

Proposition 1B: Regional Transit Funding



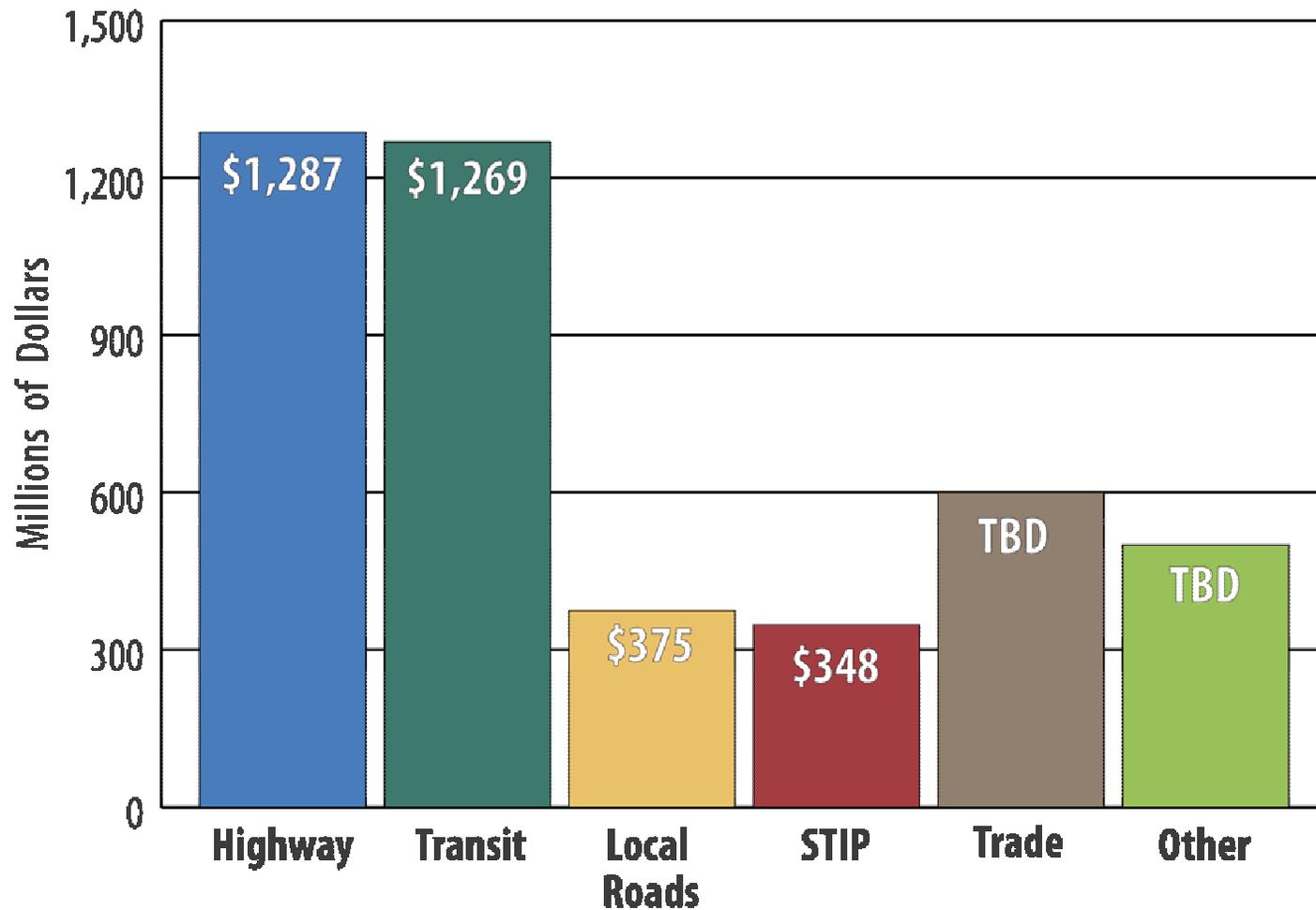
Revised Presentation

Commission Meeting

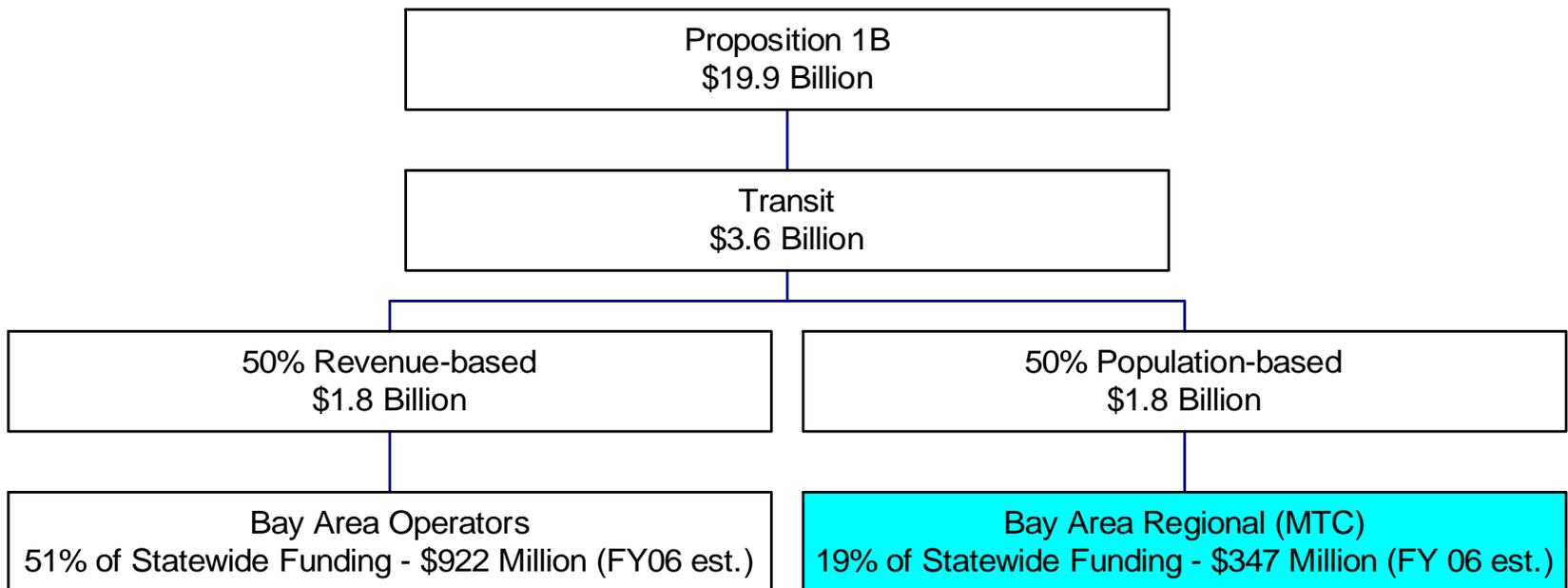
June 27, 2007

Proposition 1B – Transportation Bond

- ▶ Bay Area could receive over \$4 billion in funding



Proposition 1B Transit Overview



Three Funding Categories

Operating/Capital

STA Base Policy - 1991
Total 10-Year: \$198 M

North Counties/Small Operators: \$62 M
Paratransit: \$43 M
Regional Coordination: \$67 M

Estimated Surplus Funds: \$26 M

Operating/Capital

Proposition 42 Program - 2005
Total 10-Year: \$181 M

Translink: \$44 M
Lifeline: \$91 M

Estimated Surplus Funds: \$46 M

Capital

Proposition 1B Program - 2007
Total 10-Year: \$347 M

TBD - \$347 M

Total Funding Subject to Proposal: \$419 Million

Proposal to Date

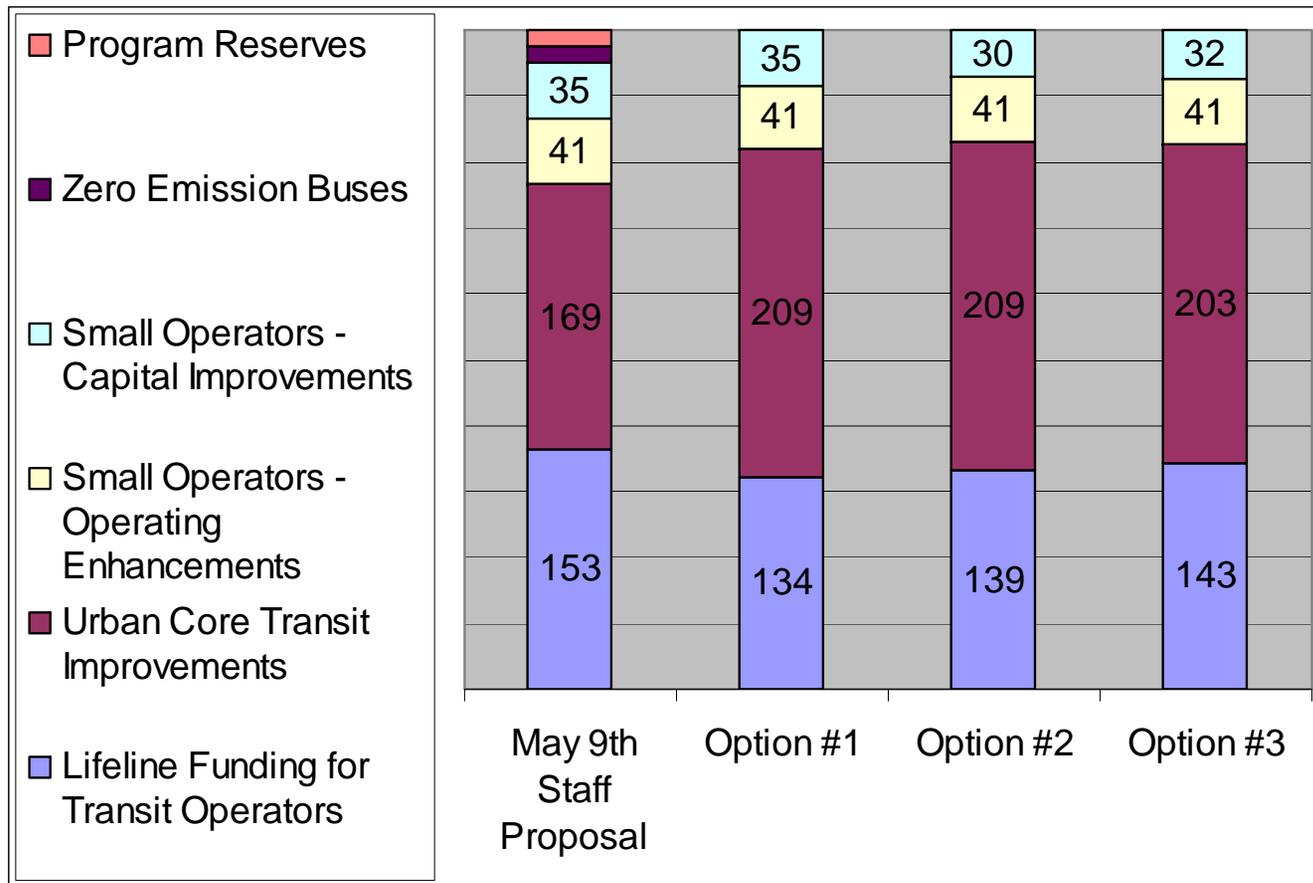
- ▶ January 12th - Legislation Committee directs staff to prepare a draft proposal
- ▶ March 7th - Staff proposal released
- ▶ March 7th - May 1st Staff receives input from:

Bay Area Partnership	County of Santa Clara Social Services Agency
MTC Advisory Council	Transbay Joint Powers Authority
MTC Minority Citizens Advisory Committee	Bay Area Council
MTC Elderly and Disabled Advisory Committee	Contra Costa Transportation Authority
BART	AC Transit
Napa County Transportation Planning Agency	San Francisco Chinatown Community Development Center
Solano Transportation Authority	Alameda County Congestion Management Agency
Sonoma County Transportation Authority	Urban Habitat
Transportation Authority of Marin	Santa Clara Valley Transportation Authority
Regional Welfare to Work Working Group	Transportation And Land Use Coalition

- ▶ May 9th - Staff receives additional direction from Programming and Allocations Committee, including response to BART matching offer
- ▶ May 23rd - Commission continues consideration until June meeting

Regional Transit Funding

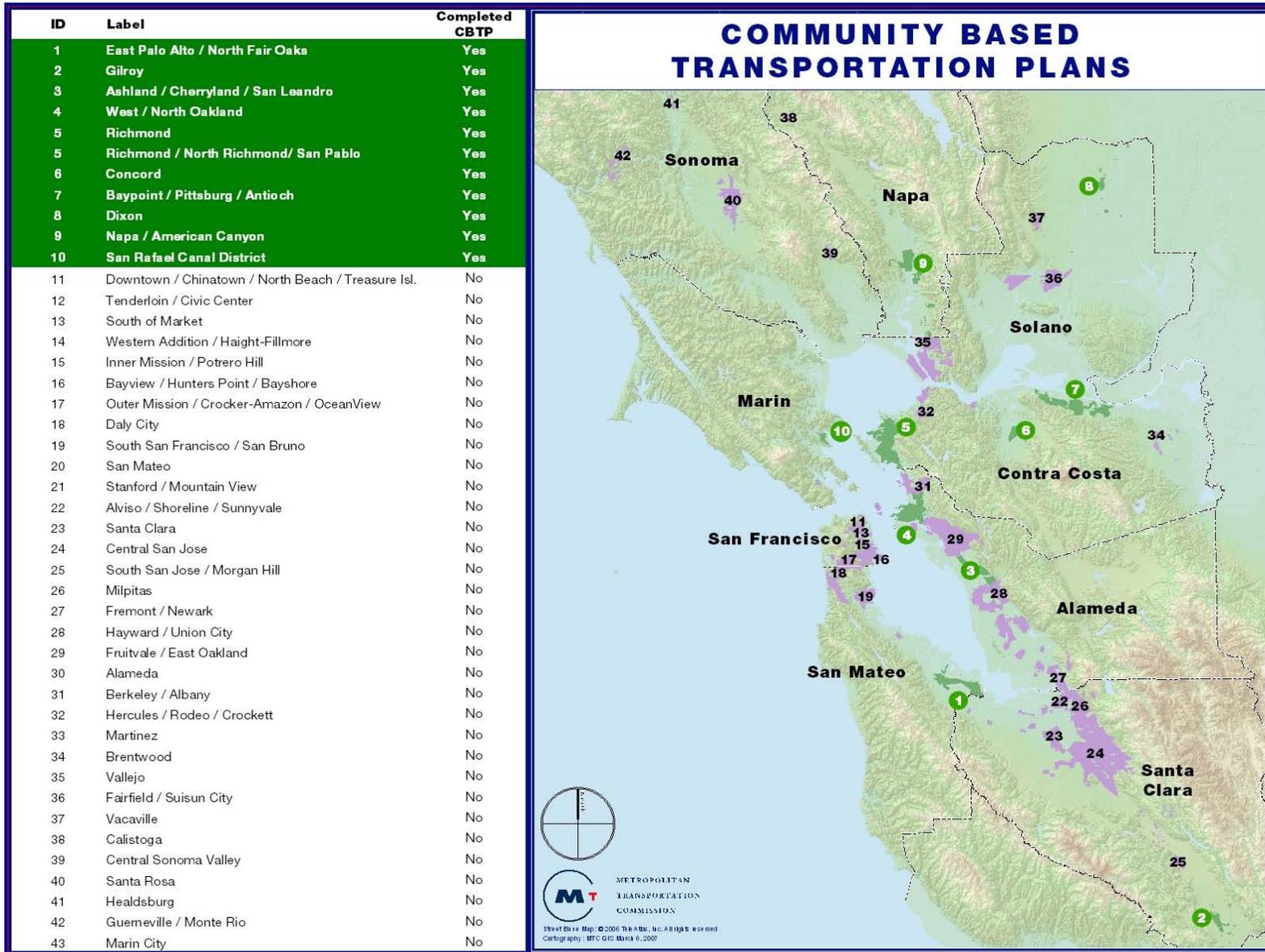
- Option 1 – Reduces Lifeline Capital Funding
- Option 2 – Reduces Lifeline and Small Operator Capital Funding
- Option 3 – Reduces Lifeline, Small Operator, and New Urban Core Funding



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 - *(Alternate fund source)*

1. Expand Lifeline Commitment



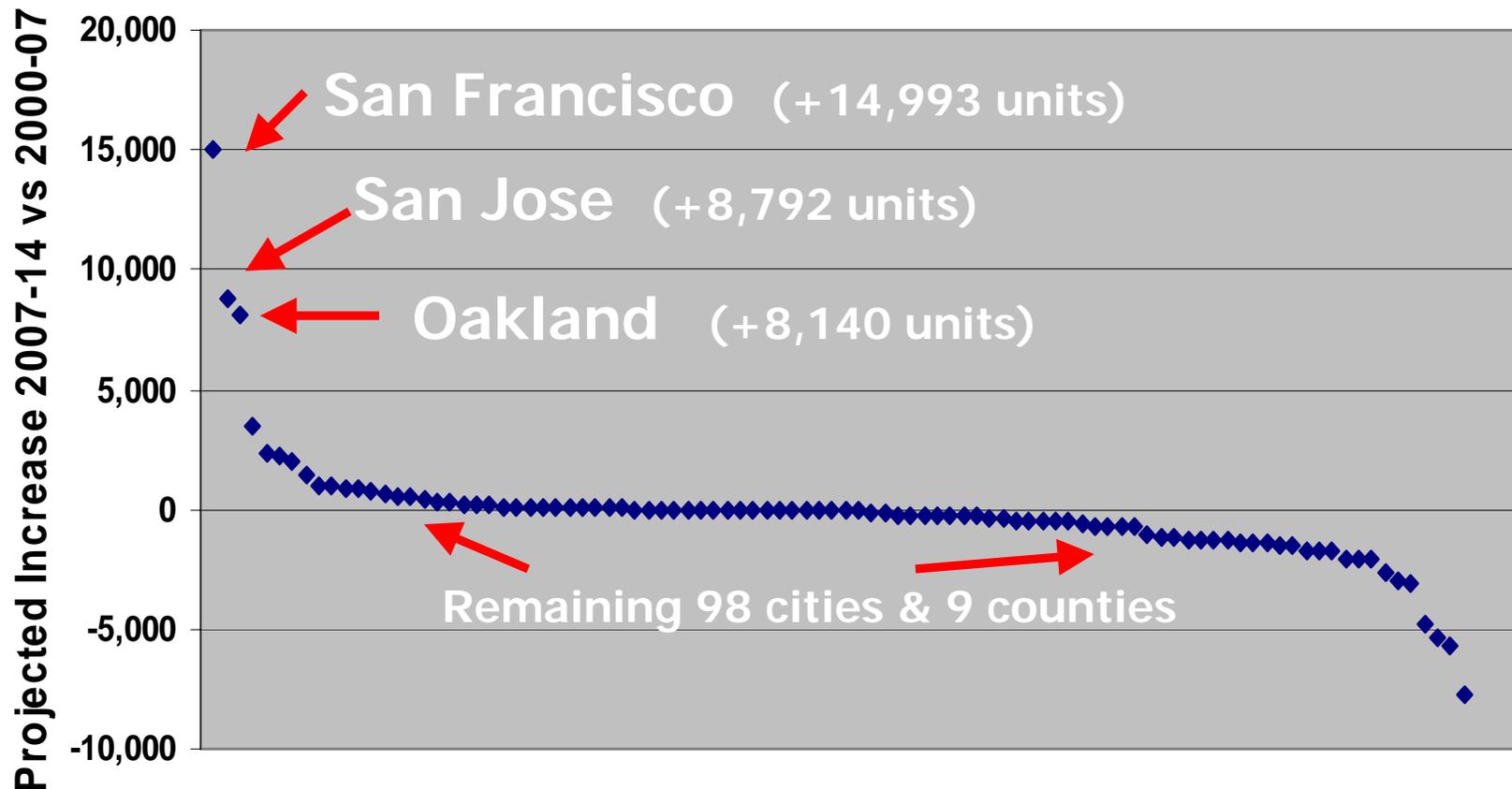
1. Expand Lifeline Commitment

Proposed Lifeline Funding County	(\$ Millions)			
	May 9th	Option #1	Option #2	Option #3
Alameda	42	37	38	39
Contra Costa	19	17	17	18
Marin	4	4	4	4
Napa	3	2	2	2
San Francisco	23	20	21	22
San Mateo	11	10	10	10
Santa Clara	33	29	30	31
Solano	8	7	8	8
Sonoma	10	8	9	9
Total	\$153	\$134	\$139	\$143

- Augments \$91 million of flexible capital/operating STA funding already committed to program over 10-year period
- Under Options 1-3, \$63 million will be available as operating - \$11 million more than prior proposal due to shift of reserves

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

(in \$ millions)

Project	May 9th	Option #1	Option #2	Option #3
San Francisco Muni Central Subway: Improve travel times in one of the region's most densely populated areas	100	100	100	100
Santa Clara VTA Line 522/523 Bus Rapid Transit: Improve travel times in heavily traveled Peninsula transit corridor. Also assists in resolving Caltrain ROW issue.	45	45	45	45
BART SFO Settlement Agreement: Stabilizes SFO extension service. Also strengthens funding plan for BART to Warm Springs project. (Approved by Commission in February action)	24	24	24	24
BART to Warm Springs: Initial segment connecting East Bay with San Jose, the region's largest city	0	20	20	17
eBART: Extends rail service in corridor serving "Community of Concern" in Eastern Contra Costa County	0	20	20	17
Total	169	209	209	203

3. Ridership Growth for Smaller Operators

Small Operators Investment Allocated by formula:

- ▶ \$41 million to address operating or capital needs - no change
- ▶ \$30 - \$35 million in capital funding
- ▶ Match requirement eliminated - freeing up \$15 - 17 million in local funds

(\$ in millions)	STA Base	Proposition 1B			
		May 9th	Option #1	Option #2	Option #3
Formula Distribution	<i>(No changes)</i>				
Small Operator	18.9	16.0	16.0	13.7	14.7
Northern Counties	22.5	19.0	19.0	16.3	17.3
TOTAL	41.4	35.0	35.0	30.0	32.0

4. Clean Air

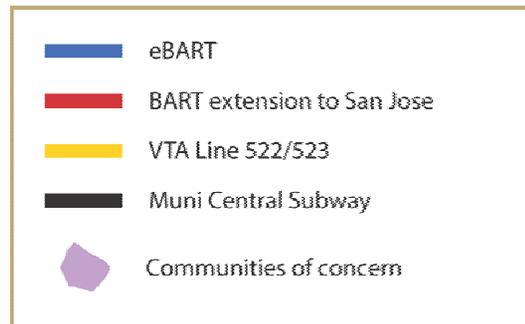
- ▶ Options 1-3 eliminate Proposition 1B funding for the regional Zero Emission Bus (ZEB) demonstration project
- ▶ Instead commit \$25 M in federal funds and work with partners to seek additional funding sources
- ▶ Total demo cost estimated at \$37 M

	Prior Prop 1B Amount (in millions)	Options 1-3 Prop 1B Amount (in millions)	Federal Backfill Amount (in millions)
Zero Emission Bus Purchases			
AC Transit	6	0	6
Santa Clara VTA	4	0	4
Total	\$10	\$0	\$10

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

What's Not Lifeline?

Most Urban Core Transit Improvements provide added service within “Communities of Concern”



Proposed Investments and Communities of Concern



What's Not Lifeline?

Low-income and minority riders constitute a significant percentage of Small Operator ridership

	Percentage of Minority Riders	Percentage of Low-Income Riders
Small Operators		
CCCTA	59%	29%
ECCTA	75%	32%
LAVTA	61%	35%
Union City	77%	19%
WestCat	76%	25%
Northern Counties		
Marin	56%	41%
Napa	51%	61%
Solano (includes Vallejo)	70%	27%
Sonoma	48%	65%

- Estimated percentages from FY 2006-07 Transit Passenger Demographic Survey
- Low-income defined as having household income less than \$25,000 annually
- Golden Gate Transit regional service not included due to multi-county distribution

Caltrain Right-of-Way Condition – Background

- Caltrain right-of-way acquired by Peninsula Joint Powers Board from Southern Pacific Railroad for \$220 M in 1991
- Acquisition funded by combination of Proposition 116 funds (\$124 M) and local funds (\$96 M)
- San Mateo County paid all but \$4 M of local share, advancing \$35 M for Santa Clara's share and \$8 M for San Francisco share
- Three counties signed an agreement in December 1991 pledging to "use their best efforts individually and collectively to advocate for and obtain from non-local sources grants to be used for reimbursement of the additional contribution" [i.e. San Mateo advance]

Caltrain Right-of-Way Condition – Settlement

- Settlement package totals \$53 Million
 - San Francisco = \$10 Million
 - Santa Clara = \$43 Million
- Funding Package Includes both Regional and Local Contributions
 - Regional = \$43 Million
(Regional Funding will be Population-Based Spillover)
 - Local = \$10 Million (SF=\$2M; SC=\$8M)
(Local Funding will be Revenue-Based Spillover)

Recommended Uses for Spillover Revenue

- No Spillover revenue assumed in 10-year estimate of \$419 million for Regional Transit Funding proposal
- Recommend Commission adopt policy to use new Spillover revenue on a “first call” basis to:
 - restore any reductions in approved option
 - provide regional funds for Caltrain Right-of-Way settlement
- New Spillover revenue exceeding these “first call” items would flow to consolidated STA program categories

Proposed “First Call” Spillover Commitments

- Restore Programs under Options 1-3: **\$19 Million**
- Regional Contribution to SamTrans in Caltrain Right-of-Way Settlement: **\$43 Million**
- Total Spillover Commitment = **\$62 Million**
- Annual distribution would be proportional as follows:
 - Program Restoration: 31%
 - SamTrans Reimbursement: 69%

5-Year Spillover Scenarios: MTC Population-Based Program

In Millions \$

	Current Budget FY 2008	Based on LAO Base Projections for Spillover			
		FY 2009	FY 2010	FY 2011	FY 2012
Spillover Statewide	827.0	756.5	703.2	661.2	618.0
Scenario 1 (Assumes STA statutory share of 100% of Spillover)	27.7	35.9	33.4	31.4	29.4
Cumulative	27.7	63.6	97.0	128.4	157.8
Scenario 2 (Assumes STA statutory share of 75% of Spillover)	20.8	27.0	25.1	23.6	22.0
Cumulative	20.8	47.7	72.8	96.3	118.3
Scenario 3 (Assumes STA statutory share of 50% of Spillover)	13.8	18.0	16.7	15.7	14.7
Cumulative	13.8	31.8	48.5	64.2	78.9

* MTC Population Share Estimate is 19%

 Expected Final Year of Spillover Payback Under Revenue Scenarios

Spillover Risks

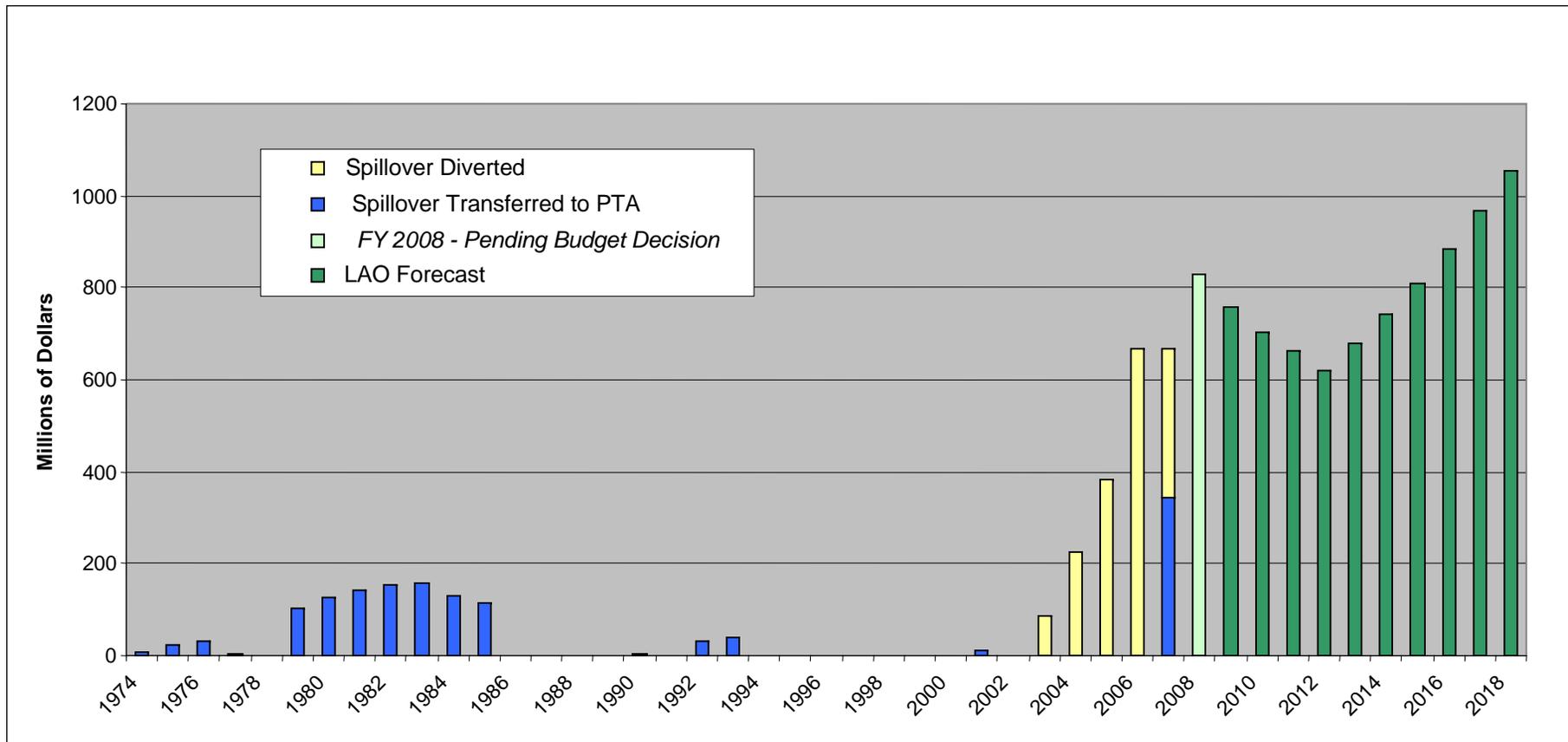
Risk #1: Price Risk

Mitigation: None

Risk #2: Appropriation Risk

Mitigation: Advocate for legislative fix that folds Spillover revenue into constitutional protections of Proposition 42

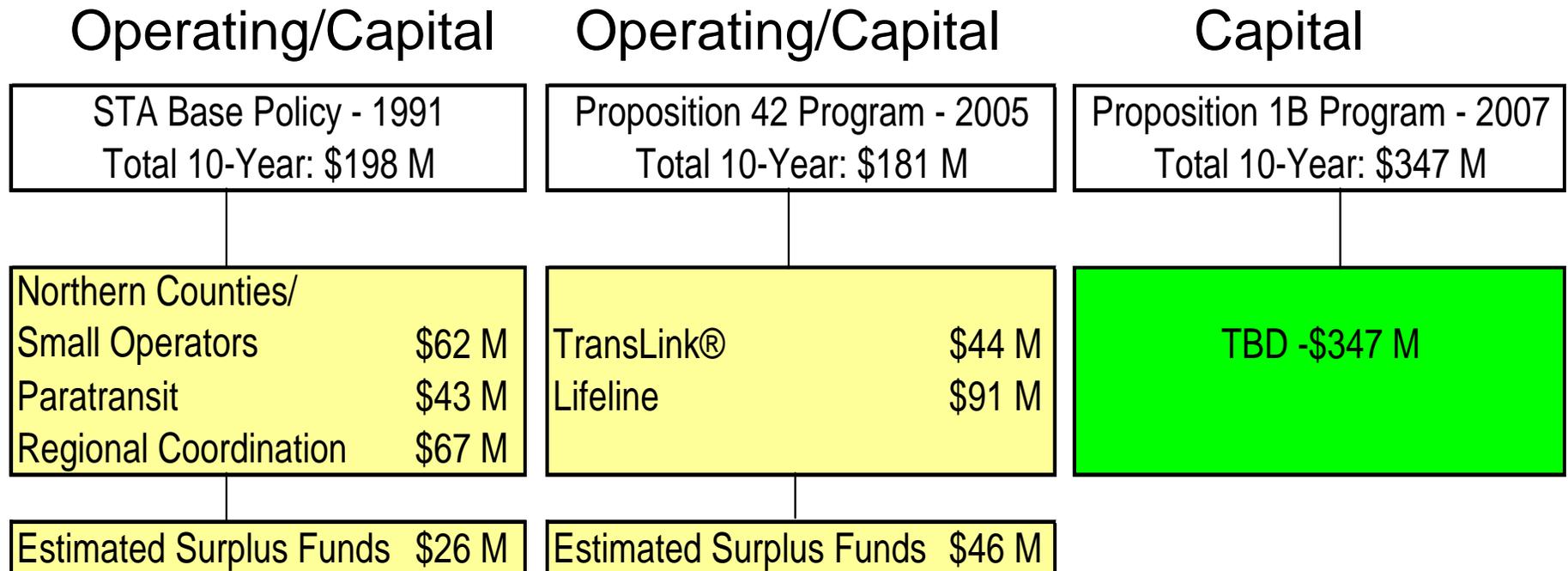
Historic and Projected Statewide Spillover

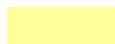


STA Policy Considerations

- Migrate existing STA Base, Prop 42 Increment and other revenues into a consolidated STA Program
- Fixed percentages normalize program and assists transit operators in financial planning
- Fixed percentages allow all program categories to grow with more robust revenue generations, including Spillover
- Distribution slated to begin in FY 2008-09. Staff will return before then to amend STA population-based policy.

Consolidated STA Policy



 = Funding Subject to Consolidated Program