

Legislative Update:

- **Cap and Invest Extension**
- **SB 63 (Wiener, Arreguín)**



San Francisco
County Transportation
Authority

Community Advisory Committee - Agenda Item 4
September 24, 2025

Cap and Invest Extension



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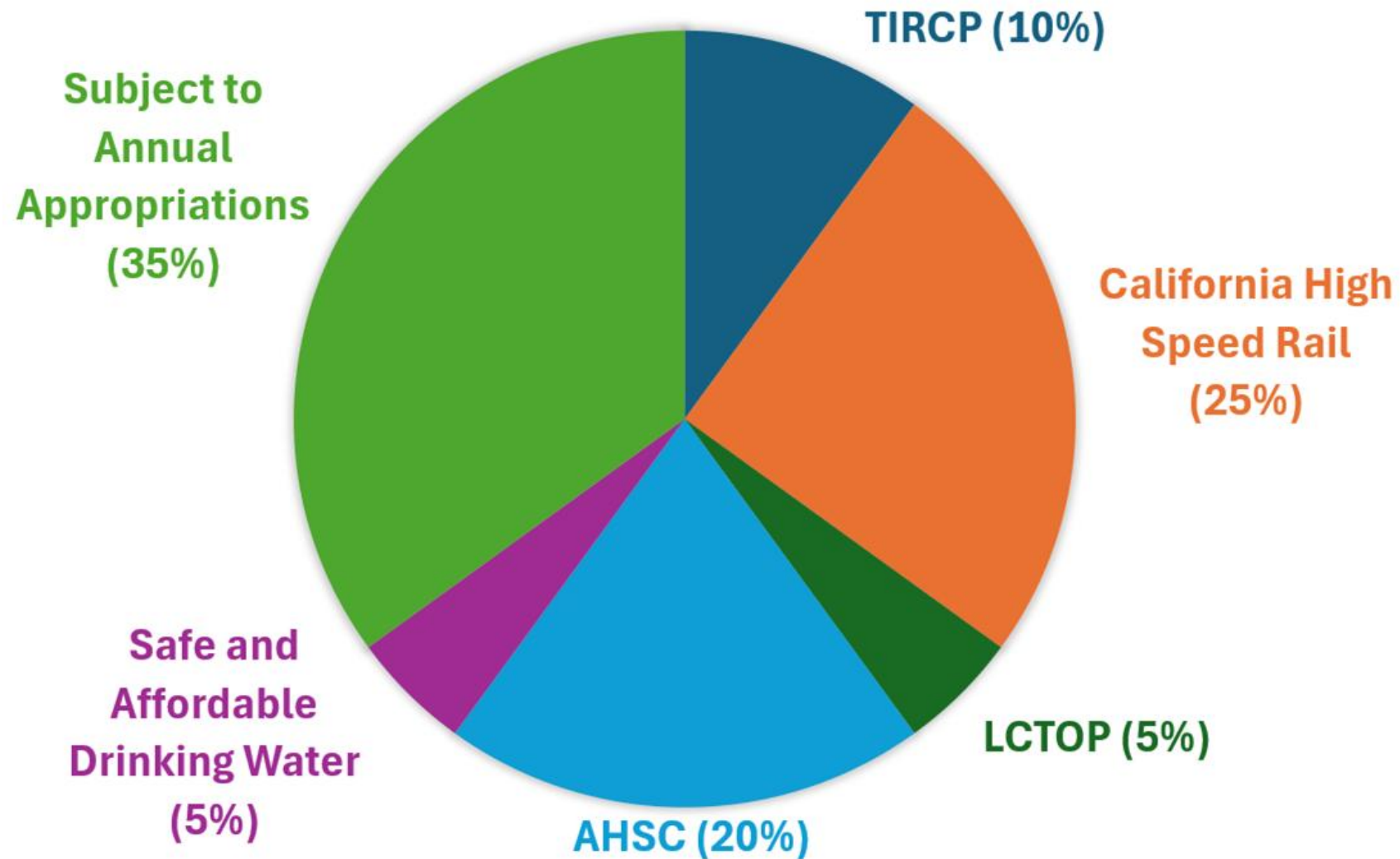
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Existing Greenhouse Gas Reduction Fund

Expires 2030

Auction proceeds have
raised ~\$4 billion/year

65% continuously
appropriated, 35%
subject to annual
appropriation



Affordable Housing Sustainable Communities Program (AHSC), Low Carbon Transit Operations Program (LCTOP), Transit Intercity Rail Capital Program (TIRCP).

Cap and Invest Extension Priorities

- Needed to increase auction proceeds, provide program stability, and enable long term funding commitments
- San Francisco Transportation Priorities
 - Maintain and increase continuous appropriations for transit operations and capital grant programs
 - Provide investment in High Speed Rail “bookend” projects in Northern and Southern California

High Speed Rail Bookends Request (NorCal+SoCal)

- Bay Area seeking \$2.2 billion for projects that serve High Speed Rail corridor over 14-year extension
 - San Francisco Portal and Fourth & King Railyards
 - San José Diridon Station, including integration with BART to Silicon Valley Phase 2
 - San José to Gilroy Electrification - project development
 - San Mateo Grade Separations and Corridor-wide Crossing Safety Upgrades
- SoCal seeking \$3.8 billion



Cap and Invest Extended

- **Signed by Governor** On September 19
- Extended program to 2045
- New expenditure plan starting July 1, 2026
- Off the top - \$1 billion for High Speed Rail, \$1 billion for Legislative appropriation annually
- Next ~\$2 billion distributed annually to continuously appropriated programs, up to spending limits, including
 - Transit Intercity Rail Capital Program - \$400 million
 - Low Carbon Transit Operations Program - \$200 million

Senate Bill 63 (Wiener, Arreguín) Connect Bay Area Act



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Senate Bill 63 Updates

- Senators Scott Wiener and Jesse Arreguín released final round of amendments on September 8
- Bill passed out of Assembly and Senate on September 12 and 13, respectively and is headed to the Governor's desk for signature



Senate Bill 63 Overview

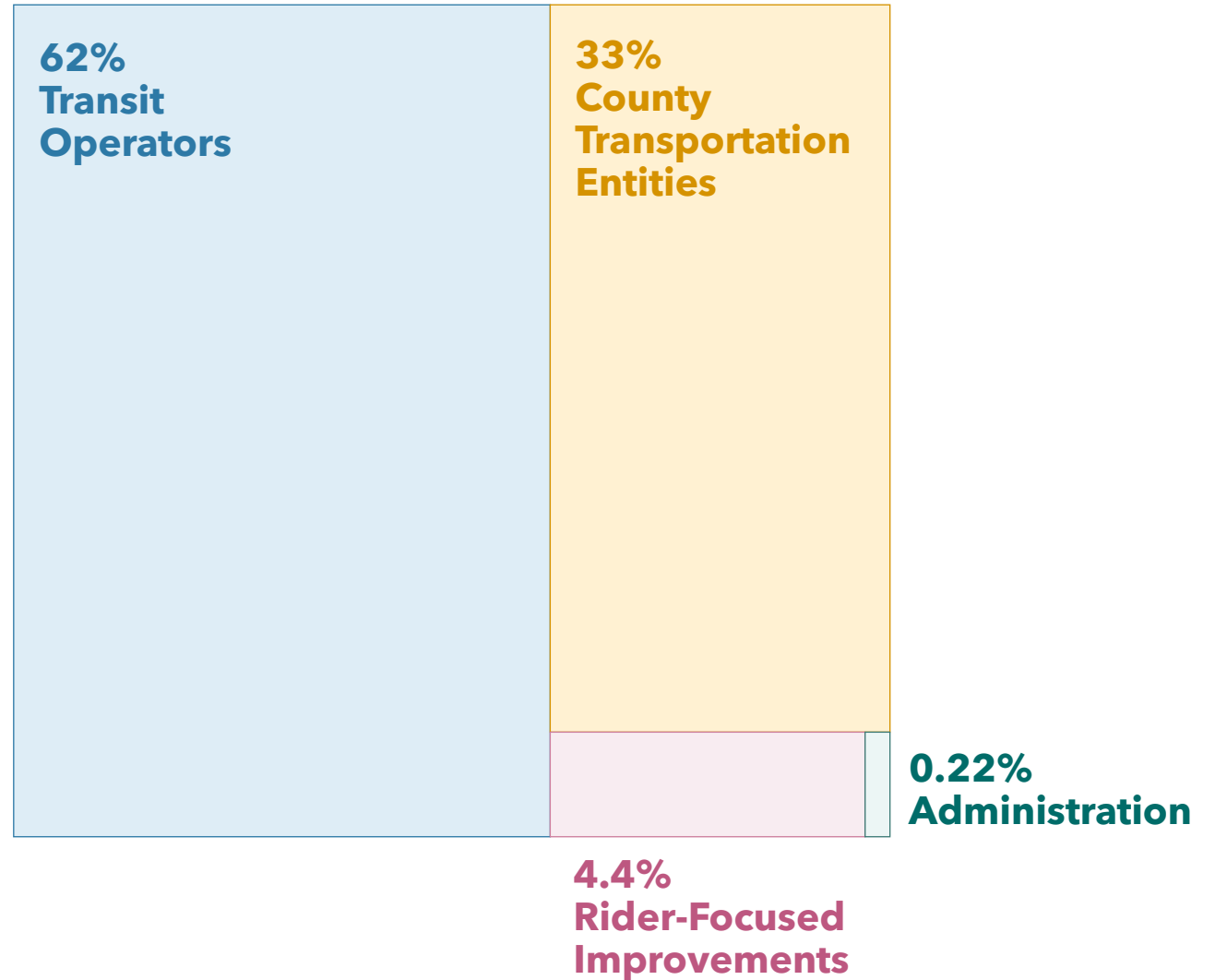
- Establishes a Public Transit Revenue Measure District across five counties
- Authorizes a ½-cent sales tax across the District with a 1-cent sales tax rate in San Francisco
- November 2026 ballot, 14-year duration
- Metropolitan Transportation Commission (MTC) will serve as governing body

| | BASE SALES TAX RATE (CURRENT) | BASE SALES TAX RATE (POTENTIAL) |
|----------------------|-------------------------------------|---------------------------------------|
| Alameda | 10.250% | 10.750% |
| Contra Costa | 8.750% | 9.250% |
| San Francisco | 8.625% | 9.625% |
| San Mateo | 9.375% | 9.875% |
| Santa Clara | 9.125% | 9.625% |

Current rates per CDTFA City and County sales and use tax rates webpage effective July 1, 2025

Expenditure Plan Overview

- Most funding is dedicated to addressing operations needs, with remainder going to county transportation entities for public transit purposes
- Generates roughly \$1 billion annually
- Diagram shown for reference only - funding amounts for programs are established by percentage dedications of each county's revenues



Expenditure Plan

EXPENDITURE PLAN CATEGORY

EST. REVENUE IN FY31

Administration

\$2

Rider-Focused Improvements

\$46

Transit Operators

\$655

AC Transit

\$51

BART

\$330

Caltrain

\$75

SFMTA

\$170

East Bay Operators

\$21

Golden Gate Transit

\$1

SF Bay Ferry

\$7

County Transportation Entities

\$350

Alameda County Transportation Commission

\$10

Contra Costa County Transportation Authority

\$27

San Francisco County Transportation Authority

\$0

San Mateo County Transit District

\$50

Santa Clara Valley Transportation Authority

\$264

Total

\$1,054



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**Supports MTC in
administration of
measure**

**Excess funds may be
used towards rider-
focused improvements**

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Supports MTC in funding and delivering fare programs, paratransit services, transit priority and mapping and wayfinding in line with the Transit Transformation Action Plan

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**For exclusive use
towards transit
operations**

**East Bay Operators
includes County
Connection, Tri Delta
Transit, LAVTA,
Union City Transit,
and WestCAT**

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Total

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Must be used for public transit purposes. May be used to support pavement maintenance on roads serving fixed-route transit

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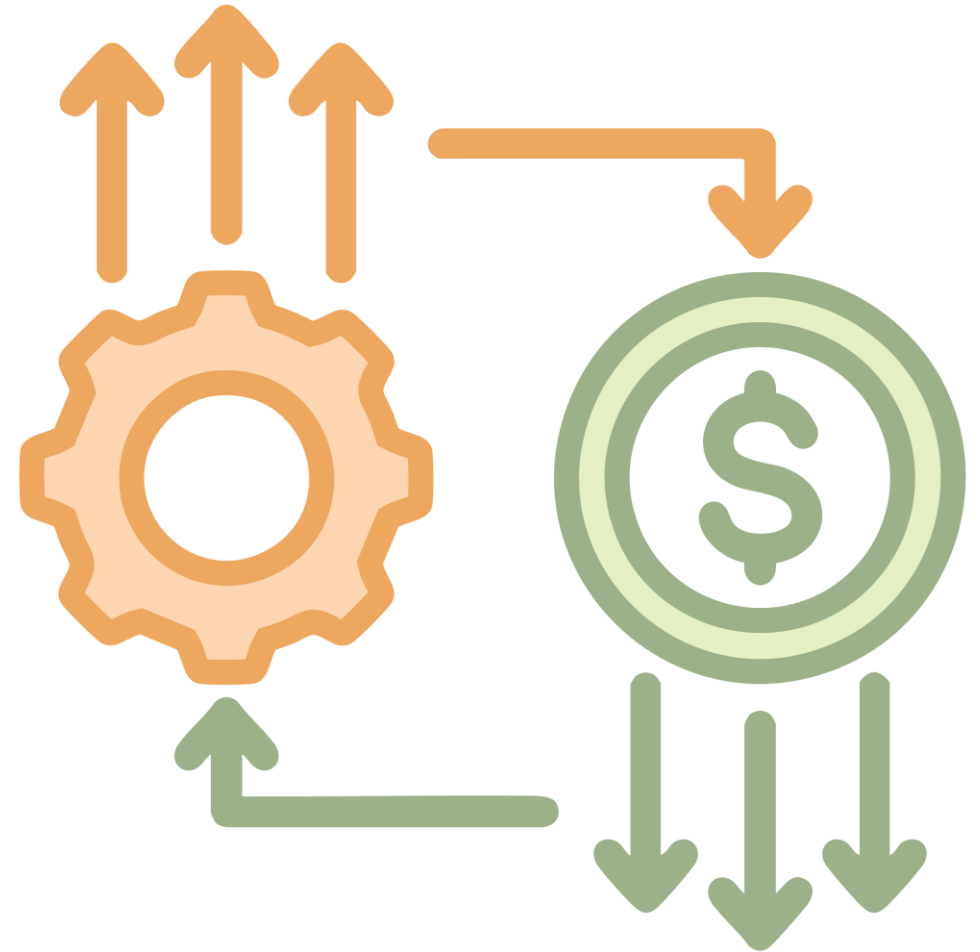
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Financial Efficiency Review

- AC Transit, BART, Caltrain and Muni are subject to a financial efficiency review to be conducted by MTC
- Oversight Committee consisting of MTC Chair designee, operator Board Chair or designee, and four state-appointed transit experts
- Identify cost-saving efficiencies for implementation by operators



Enhanced Accountability

- A county's Board of Supervisors or transportation entity may submit petitions
- An Ad Hoc Adjudication Committee will be formed for an operator when a petition is received
- Committees will be composed of two commissioners from each of the counties allocating funding to the operator
- Committee may withhold a total of 7% of funding allocated to the operator through the measure



State Transit Loan Negotiations

- Final June 2025 budget agreement between Legislature and Governor included \$750 million in potential one-time loans for AC Transit, BART, Caltrain and Muni
- Terms of loans in discussion; AB 105 was amended on September 8 adding language for completion of loan negotiation process by January 10, 2026
- Fiscal year 2027 shortfalls for major operators estimated at ~\$800 million

Next Steps

Oct 12 Last day for Governor to sign/veto bills

Jan 1, 2026 SB 63 is effective

Nov 3, 2026 General Election

Apr 1, 2027 Collection of sales tax to begin (anticipated)

Jun 2027 First disbursement of sales tax revenues to District (anticipated)

Thank you.

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