**Metropolitan Transportation Commission and Association of Bay Area Governments**
**Joint MTC ABAG Legislation Committee**

**June 12, 2026** **Agenda Item 4c – 26-0710**

# Assembly Bill 2308 (Haney): Redevelopment Successor Agency Debt: City and County of San Francisco

**Subject:**

Allows the successor agency to the former Redevelopment Agency of the City and County of San Francisco to enter into agreements with the Transbay Joint Powers Authority (TJPA) and the City and County of San Francisco to extend pledges of net property tax increment for Transbay-related infrastructure financing.

**Background:**

The Transbay Redevelopment Plan ("Transbay Plan"), adopted in June 2005, guides the redevelopment, rehabilitation and revitalization of approximately 40 acres in downtown San Francisco, including former state-owned parcels that are central to The Portal's financing structure. The Portal Project (also known as the Downtown Rail Extension) will connect Caltrain and California's High-Speed Rail service into the existing train box beneath the Salesforce Transit Center. TJPA is the project sponsor and MTC is one of five project partners.

The Portal's $7.6 billion funding plan includes net property tax increment revenues attributable to the former state-owned parcels. Under the Transbay Plan and related agreements that are jointly implemented by TJPA and San Francisco's Office of Community Investment and Infrastructure (OCII) (the successor to the Redevelopment Agency of the City and County of San Francisco), the net property tax increment revenues are pledged to TJPA through 2050 to support Transbay-related infrastructure.

Assembly Bill (AB) 2308 authorizes TJPA and OCII to amend the existing agreements to extend the pledge of net tax increment revenues to TJPA beyond the current 2050 expiration date, among other provisions. Although AB 2308 does not specify a new termination date, TJPA staff indicate the parties intend to use the authority to extend the agreement through 2075.

**Recommendation:**

Support / Commission

**Discussion:**

Net tax increment proceeds have been an important component of TJPA's funding plan for The Portal for decades. That plan assumes TJPA will bond against the net tax increment. According to TJPA, the COVID-19 pandemic and changes in market conditions for development on the former state-owned parcels have significantly reduced projected tax increment revenues. TJPA estimates these changes have reduced net tax increment-related bonding capacity by an estimated $275 million, creating a gap in the local funding commitment needed to secure a federal Full Funding Grant Agreement (FFGA) from the Federal Transit Administration's Capital Investment Grant program of up to $3.4 billion. Extending the net tax increment collection period from 2050 to 2075 is expected to restore an estimated $188 million in net present value bonding capacity.

AB 2308 revises state law to allow TJPA and OCII to extend that collection period. Importantly, it would not create new obligations or create a new revenue source. Rather, the bill authorizes the parties to extend the existing pledge within the current financing framework.

As a project partner, MTC's role is to bring a regional perspective in risk management and change management to ensure responsible use of funds, consistency with policy commitments and delivery of the project as a part of the broader transportation network. The Portal is one of the Bay Area's highest priority transit capital expansion projects, and AB 2308 would help shore up the local matching funds needed to secure the FFGA. Without this authority, TJPA would need to identify alternative local funding sources, which would weaken the project's federal funding strategy. Given this, staff recommends MTC adopt a support position on AB 2308.

**Known Positions:**

See Attachment A

**Attachments:**

- Attachment A: AB 2308 Known Positions

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