

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: RACHEL EDE, DEPUTY DIRECTOR
TRANSPORTATION AND PUBLIC WORKS
SUBJECT: FASTER BAY AREA SALES TAX MEASURE

AGENDA ACTION: STUDY SESSION

RECOMMENDATION

This study session is provided for the Council's information and no action will be taken. The Council will have the opportunity to ask questions and provide feedback to a representative of the FASTER initiative.

EXECUTIVE SUMMARY

FASTER is a proposed one cent regional sales tax measure under development by a group of Bay Area organizations with the goal of raising \$100 billion over 40 years to transform the Bay Area's regional transit network by significantly increasing service quality and inter-operator integration, as well as providing for more affordable access to transit. FASTER's organizers are currently working through the legislative process with the goal of the measure being placed on the November 2020 ballot in all nine Bay Area counties. A Technical Advisory Group (TAG) of transit agency and Congestion Management Agency staff has been convened to advise on development of the proposed expenditure plan and framework for distribution of revenues. Kelli Fallon, Policy Manager for the Bay Area Council will provide the Council with an overview of the FASTER initiative and take Council's feedback.

BACKGROUND

FASTER is a proposed one cent regional sales tax measure being developed by the Bay Area Council, SPUR, and the Silicon Valley Leadership Group with the intent of raising \$100 billion over 40 years to transform the Bay Area's regional transit network. Goals of the measure includes reducing congestion, increasing transit ridership, and reducing greenhouse gas emissions by significantly increasing service quality and inter-operator integration within the regional transit network, as well as providing for more affordable access to transit. FASTER's organizers are currently working through the legislative process with sponsor Senator Jim Beall seeking legislative authorization for the measure to be placed on the November 2020 ballot in all nine Bay Area counties. A

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Technical Advisory Group (TAG) of transit agency and Congestion Management Agency staff has been convened to advise on development of the proposed expenditure plan and framework for distribution of revenues. Staff from the Sonoma County Transportation Authority (SCTA) and the City of Santa Rosa Transit Division are participating in the Technical Advisory Group.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

The goals of the FASTER initiative align with City Council Tier 1 priorities for fostering transit-oriented development in the downtown area and climate action, as well as the Council goal to invest in and sustain infrastructure and transportation. The FASTER initiative emphasizes upgrading existing bus and rail lines and funding new services to create a seamless, high-quality transit network serving the nine-county Bay Area. The proposed funding framework is focused on transit services with frequencies of 15 minutes or less that operate on right-of-way separated from traffic in order to more effectively compete with the automobile. The FASTER initiative additionally emphasizes integration of services operated by multiple transit agencies to create a seamless system for traveling throughout the Bay Area.

The measure's expenditure plan is still under development as FASTER organizers work with the TAG and the measure's legislative sponsor. The current proposed funding framework for FASTER includes the following components:

- 1) FASTER network build-out and operations (60% of revenue): Expands rail service and funds a nine-county rapid bus network operating on express lanes. This strategy focuses on intercity and inter-regional trips and operators, with return to source by "commutesheds" that are currently being defined as part of the TAG process.
- 2) Local connections to FASTER network (25% of revenue): Funds local transit connections to FASTER network and transit priority measures, as well as active transportation connections, local street repaving, emerging technologies, and carpool/vanpool programs. Transit operators receive guaranteed funding, with revenues for active transportation and other elements distributed through return to source at the county level, or through competitive programs.
- 3) Affordable and seamless network (15% of revenue): FASTER organizers propose funding a regional "Network Manager" to direct and oversee integration and coordination among transit operators within the FASTER network in order to develop and maintain a seamless network for riders. This strategy also includes funds for means-based and student transit fare subsidies, as well as a Sales Tax Fairness Credit that refunds the additional tax burden resulting from the measure

to low-income families.

- 4) Employer-funded sustainable commute subsidies: FASTER organizers seek to leverage additional funds by including a mandate for the Bay Area's large private sector employers to invest up to \$65 billion in incentives supporting sustainable commutes (e.g., transit pass subsidies, carpool/vanpool incentives).

In order to ensure that passage of FASTER would not take up or exceed remaining capacity within the sales tax cap in Bay Area jurisdictions, the initiative is anticipated to include legislative action to increase the sales tax cap by 1%. The current sales tax cap for Sonoma County is set at 10.25%. Currently, Santa Rosa's sales tax rate is 9%, which includes the three City quarter-cent sales tax measures expiring in 2025 and 2027, the Measure M quarter-cent sales tax for transportation (slated for reauthorization in November 2020), SMART's quarter-cent Measure Q (on the ballot for extension in March 2020), and three County measures totaling one-half cent. If Measure G (Wildfire Prevention) passes in March 2020 and a proposed County mental health measure passes in November 2020, the local sales tax rate will rise to 9.75%. FASTER would add an additional 1% to the sales tax rate and could potentially compete with other City priorities on November 2020 and later ballots.

As the FASTER initiative develops, City staff continue to provide feedback on the framework for return of sales tax revenues to source jurisdictions to ensure adequate benefits to Santa Rosa and other North Bay communities, and to advocate for an expenditure plan that provides significant funding opportunities for transit and active transportation projects, services, and programs supporting the Council's goals for transit-oriented housing development, climate action, and affordability.

FISCAL IMPACT

This study session does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

The Council finds that the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

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NOTIFICATION

Not applicable.

ATTACHMENTS

None.

CONTACT

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