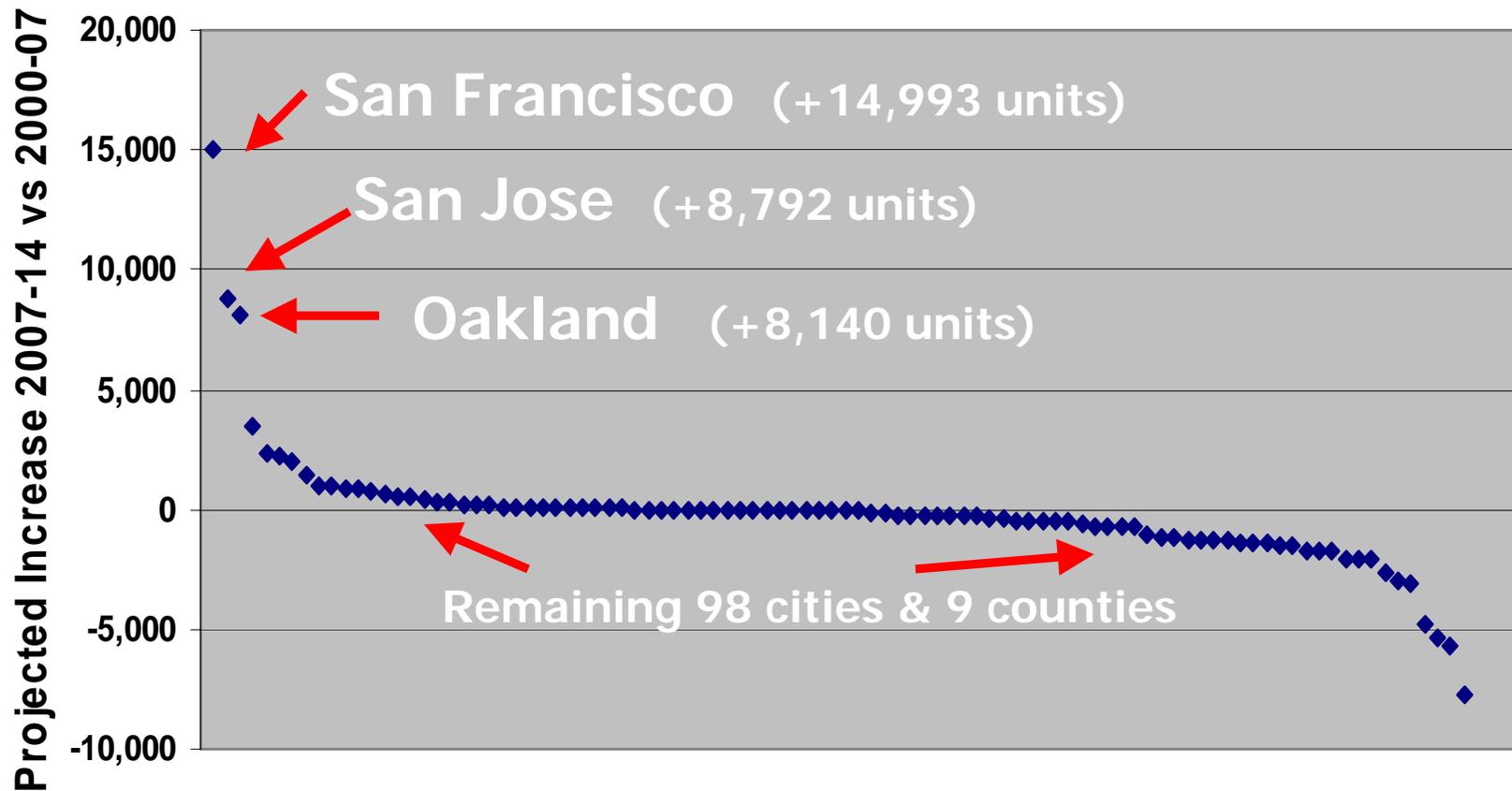
Proposed Lifeline Funding	
County	(in millions)
Alameda	42
Contra Costa	19
Marin	4
Napa	3
San Francisco	23
San Mateo	11
Santa Clara	33
Solano	8
Sonoma	10
Total	\$153

2. Invest in Urban Core: Transit Improvements

- ▶ Nearly 90% of transit passengers in region ride on Muni, BART, AC Transit, and VTA
- ▶ \$169 Million addresses funding shortfalls that will add transit capacity in the region's urban core
- ▶ Lifeline funds reinforce these investments

2. Invest in Urban Core: Transit to Support Housing

Projected Increase in Regional Housing Needs Allocation 2007-2014 vs. Prior Period



2. Invest in Urban Core: Transit Improvements

- ▶ BART to Warm Springs - \$24 million: Initial segment connecting East Bay with San Jose, the region's largest city
- ▶ San Francisco Muni Central Subway - \$100 million: Improve travel times in one of the region's most densely populated areas
- ▶ Santa Clara VTA Line 522/523 Bus Rapid Transit - \$45 million: Improve travel times in heavily traveled Peninsula transit corridor

3. Ridership Growth for Smaller Operators

Eligible Small Operators: Follows Base STA Policy
CCCTA
ECCTA
LAVTA
Union City
Vallejo
WestCAT
<i>And Operators in the following counties:</i>
Marin
Napa
Solano
Sonoma

3. Ridership Growth for Smaller Operators

Small Operators Investment:

\$66 Million:

- ▶ \$25 million in capital funding - competitive program requiring 1:1 match
- ▶ \$41 million to address operating or capital needs allocated at the current STA Base program formula

Current Small Operator Formula for STA Base Program <i>(in \$ millions)</i>	
Northern Counties	10-Year Estimate
Marin	4.4
Napa	2.3
Solano (less Vallejo)	5.3
Sonoma	8.4
SUBTOTAL	20.3
Small Operators	10-Year Estimate
CCCTA	8.5
ECCTA	4.7
LAVTA	3.3
Union City	1.2
WestCAT	1.2
Vallejo	2.1
SUBTOTAL	21.1
TOTAL	41.4

4. Clean Air

- ▶ Provide \$20 million for the regional Zero Emission Bus (ZEB) advanced demonstration project required by the California Air Resource Board
- ▶ Total demo cost estimated at \$36 million
- ▶ Distribution based ZEB working group proposal

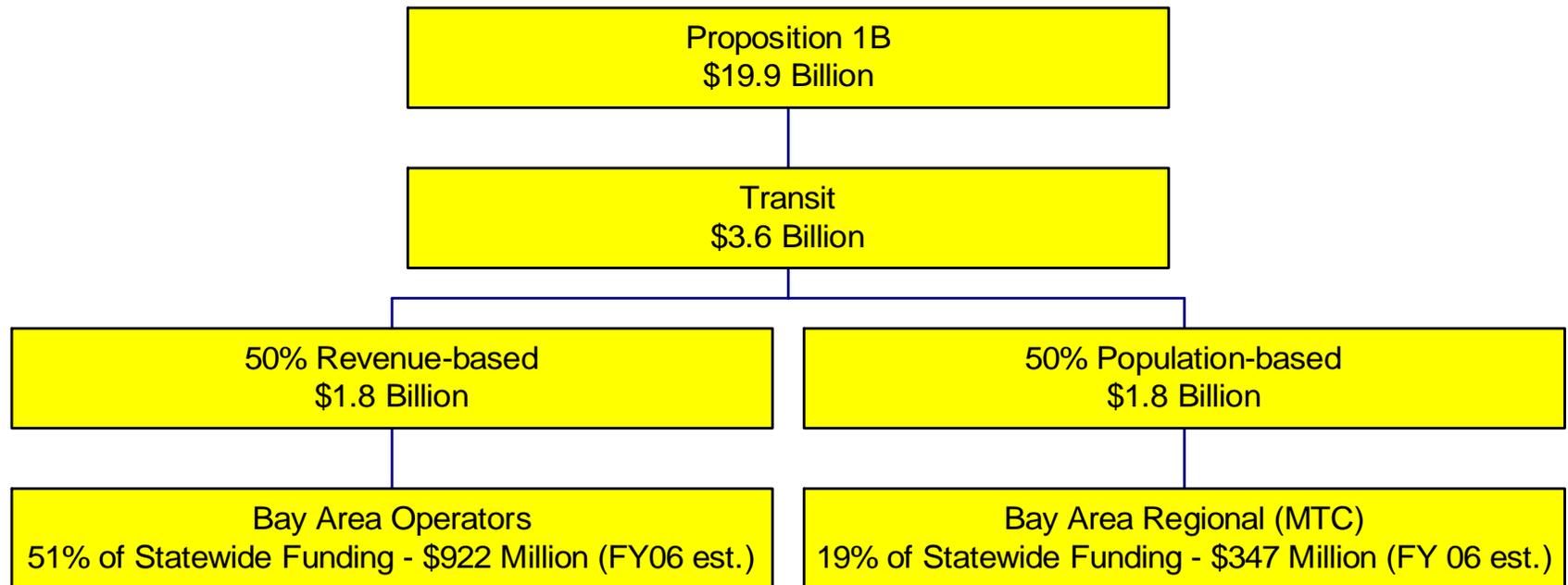
Zero Emission Bus Purchases	Amount (in millions)
AC Transit	12
Santa Clara VTA	8
Total	\$20

*Partnership of AC Transit, GGBHTD, Samtrans, and VTA to meet regional requirement

Proposition 1B – Financial Principles

1. **Balanced Investment between revenue-based and population-based funds**
2. **Leverage both fund sources for capital expansion projects**
3. **Provide reserve for unforeseen revenue swings**
4. **Consolidate administration of regional STA programs**

1. Balanced Investment



1. Balanced Investment

Preliminary plans for revenue-based funds

1. BART - \$248 Million: System maintenance and repair
2. AC Transit - \$87 Million: Bus Replacement/Preventive Maintenance
3. SF Muni - \$316 Million: Expansion and maintenance facilities
4. VTA - \$123 Million: Expansion, safety, station area enhancements
5. Other operators: Rehabilitation and maintenance, expansion, safety and security

2. Leverage both Revenue and Population-Based funds

Operator	Amount (in millions)
<i>Revenue Share</i>	
AC Transit	87.1
BART	248.4
CalTrain	41.8
Golden Gate Transit	35.5
SamTrans	44.5
San Francisco Muni	316.9
Santa Clara VTA	123.3
Other Transit Agencies	24.5
<i>Population Share - MTC</i>	347.0
Regional Total	1,269

2. Leverage both Revenue and Population-Based funds

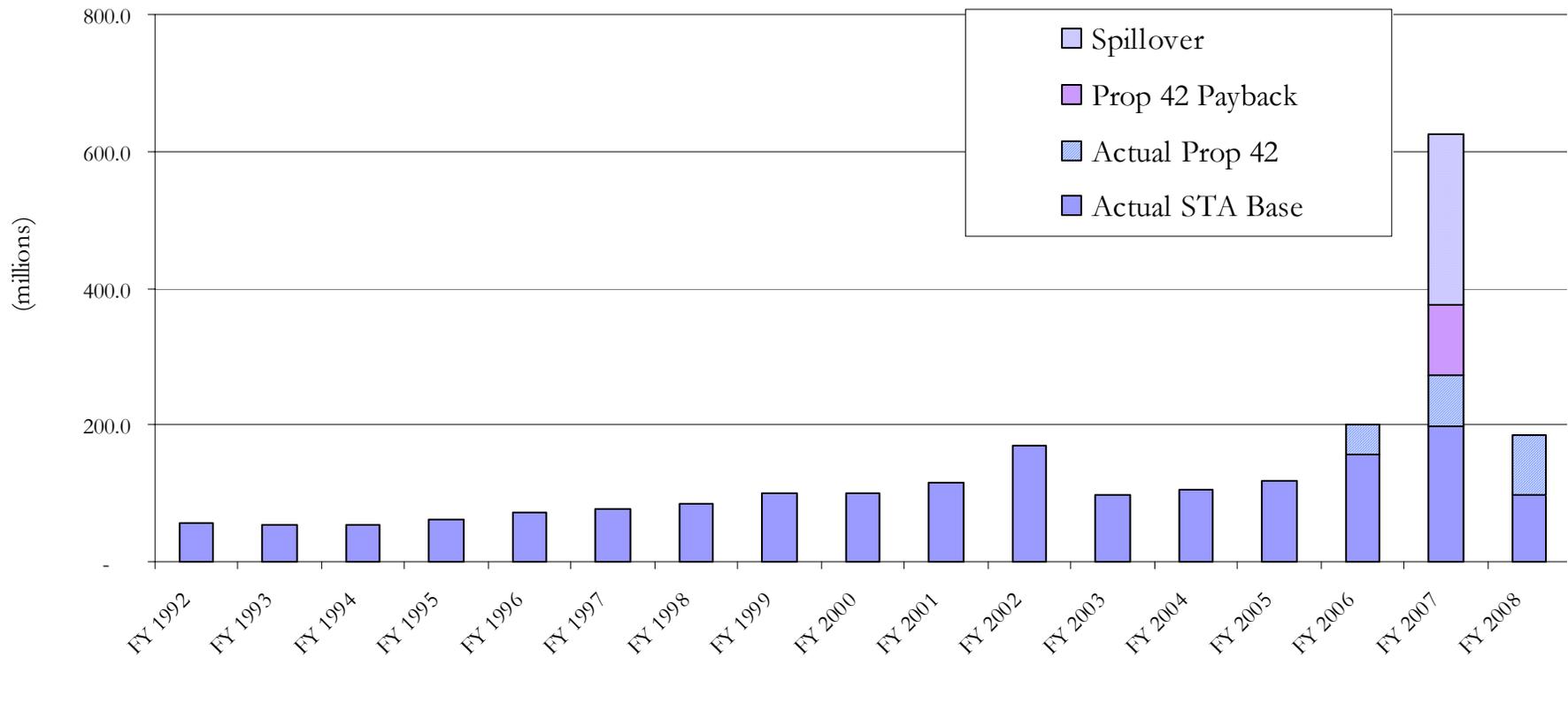
Resolution 3434 Project	Population Based (in millions)	Revenue Based (in millions)	Other Conditions
BART to Warm Springs	24	32	
San Francisco Muni Central Subway	100	100	Resolve Caltrain ROW issue
Santa Clara VTA Bus Rapid Transit	45	45	Resolve Caltrain ROW issue
Total	\$169	\$177	

Projects must demonstrate full-funding plan

3. Reserve For Unforeseen Revenue Swings

Historical Statewide STA Trend

(Nominal Values)



3. Reserve For Unforeseen Revenue Swings

- ▶ \$11 million from estimated STA Base Program and Proposition 42 Increment Surpluses
- ▶ Commission policy decision on whether to retain reserve or commit to projects/programs

4. Consolidate Administration of Regional STA Programs

- ▶ Convert STA Base and Proposition 42 Increment Policy to percentage-based allocations, maintaining Transportation 2030 Commitments
- ▶ Staff will develop a proposal for Bay Area Partnership review

Next Steps

DATE	ACTION
March/April 2007	Transit Finance Working Group, Partnership Technical Advisory Committee, Advisory Council, Elderly and Disabled Advisory Committee, and Minority Citizens Advisory Council review and comment.
March/April 2007	Partnership Board Reviews and Comments on Staff Proposal
May 9, 2007	Programming and Allocations Committee considers recommending proposal for adoption
May 23, 2007	Commission considers adoption of Proposition 1B Transit Population-based Program