

# C/CAG

## CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

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December 6, 2024

MTC Commissioners  
Bay Area Metro Center  
375 Beale Street  
San Francisco, CA 94105

RE: #6b Regional Transportation Measure

Dear Chair Pedroza, Vice Chair Josefowitz and Commissioners:

San Mateo County and the Bay Area need robust and fiscally sound public transit, a fully integrated world class transit system, and safe streets and other critical multimodal investments. We appreciate MTC's efforts to address this important and difficult task.

C/CAG is the County Transportation Agency (CTA) and the designated Congestion Management Agency (CMA) for San Mateo County. C/CAG represents all of San Mateo County's 764,442 residents through its 21-member Board of Directors, with each jurisdiction in the County having a dedicated seat. C/CAG works to improve climate resiliency, mobility, the environment, and equity throughout San Mateo County.

C/CAG has been actively engaged in the earlier discussions about a regional transportation measure and SB 1031. At the November 14<sup>th</sup> meeting, the C/CAG Board of Directors authorized this letter expressing San Mateo County's critical concerns and that support for a potential regional measure will necessitate the addressing of these concerns.

San Mateo County is unlikely to support the current proposals because MTC has failed to make the following requested changes or accommodations, which are provided in greater detail below:

- Failure to include opt out language,
- Lack of flexibility and multi-modal investments,
- Lack of robust return to source guarantees,
- Lack of regional transit accountability and transformation measures, and
- Concern about taxation levels and detrimental impact on local funding sources.

### **Failure to Include Opt-Out Language**

Among all the Bay Area counties, San Mateo County has the most risk related to the renewal of a local sales tax measure because Measure A expires the earliest in 2033. A renewal ballot measure might occur as soon as 2028. This schedule means that if there is a regional measure in 2026, individuals and

businesses will begin feeling and absorbing the increased taxes right as San Mateo County is beginning to mobilize for a sale tax renewal in 2028. Adding language allowing San Mateo County to opt out if the regional measure conflicts with or jeopardizes the renewal of Measure A is critical.

### **Lack of Local Flexibility and Multi Modal Investments**

It is crucial to ensure a balanced investment across various modes to address the variety of mobility needs and garner widespread support. Most taxpayers in San Mateo County work in San Mateo County and drive or carpool to work. We are strategically expanding our bicycle and pedestrian networks. Pavement management is an ongoing concern for our voters and several of our cities have the lowest Pavement Index in the region. In addition, there needs to be funding opportunities to address transportation challenges in our rural and coastal communities, which are just as critical as our urbanized areas and support our tourism industry. Multimodal investments in transit, active transportation, roadway improvements, and grade separations that are consistent with MTC's Plan Bay Area have a better chance to create broader coalitions of support from our communities and other key stakeholders.

### **Lack of Robust Return to Source Guarantees**

Any regional measure must include robust return to source provisions to ensure that a substantial portion of revenue generated by taxpayers within each County is directly reinvested in that County on an annual basis. Each County should have sole decision-making authority over the vast majority of the revenue raised within that County. The current MTC proposals do not include sufficiently robust return to source provisions or adequate County decision making authority. For example, as proposed, MTC would have decision making authority to allocate all or almost all the funding in the first 10-15 years of the Scenario 1A and the Hybrid Scenario. This lack of local decision-making authority is untenable in San Mateo County. Furthermore, any County expenditure plan must be approved by both C/CAG and the San Mateo County Transportation Authority as both agencies have a role in transportation planning and project implementation in San Mateo County.

### **Lack of Regional Transit Accountability and Transformation Measures**

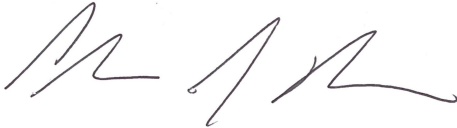
San Mateo County has a long history of providing capital, operating, and fare surcharge funding regional transportation facilities such as Caltrain and BART. Recent polls clearly show the public wants transportation transformation including seamless transfers, cleaner and safer operations and stations, real time information, improved lighting, better signage, and new fare gates. Funding the status quo is not acceptable. MTC's current proposals do not specifically set forth the transformation measures important to the public. There must be full transparency regarding regional transit's efforts to transform transportation, align service with existing post-pandemic ridership trends and scale its operations appropriately, plus transparent and responsible fiscal management of administration overhead costs. Assumptions about funding for pandemic fare loss must be standardized, reflect an objective third party accounting of the costs, an equitable distribution, and a limited duration. It is vital to have a fair and transparent accounting of future potential funding investments to build consensus for a transformative regional transportation measure in San Mateo County. If there are county contributions to regional transit, all participating counties must contribute their proportionate amount.

## **Concern about Taxation Levels and Detrimental Impact on Local Funding Sources**

In San Mateo County, a ½ sales tax would increase the sales tax rate over 10% in 10 of our cities representing a majority of our population. Counties have varying levels of sales taxes rates, with some higher than San Mateo County, and also some considerably lower than San Mateo County. There are significant concerns about tax fatigue among voters, economic competitiveness, and other negative economic impacts of increasing sales tax rates or parcel taxes. Additionally, the twenty cities in San Mateo County will likely raise significant concerns about a potential parcel tax increase because they (and our schools) rely heavily on parcel taxes for operations and infrastructure.

Thank you for this opportunity to comment. If you have any questions, please contact Sean Charpentier, C/CAG Executive Director, at [scharpentier@smcgov.org](mailto:scharpentier@smcgov.org).

Adam Rak

A handwritten signature in black ink, appearing to read 'Adam Rak', with a stylized, cursive script.

C/CAG Chair

cc:

Senator Josh Becker  
Senator Scott Weiner  
Assembly Member Phil Ting  
Assembly Member Diane Papan  
Assembly Member Marc Berman