## Regional transportation committee eyes 2026 ballot measure for Bay Area transit funding

Task force meeting through October to devise a plan



A drone view of a BART train in West Oakland, Calif., on Monday, April 15, 2024. (Jane Tyska/Bay Area News Group)



By **KRISTIN J. BENDER** | kbender@bayareanewsgroup.com | Bay Area News Group UPDATED: August 26, 2024 at 11:14 a.m.

A regional committee of transit officials, lawmakers, union and business representatives and community groups has been formed to explore ways to help keep BART from falling off a fiscal cliff and ensure other Bay Area transit agencies are solvent.

The 18-member Transportation Revenue Measure Select Committee began meeting in June to develop recommendations for placing a transit funding measure on the 2026 ballot. The committee will meet through October to determine what kind of measure to position for the ballot, what it would fund and how it would be paid for.

Since the pandemic, public transportation ridership levels in the Bay Area have grown steadily but still fail to reach pre-pandemic levels. With state and federal aid drying up, transportation agencies in the region are expected to see budget shortfalls totaling at least \$600 million each year — enough to trigger massive service cuts that would significantly disrupt the economy, convenience and climate goals — according to estimates from the Metropolitan Transportation Commission (MTC).

The formation of the committee comes as BART is facing a \$35 million deficit in fiscal year 2026. The funding measure can't move forward, however, unless state lawmakers pass legislation allowing it to be placed on the ballot. It could also compete with a regional measure to fund affordable housing that was pulled last minute from the 2024 ballot and could wind up on the 2026 ballot.

Jim Wunderman, the president and CEO of the Bay Area Council, sits on the committee that is probing a possible funding measure.

"Folks on the task force don't agree on what the source of the funds should be, and based on the polling, the public doesn't want this, and we don't agree with each other, so it is a heavy lift," he said.

The bill would have authorized regional transportation regulators to put the funding measure on the 2026 ballot in an effort to help stabilize public transportation, avoid operational cuts and improve transit service.

The bill would have given the MTA a green light to seek a sales tax, payroll tax, property tax or vehicle registration surcharge lasting up to 30 years. But in pulling the plug, MTC leaders said they needed more time to "build a consensus on how to structure a regional measure that protects Bay Area transit service into the future."

More than two dozen organizations, including the California Taxpayers Association, the California Association of Realtors and the California Chamber of Commerce, also opposed the bill, saying in a letter that SB 1031 created a competitive disadvantage for Bay Area businesses and excessive sales taxes for working families and businesses. Both the California Taxpayers Association and the California Chamber of Commerce said they had not yet heard about the new committee looking into a potential ballot measure for the same year.

It's not clear what exactly any future ballot measure would fund, but a survey of voters by polling company EMC Research last year found lackluster support for taxes to reduce Bay Area traffic, repair potholes and improve and expand public transit service. The survey found that 55% of voters would approve a half-cent sales tax for transportation improvements, 51% would approve a 0.17% income tax, and 55% would approve a 0.36% payroll tax. That currently is not enough support to pass a funding measure.

EMC Research said in a presentation to the task force last month that "Bay Area voters have been in a pessimistic mood, and are sensitive to tax increases."

"There's very low appetite for any type of tax right now," said committee member David Canepa, a San Mateo County supervisor.

A <u>poll last fall</u> by the Bay Area News Group and Joint Venture Silicon Valley also found little enthusiasm for new taxes.

The poll of 1,802 registered voters in Santa Clara, Alameda, Contra Costa, San Francisco and San Mateo counties conducted by Embold Research found 56% say commuter rail — BART, Caltrain and light rail, such as VTA and Muni Metro — is important for the Bay Area and must be maintained even if it costs taxpayers more money.

But that's not enough support to meet California's current two-thirds approval threshold for such special taxes and would barely clear the lower 55% requirement for such measures that state lawmakers are asking voters to approve this fall.

Wunderman points to a 2023 poll by the council that shows that BART could see up to 300,000 more trips over the course of the work week, pushing ridership above 50% of pre-pandemic levels, if crime, safety and cleanliness were more swiftly addressed.

"I don't think we can pass a measure without restoring public confidence in safety," Wunderman said. "I think once that is done, the public will be way more open to funding support."

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