

County or regional funding

Revenue Option	Entity	Legal Authority and Process for Adoption	Potential Annual Revenue	Examples	Feasibility of Adoption	Comparative Advantages	Disadvantages	Measure C / SMART recommendation
transportation sales tax	Sacramento Transportation Authority		\$200 million annually for the county (according to Measure A lit)			could be parts of the county more likely to pass tax measures	regressive tax; county rate 7.75%, some cities higher	
SMUD surcharges \$30 monthly charge on SMUD bills to fund transit recovery and development, in exchange for a monthly pass for each SMUD account.	SMUD/SacRT/SACOG Partnership	SMUD latent but unexercised transportation authority under California Municipal Utility District (MUD) Act. We can assume a requirement for a District-wide referendum to legitimize SMUD activation of transportation powers.	Possible net annual increase of \$220 million (Assuming 645, 000 customers,=>\$19.3 million per month, or \$232 million annually, less replacement of 80% of current fare revenue - perhaps \$8-10 million). Divided, perhaps equally, between annual operating and capital budgets.	Extensive history of electric utility support of San Francisco MUNI by the Hetch-Hetchy Project, and of transit in Vancouver British Columbia by B C HYDRO, and in Seattle by Seattle City Light. None precisely as proposed here.	SMUD Board and management position unknown. Much to accomplish by a determined team in advance of the election.Assume opposition will surface.	<ul style="list-style-type: none">• Simple majority vote• Raises sufficient revenue to make a significant difference.• A specific development program prepared in advance of the election to be administered through a Sacramento Transit Development Authority, a JPA of SMUD, RT and SACOG; STDA to be activated by a positive vote.• Places more than half million passes in circulation, this plus potential funding for “Green to Go” and transit-supportive infill housing development, provides positive environmental justice features	<ul style="list-style-type: none">• May be “too different” for the public• Possible resistance to a perceived SMUD rate increase?• May not be acceptable to SMUD or RT managements and boards	supplement to sales tax

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Climate Resilience Districts	county or city?	SB 852 The climate resilience districts are limited to funding projects that address sea level rise, extreme heat, extreme cold, and the risk of wildfire, drought, and the risk of flooding. Must comply with same rules as a enhanced infrastructure financing district May raise revenue through tax increment funding, voter-approved supplemental property taxes, property benefit assessments, or fees	Sonoma County: Developing a plan to be funded by a 2024 ballot measure District plan being developed by Regional Climate Protection Authority Main goal: Preparing for future local climate hazards now (hotter/ drier weather with longer summers, more variable rain, wildfire, and sea level rise Transportation Mode Shift: Comprehensive Transportation Plan by SCTA to expand bike and pedestrian paths for first and last mile service for transit, expanding bus and rail, as well as mode shift incentives such as free fares Funding from measure would partially go towards these goals Sonoma County's Climate Action and Resiliency Division in collaboration with Open Space District Climate Resilient Lands Strategy: focused on carbon sequestration and conservation/ preservation Including guidance from Metropolitan Transportation Commission on project locations, approach, engagement, planning, design and implementation Active Transportation Program, Mobility Hubs Pilot Program, etc.	Sonoma Climate and Resilience; https://rcpa.ca.gov/about-rcpa/climate-resilience-districts/		Appear to require only city council action Available for operational costs of projects	Although the bill does not limit projects to “eligible projects,” transportation is not specifically contemplated as the type of project that would be funded through a climate resilience district; transportation will more likely be a component	Not recommended

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freeway tolling	CARTA (Capitol Area Regional Tolling Authority); https://www.captollauthority.org/	AB 194 (2015) https://catc.ca.gov/programs/tolling	Bay Area Totals Only FY19-20 - \$633,932,206 FY20-21 - \$830,404,750 FY21-22 - \$756,197,027 Funds are used to maintain operations and maintenance of toll bridges, finance new highway and transit projects, provide ongoing support for regional transit services.	FasTrak (https://www.fastrak.org/) has been successfully implemented in the following areas: 1. Bay Area 2. LA county 3. Orange County 4. Riverside 5. San Diego	<ul style="list-style-type: none"> Yolo Causeway will be receiving a new toll lane to reduce drivers and improve traffic throughput. This option has been looked at for I-5 in 2021, as well. All freeways could be tolled. 	People are used to toll roads if they frequent the bay area, <ul style="list-style-type: none"> Discourages single occupancy car use on the highway, Roads should be better maintained with specific revenue, Shoulders the cost of road maintenance and transportation onto the people who use them the most, and Encourages people to take a less direct route to a location if they want to avoid tolls, allowing transit and Active Transportation to become an alternative that has comparable timeliness. 	Funded using cars and would require us to maintain highways long term. People will see this as a new tax.	Not recommended, however, tolling authority has now been created; other transportation demand management or congestion demand management programs are possible
property tax https://finance.saccounty.gov/Tax/Pages/Secured.aspx	Sacramento County	counties charge property tax based on assessed value				progressive tax	Prop 13 limits increases and creates inequity in rates	not analyzed
transportation development fee https://sacdot.saccounty.net/Pages/DevelopmentFees.aspx								not analyzed

City of Sacramento funding (applicable to other cities)

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parking fees	city may set parking fees; some state restrictions on use of fees			under 2040 General Plan, city is open to curb management and VMT reduction through parking fees		parking fees currently go into the general fund	none, parking fees not researched
parking surcharge	Sac City Code 10.40.130 provides that parking meter revenue can only be used to fund activities associated with regulation and control of traffic and parking; city council can amend code	Need data from city as to number of transactions; depends on amount of surcharge/fee	Portland, OR is implementing a first step pricing signal of \$.20 for parking meter transactions. Note, they are looking into the equity issue. Estimating \$2M per year in revenue. https://www.portland.gov/transportation/planning/documents/view-one-page-summary-proposed-climate-and-equitable-mobility-fee/download#:~:text=The%20parking%20climate%20and%20equitable,proposals%20expected%20later%20in%202022	Business/Chamber would likely object Possible equity issues	Send price signal about costs of driving Could be a first step towards additional pricing increases	not a lot of revenue	supplement to sales tax

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public bank	CA enabling legislation AB 857 https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB857	Depends on initial capitalization and other investments received by the public bank East Bay Regional Bank viability study estimates that if bank begins with commitment of \$40 M in pledged deposits from the 4 participating cities, and if some percentage of the cities' current Wall Street investments are transitioned to the public bank, with moderate growth and conservative assumptions about investments, the bank could loan over \$120 million by third year, and by end of a decade the bank could have over \$250 M in assets with over \$400 M in investments made.	None established yet. Several CA cities are working on establishing public banks – eg SF, LA, East Bay Region SF presentation: https://sfgov.org/laico/sites/default/files/rwg021623_item6.pdf Public Bank East Bay Viability Study (March 2022): https://static1.squarespace.com/static/5ee14314979f2e18b9b6ed03/t/622a351f48637e3569cc3fcd/1646933281581/PBEB+Viability+Study+March+2022.pdf ; can also be established at county level Currently only one existing government owned bank in the US – State of North Dakota	Sac City Budget and Audit Committee voted on May 30 to refer a proposal to the full council to hire a consultant to City staff to explore viability. There is strong existing advocacy supporting the effort. Start-up time/complexity – it will take several years once a viability study is prepared, to establish the bank and then establish fiscal stability; necessary steps include council approval, setting up legal structure structure, developing business plan and financial projections, obtaining state and federal approvals, recruiting and hiring staff, setting up infrastructure/technology/risk management, and capitalization. (SF study estimates 5-6 years once decision made to proceed; East Bay study estimates additional 3 years to reach fiscal stability) Must be capitalized; East Bay and SF studies anticipate \$40-50 M needed for initial capitalization (could potentially use Measure C revenue; can move percentage of city reserves from Wall Street bank to public bank)	Can provide loans/bonding for pressing local needs such as affordable housing, electrification of existing buildings, small business loans (interestingly, in my research there was no mention of using these types of funds for transportation) Reduces local government dependency on Wall Street banks (saving \$ on fees and also decreasing indirect investment by city in fossil fuels) Can partner with local financial institutions (eg community banks, credit unions) to increase impact Could consider regional bank to increase scope/impact		long term consideration

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general obligation bond	City has authority to issue bonds	Depends on amount of bonds approved	GO bonds widely used for various purposes; Miami Forever Bond	Requires debt service to be paid from general fund so competes with other needs of city	Doesn't require election		not recommended
enhanced infrastructure financing district (EIFD)	<ul style="list-style-type: none"> Government Code section 53398.50 et seq. A JPA created by a local agency or agencies (city, county, special district) Formed by resolution of local agency Allows tax increment financing, i.e. allows local agency to collect the increase in property tax revenue above a base year level for investment back in the area May also rely on bonds Governed by Public Financing Authority Must have Infrastructure Financing Plan subject to public process https://caled.org/how-to-create-an-eifd/ 	<p>City of West Sacramento EIFD projected to total over \$3 billion over 50 years (\$60 million annualized?, would need to be adjusted to 2023 dollars?)</p> <p>In comparison Measure A was expected to raise \$200 million annually</p> <p>Would depend on the scope of the district and increase in property values</p>	<p>City of West Sacramento</p> <p>Sacramento Railyards</p>	Since there have been prior EIFD's formed successfully in the City, formation of an EIFD is not out of the question	Requires only a City Council resolution if formed by City of Sacramento	<p>Has defined areas and focused on infrastructure for those areas; not clear if full service area for SacRT could be designated, but I do not see anything to the contrary</p> <p>Use of funds for transit/transportation only may be controversial instead of investment in district infrastructure in general – may be more acceptable if combined with affordable housing investment</p>	not recommended

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parcel tax	<ul style="list-style-type: none"> • Tax imposed incident to property ownership to support a government purpose • Not based on value of the property (Prop 13), but may be based on use, type etc. • Typically flat tax per parcel, may be structured as per square foot • Requires $\frac{2}{3}$ approval (Prop 218) 	<p>2002-20012, for cities, median \$60 per parcel, for special districts, \$68.</p> <p>My unreliable math says: \$60x400,000 parcels in Sacramento; annual revenue \$24 million; this is roughly the same as the AC Transit example</p>	AC Transit – In FY 18/19, parcel tax accounted for \$29.5 million revenue; https://www.ppic.org/wp-content/uploads/content/pubs/report/R_415JSR.pdf	2003-2012, cities placed 124 parcel tax proposals on the ballot, with 59 receiving $\frac{2}{3}$ vote; from 2003 to 2012, special districts placed 239 parcel tax proposals on the ballot (two were from transit districts), 45 % passed	<p>Requires $\frac{2}{3}$ vote</p> <p>Likely to be opposed by property owners</p> <p>Historically low passage rate</p> <p>Few examples of being used for transit; more common for police, fire, libraries etc.</p>		not recommended
development impact fees https://www.cityofsacramento.gov/utilities/development-standards/development-impact-fees	city already charges development impact fees, commercial and residential		city Transportation Development Impact Fee no well documented	city has transportation impact fee		only for water, stormwater, wastewater utilities?	not analyzed
development impact fee surcharge	not clear whether a surcharge for other purposes would be legal		I wasn't able to find any instance of utility user fees used to fund transportation.	"Water taxes" are controversial locally and nationally.			not recommended
business operations tax surcharge https://www.cityofsacramento.gov/finance/revenue/business-operations-tax			Portland Clean Energy Surcharge https://www.portland.gov/revenue/business-tax/clean-energy-surcharge ; !%				not analyzed
gross receipts tax https://en.wikipedia.org/wiki/Gross_receipts_tax			charged at state and county level; not currently in cities				not analyzed
property transfer tax https://www.cityofsacramento.gov/finance/revenue/real-property-transfer-tax	cities can set rates above county base rate			city rates can increase	progressive tax		not analyzed