

Regional Measure 3 Program Overview

RM3 Independent Oversight Committee

March 4, 2024

MTC Staff

Agenda Item 5a Attachment A



**METROPOLITAN
TRANSPORTATION
COMMISSION**

RM3 Background

- Voters approved a \$3 toll increase on state-owned bridges to be phased in over six years starting January 1, 2019
- RM3 Expenditure Plan identified capital and operating investments to improve transportation system regionwide
- Legal challenges delaying release of RM3 funds were dismissed in early 2023

RM3 Expenditure Plan

- California Streets and Highways Code (Section 30914.7) defines RM3 capital and operating expenditure plans
- Capital program:
 - 35 named projects/programs
 - \$4.45 billion
- Operating program:
 - 3 named projects
 - Up to 16% of RM3 revenues annually, up to \$60 million

Role of Independent Oversight Committee

“[BATA] shall establish an independent oversight committee ...to ensure that any toll revenues generated pursuant to this section are expended consistent with the applicable requirements set forth in Section 30914.7”

“The oversight committee shall annually review the expenditure of funds by the authority for the projects and programs specified in Section 30914.7 and prepare and submit a report to the transportation committee of each house of the Legislature summarizing its findings.”

Review of Expenditures

- Annual review of capital and operating allocations made by Commission
- Annual review of reimbursement amounts paid against capital and operating allocations

RM3 Policies and Procedures

- MTC adopted Resolution No. 4404 establishing RM3 Policies and Procedures to provide guidance for the administration of capital and operating funds
- Above and beyond statutory requirements
- Covers allocation and funding agreement process, expenditures and reimbursements, timely use of funds, monitoring and reporting requirements, and more

RM 3 Expenditure Plan Updates Are Allowed

- Legislators anticipated that changes might need to be made to the expenditure plan over time, so spelled out the process to do so.
- Circumstances include if a project has cost savings after completion, cannot be completed or cannot continue, or is to be implemented with non-toll funds.
- MTC must first consult with project sponsor and hold a public hearing. It may then vote to modify scope, decrease level of funding, or reassign some or all the funding to another project within the same bridge corridor.

Changes to RM3 Expenditure Plan to Date

- One such public hearing process and set of expenditure plan modifications has taken place to date
 - Public hearing date: December 13, 2023
 - Expenditure plan modification approval: January 24, 2024
 - Modified five projects and reassigned \$16.7 million in capital funds
- Changes clarified scope elements and project limits, and reconciled a loan arrangement by transferring funding between two projects resulting in a net zero change

Capital Allocations to Date

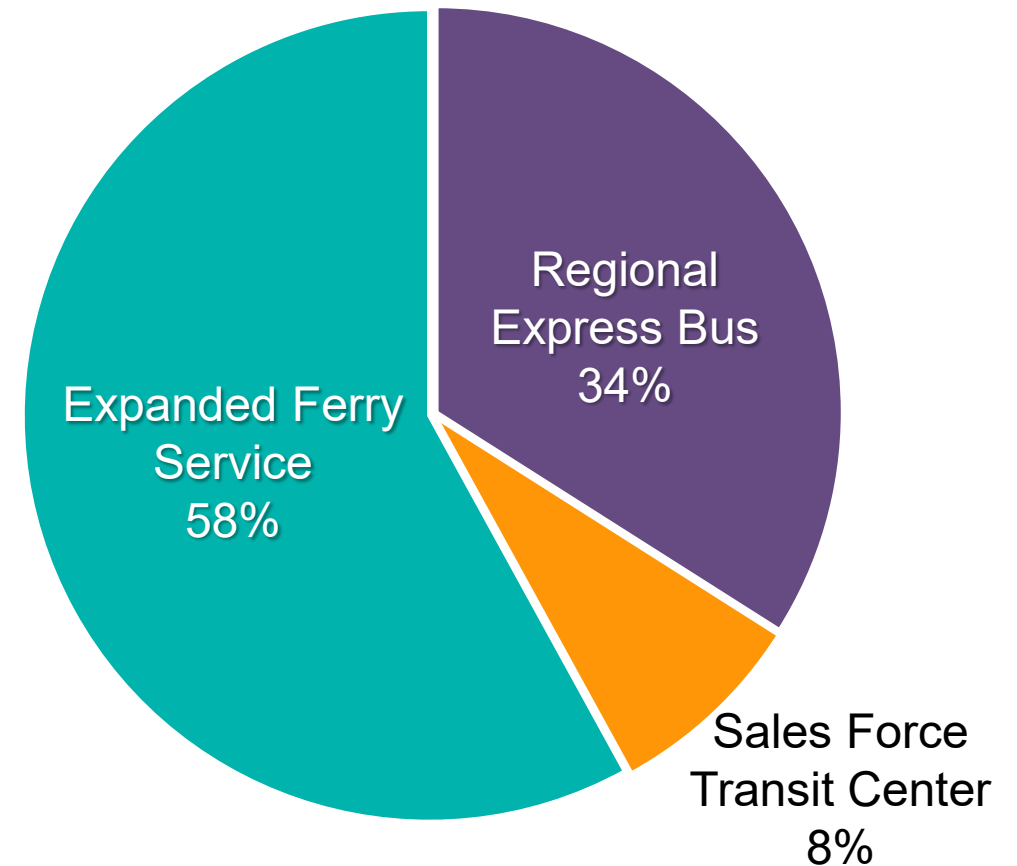
- Allocations began in June 2023
- Through February 2024:
 - \$911 million in allocations have been made overall
 - Allocations have been made to 21 of 35 projects listed in statute

RM3 Operating Program Update

RM 3 Operating Program Overview

- Maximum of 16% of RM3 revenues annually for operating assistance
- Three components and their funding levels are listed in statute
- Operating funding is for transit service, including ferry and express bus service, and the operation of the Salesforce Transit Center, the major transit hub in downtown SF operated by the Transbay Joint Powers Authority.
- Supports existing, more frequent, or new transit service.

RM3 Operating Program
(16% Annual RM3 Revenue)



RM3 Operating Program Policies and Procedures – Express Bus Prioritization Criteria

- Commission adopted interim methodology to identify Express Bus funding levels for FY2022-23 year only
- FY2022-23 Express Bus funding levels are based on recent RM2 operating program revenue reductions plus ridership
- Future funding distributions will consider factors including ridership, equity, regional connectivity, and alignment with regional policies

RM3 Operating Program FY2022-23 Summary

Operating Program Sponsor	Amount
Regional Express Bus	
AC Transit	\$5,528,407
County Connection	\$74,253
Golden Gate Transit	\$1,923,398
LAVTA	\$486,187
Napa Vine	\$262,159
SolTrans	\$1,840,625
Tri Delta Transit	\$239,613
WestCAT	\$1,145,359
Regional Express Bus Subtotal	\$11,500,000
Transbay Terminal	
TJPA (FY2022-23 Operating Assistance)	\$2,700,000
TJPA (FY2019-20 through FY2021-22 Operating Assistance)	\$4,776,650
FY2022-23 Operating Program Total	\$18,976,650

RM3 Capital Program Update

RM3 Capital Expenditure Plan Overview

Capital Program	Amount (in \$Millions)
Regional Programs	\$1,550
Central (San Francisco-Oakland Bay Bridge)	\$780
South (San Mateo-Hayward, Dumbarton)	\$985
North (Richmond-San Rafael, Benicia-Martinez, Carquinez, Antioch)	\$1,135
Capital Program Total	\$4,450

RM3 Capital Allocation and Reimbursement “Guardrails”

The RM3 Policies & Procedures include protections and discretion for MTC in reviewing and approving capital allocation requests, including:

- Staff review of allocation requests against RM3 statute and P&Ps
- Project sponsor resolution of compliance with RM3 statute and P&Ps
- Allocation on reimbursable basis, requiring invoicing of eligible costs incurred after allocation approval
- List of allocation principles to be considered in allocation decisions
- Timely use of funds, including allocation expiration date based on project cash flow plan

RM3 Capital Allocation Request Timeline

- June 2023 Programming and Allocations Committee & Commission: Allocations were considered for projects with Letters of No Prejudice (LONPs) that had begun expending funds or expected to by the end of FY23; with limited flexibility for other projects with immediate expenditure expectations
- July 2023 PAC/Commission: Allocations were considered for any other projects ready for RM3 funds, subject to RM3 P&Ps and guardrails discussed on earlier slides
- Subsequent months: Continue to consider allocations as requested by sponsors
- RM3 P&Ps require sponsors to submit materials 60 days prior to requested committee date.

Questions?

Staff Contacts

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