

San Franciscans' Support for Increased Transportation Funding



*Key Findings from a Citywide Voter Survey Conducted December 1-7, 2017
Commissioned by the San Francisco County Transportation Authority*

Fairbank, Maslin, Maullin, Metz & Associates – FM3

PUBLIC OPINION RESEARCH & STRATEGY

Survey Methodology

- 1,013 online and telephone interviews with registered voters likely to cast ballots in November 2018 in San Francisco
- Interviews conducted December 1-7, 2017
- Interviews in English, Spanish, and Chinese and on landlines and cell phones
- Margin of sampling error of $\pm 3.1\%$ at the 95% confidence level
- Some percentages may not sum to 100% due to rounding
- Selected comparisons to a similar 2015 survey for the SFCTA



NOTE

- » This survey was designed to assess community priorities for transportation funding, and to gauge the relative appeal of four distinct funding mechanisms.
- » It was not designed to make a final determination of a funding measure's viability, and firm conclusions about viability cannot be derived from the data.
- » Subsequent research should gauge support for the policy details of a more specific plan, as well as the impact of a range of pro and con arguments, before conclusions are drawn about viability.

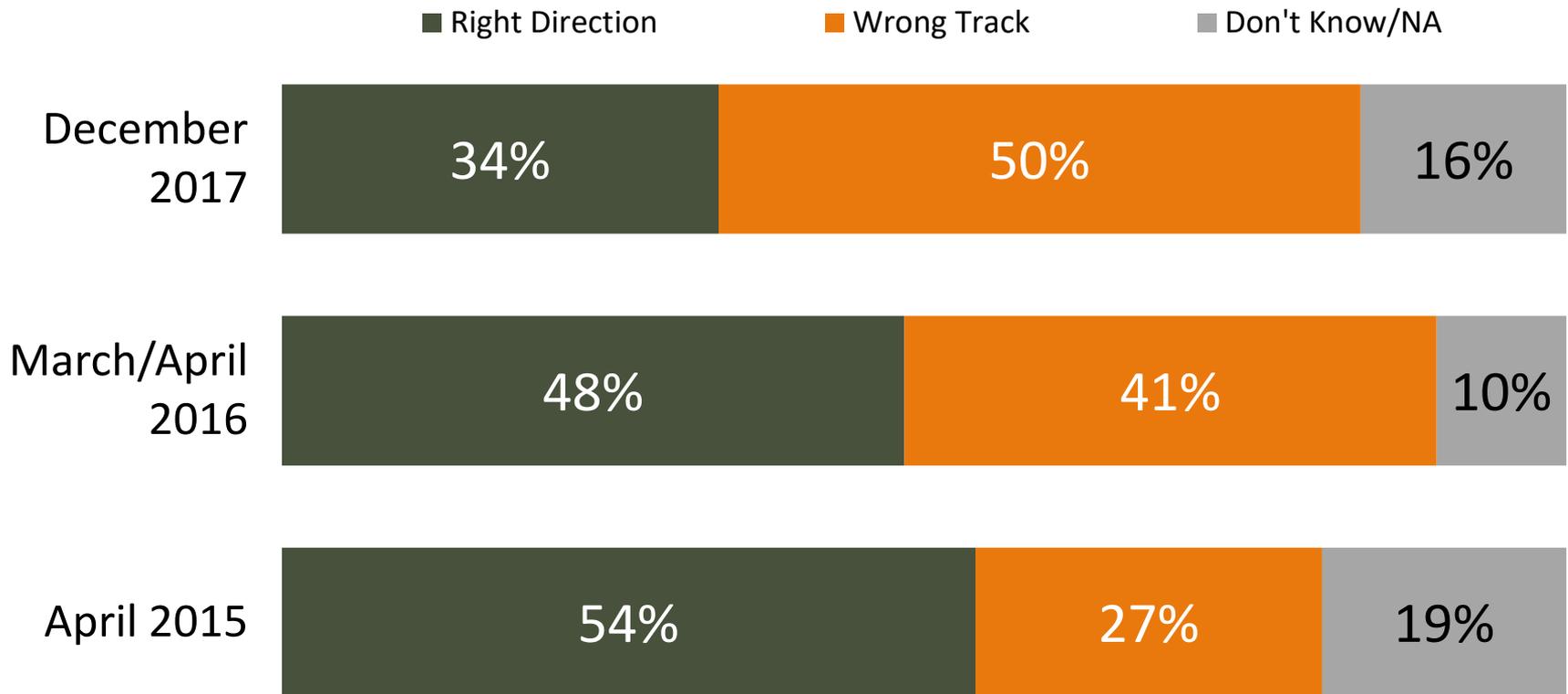




Issue Context

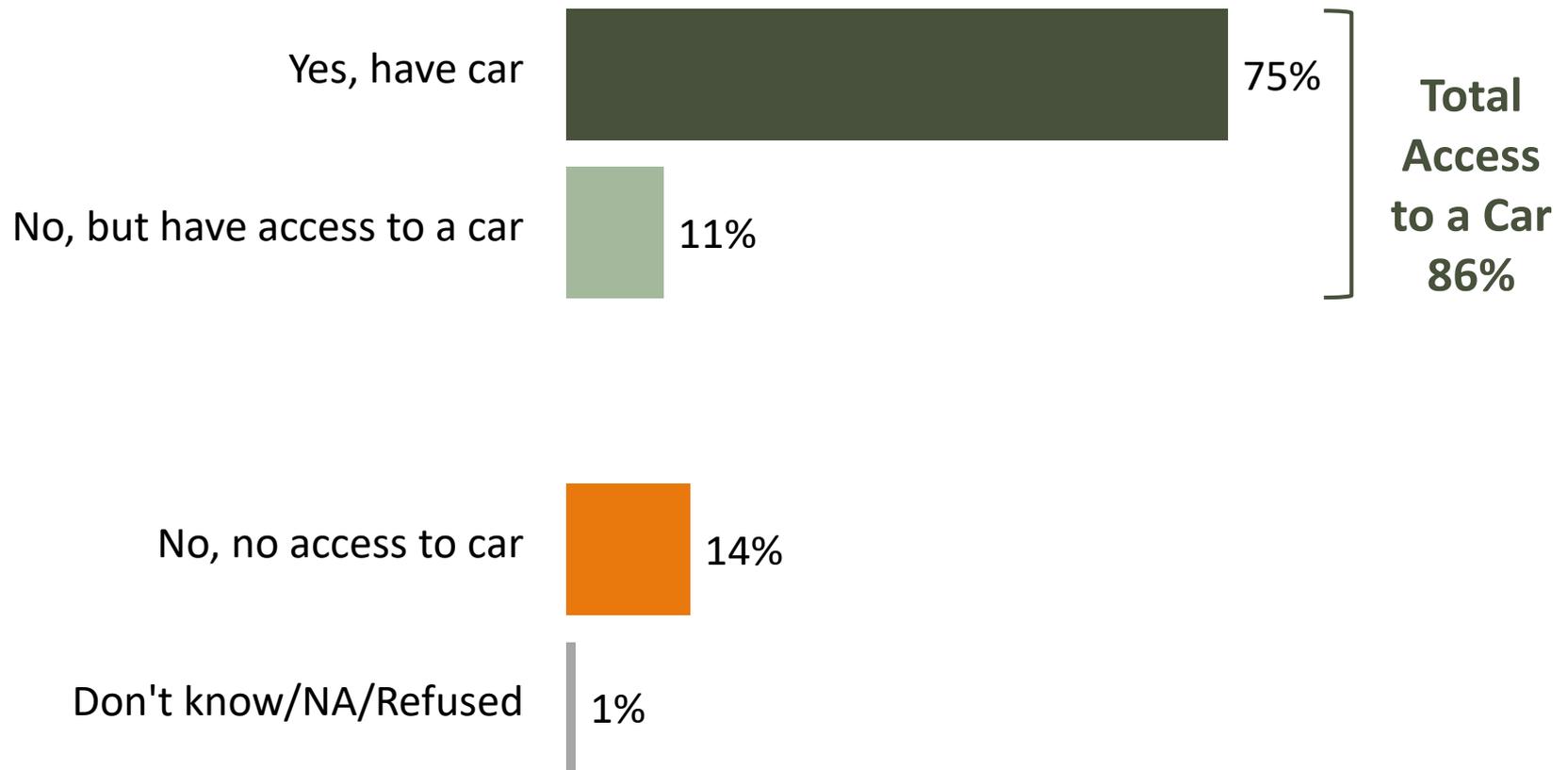
Voters are increasingly concerned about the direction of the City.

Do you think things in San Francisco are generally going in the right direction, or do you feel that things are pretty seriously off on the wrong track?



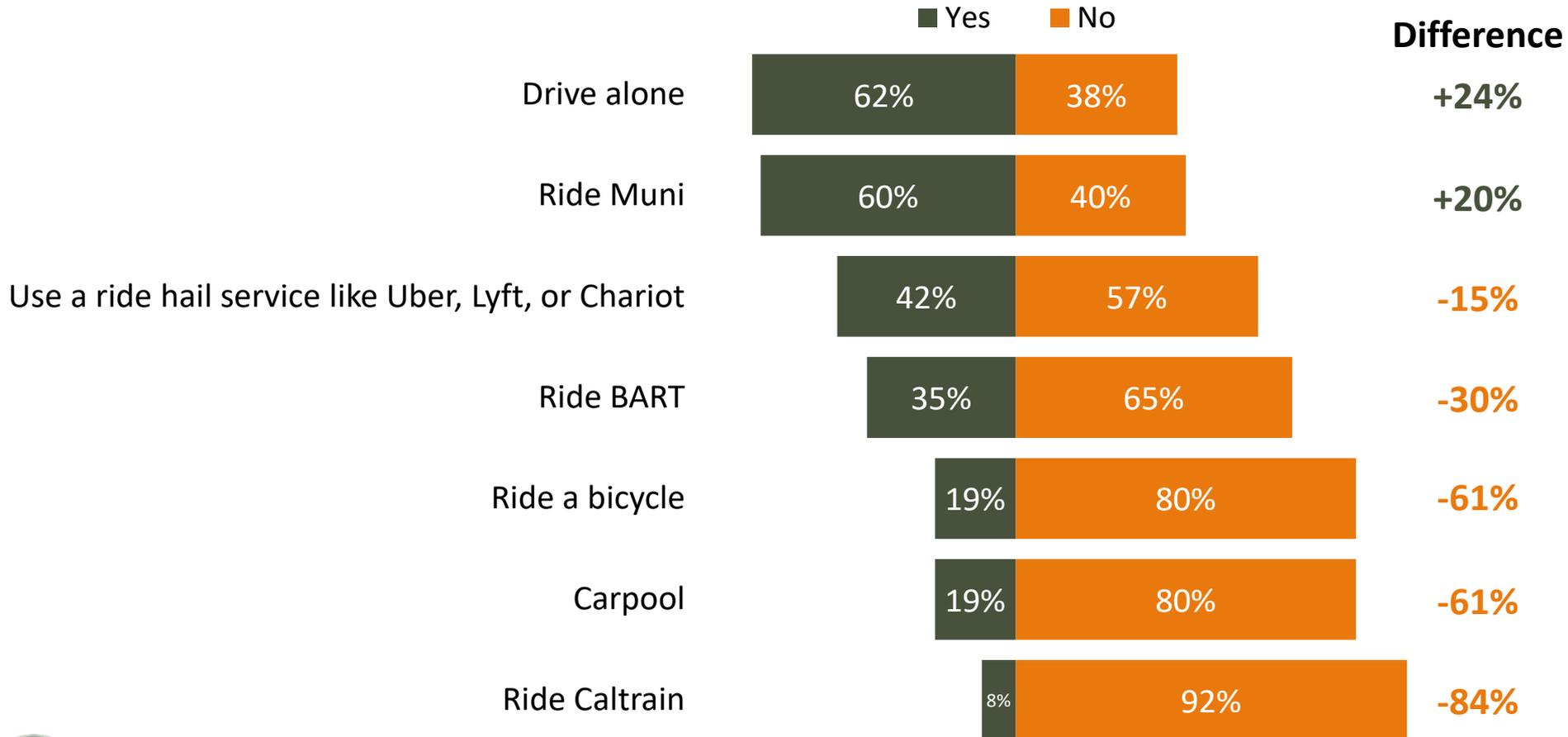
Nearly nine in ten likely voters either own a car or have access to one.

Do you own a car?



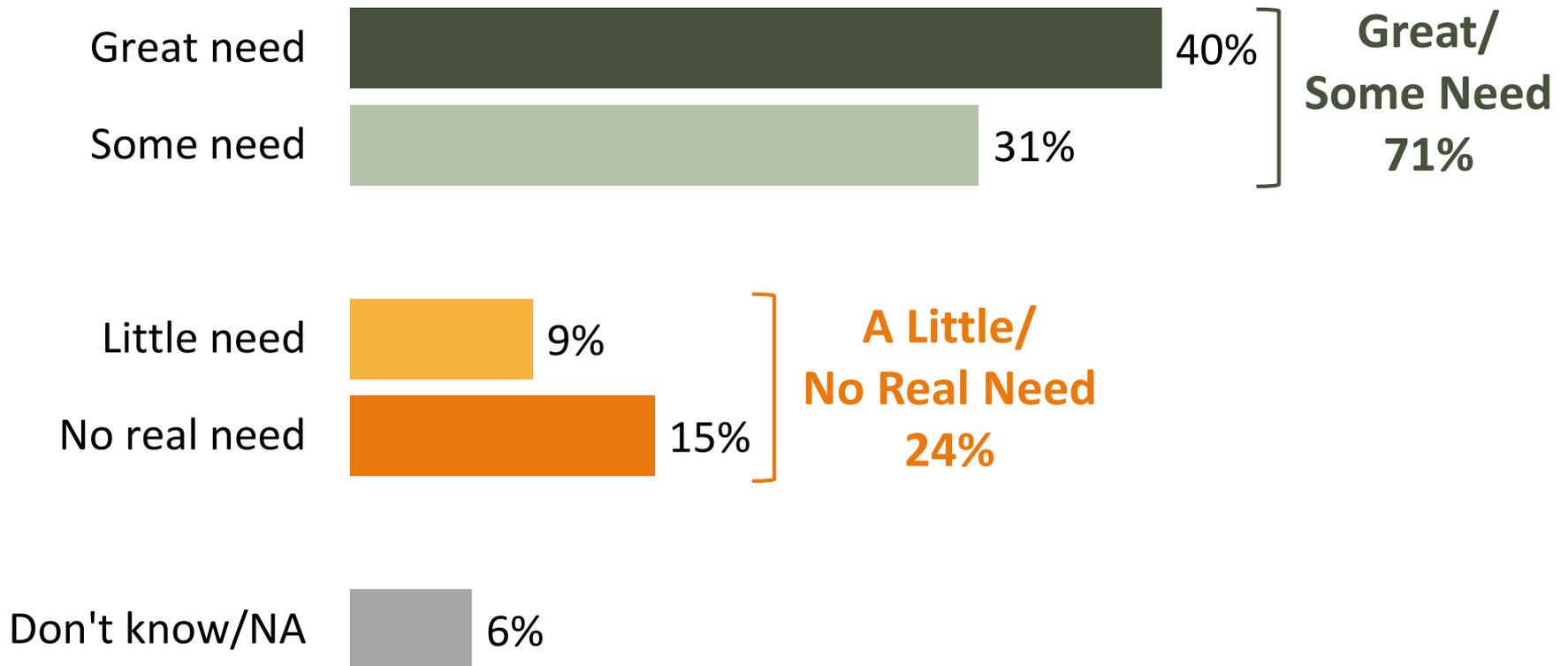
Most San Francisco voters either drive and/or ride Muni multiple times a week.

Do you regularly, that is at least 2 or 3 times per week, use any of the following modes of transportation? By that I mean for any purpose, including commuting to school or work, running errands, or recreation.



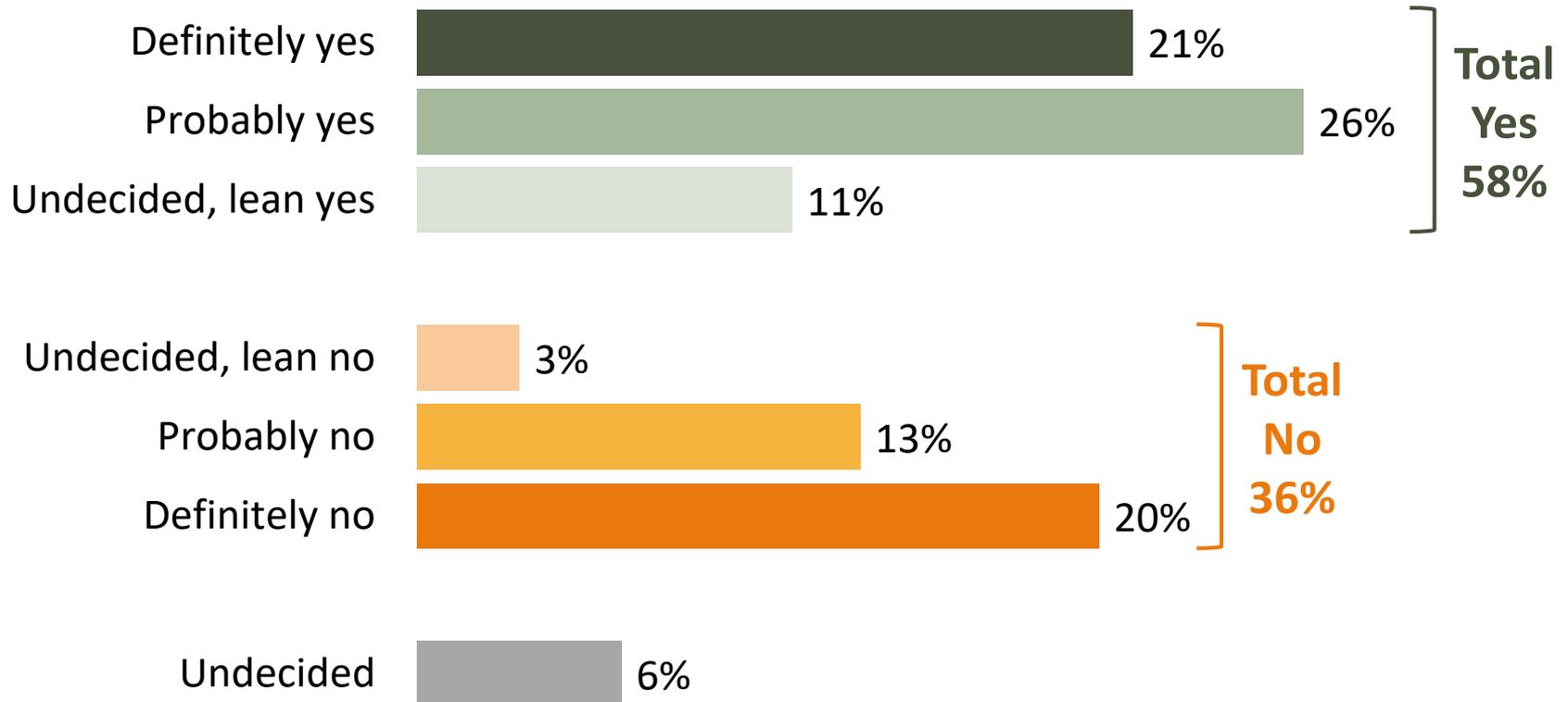
Seven in ten see a need for additional funding for transportation in San Francisco.

In your personal opinion, do you think there is a great need, some need, a little need, or no real need for additional funds to improve the transportation system in San Francisco?



Nearly three in five voters support Regional Measure 3.

One measure may be on the ballot throughout the 9-county Bay Area. It would fund a plan to reduce traffic; improve commutes; relieve BART crowding; reduce freeway bottlenecks; build carpool lanes; and improve bus, ferry, BART, and commuter rail, with a \$1 toll increase effective in 2019, a \$1 increase in 2023, and a \$1 increase in 2027, on all Bay Area toll bridges except the Golden Gate Bridge, with independent oversight and all funds staying in the Bay Area.



Support for RM3 is strongest among men, voters under age 50, Democrats, and white voters.

Demographic Group	Total Yes	Total No	Undecided
Gender			
Men	62%	32%	5%
Women	54%	40%	7%
Age			
18-49	67%	27%	6%
50-64	55%	37%	7%
65+	44%	51%	5%
Party			
Democrats	63%	33%	4%
Independents	53%	37%	11%
Republicans	37%	58%	5%
Ethnicity			
Latinos	41%	50%	9%
African-Americans	44%	45%	12%
All Asian/Pacific Islanders	53%	45%	3%
Chinese	56%	40%	4%
Whites	65%	29%	6%
All Voters of Color	50%	44%	5%





Support for San Francisco Transportation Funding Measures

Approach to Testing Initial Support

- Survey participants were split into four demographically similar groups, each one-quarter of the sample
- All respondents heard the same hypothetical ballot language for a funding measure, but each of the four groups heard a different funding mechanism.



Ballot Language Tested

The San Francisco Transportation Improvement and Safety Measure

In order to:

- expand BART and Muni vehicle fleets;
- fix potholes and repair deteriorating streets;
- update infrastructure to keep BART, Muni, and Caltrain safe and prevent breakdowns;
- improve bicycle and pedestrian facilities; and
- improve transportation for seniors and the disabled,

(Group 1:) shall the San Francisco sales tax rate be increased by ½-cent bringing the total tax to 9%,

(Group 2:) shall San Francisco add an annual assessment to the Vehicle License Fee equal to 1.35% of the vehicle's value,

(Group 3:) shall San Francisco increase the business tax rate on revenues from commercial rental properties up to 2.5%,

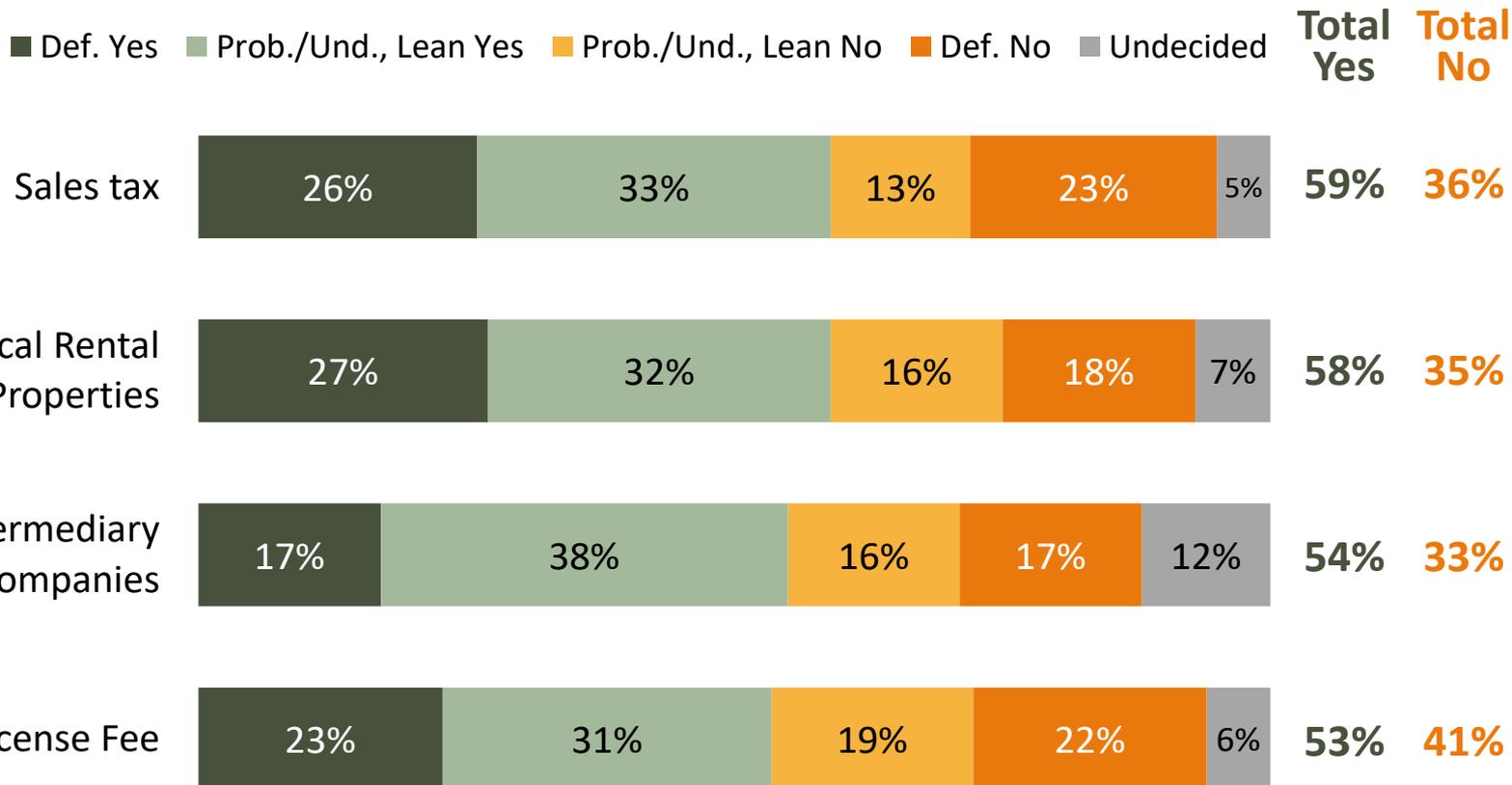
(Group 4:) shall San Francisco establish a 2% tax on revenues retained by third-party service intermediary companies,

subject to independent audits and public oversight?



The sales tax and business tax on commercial rental properties receive the strongest support, but no funding mechanism reaches the two-thirds threshold.

If there were an election today, do you think you would vote “yes” in favor of this measure or “no” to oppose it?

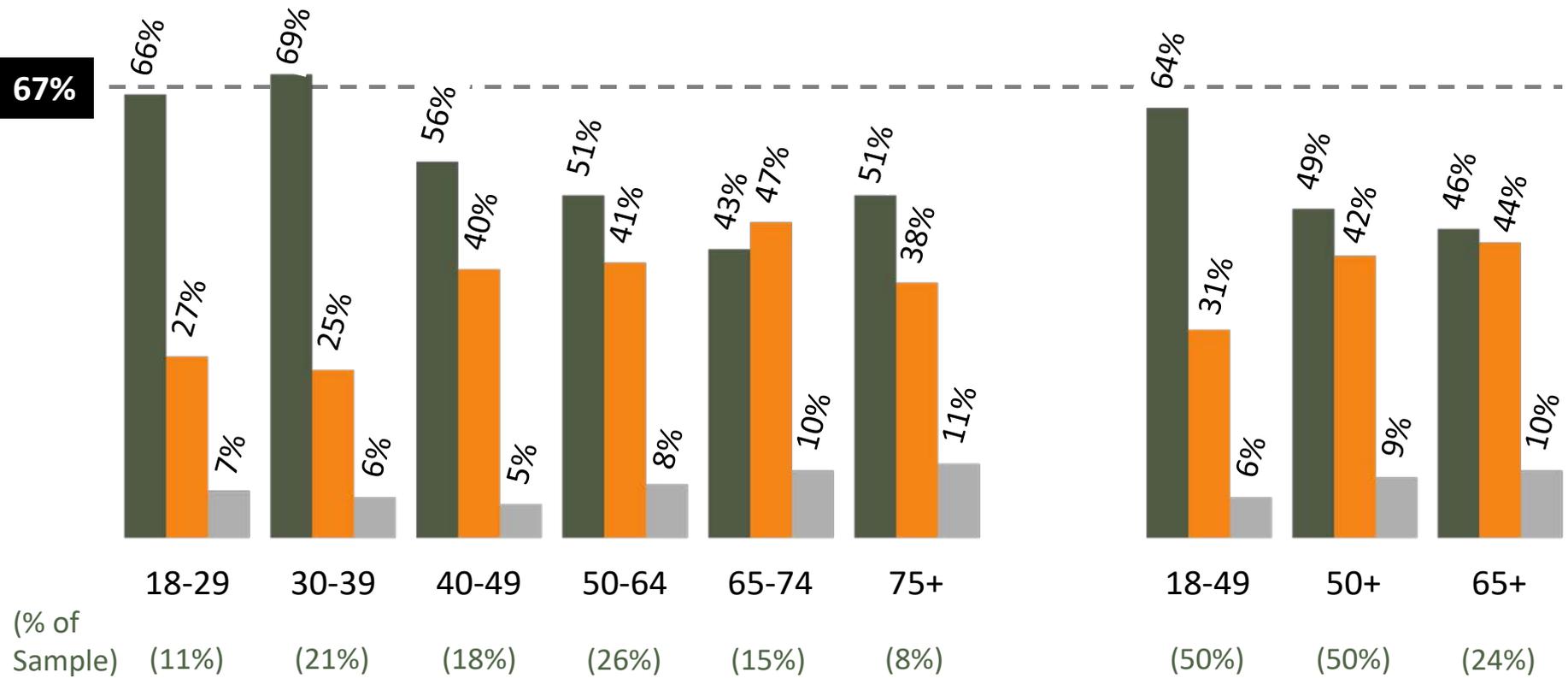


The measure receives support at the two-thirds level among voters under age 40.

Initial Support by Age

■ Total Yes ■ Total No ■ Undecided

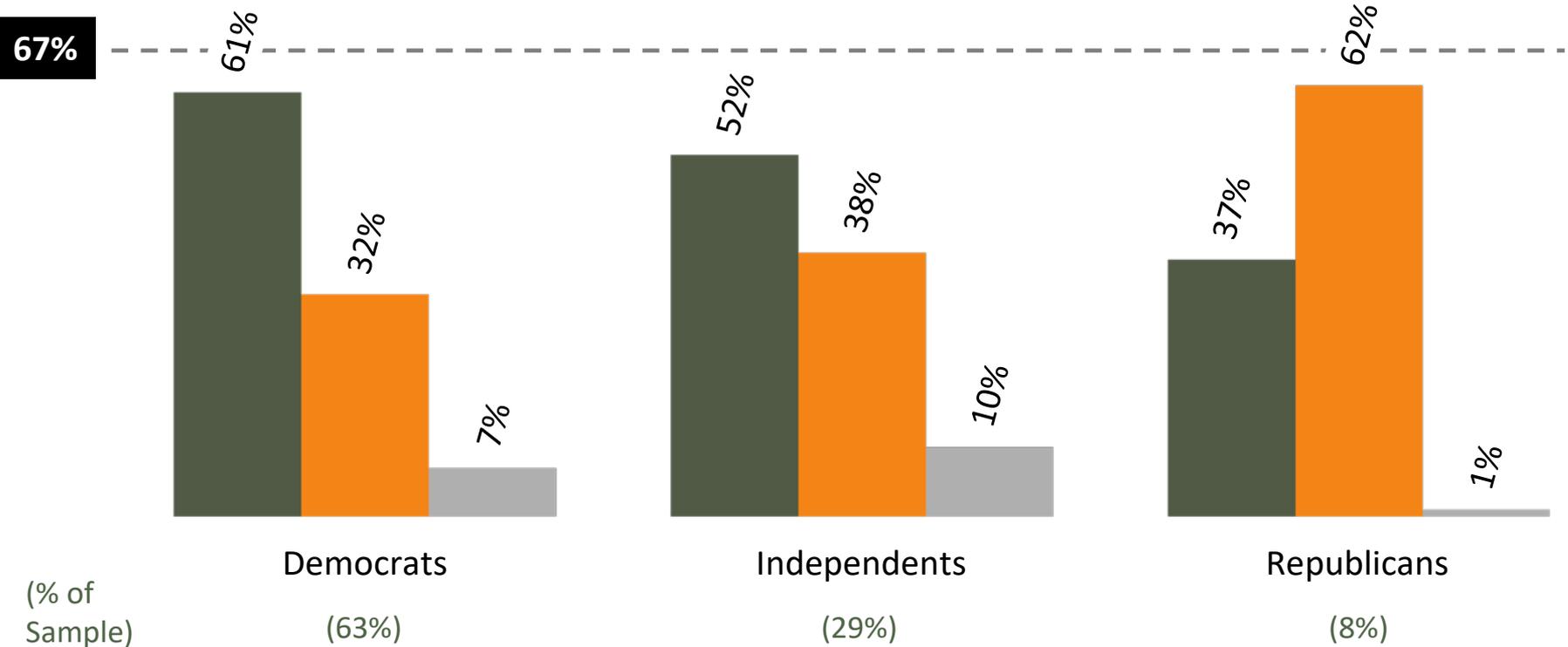
67%



Democrats and independents are much more supportive of a potential measure than are Republicans.

Initial Support by Party

■ Total Yes ■ Total No ■ Undecided



(% of Sample)



Higher-income households are more likely to vote "yes" than low and middle-income ones.

Initial Support by Household Income

■ Total Yes ■ Total No ■ Undecided



(% of Sample)

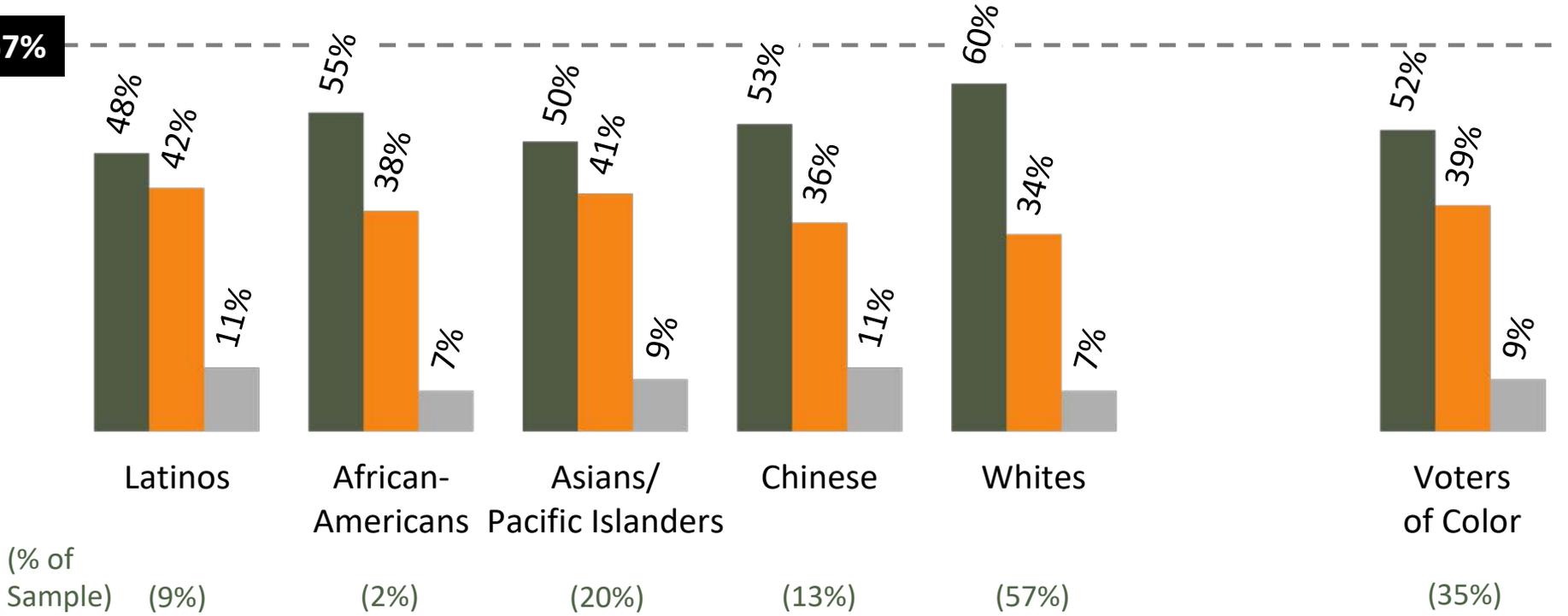


White voters are more likely to vote “yes” than are voters of color.

Initial Support by Ethnicity

■ Total Yes ■ Total No ■ Undecided

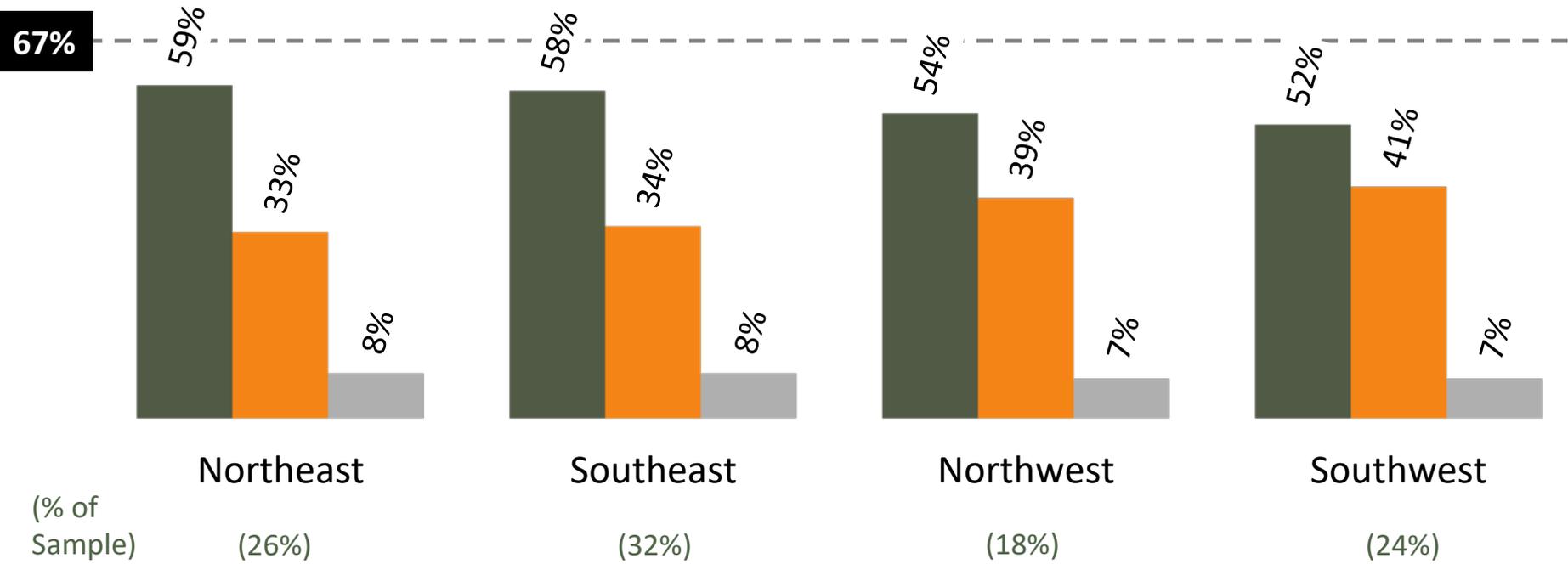
67%



Views on the potential measure are similar across the City, with those on the eastside slightly more supportive.

Initial Support by Quadrant of the City

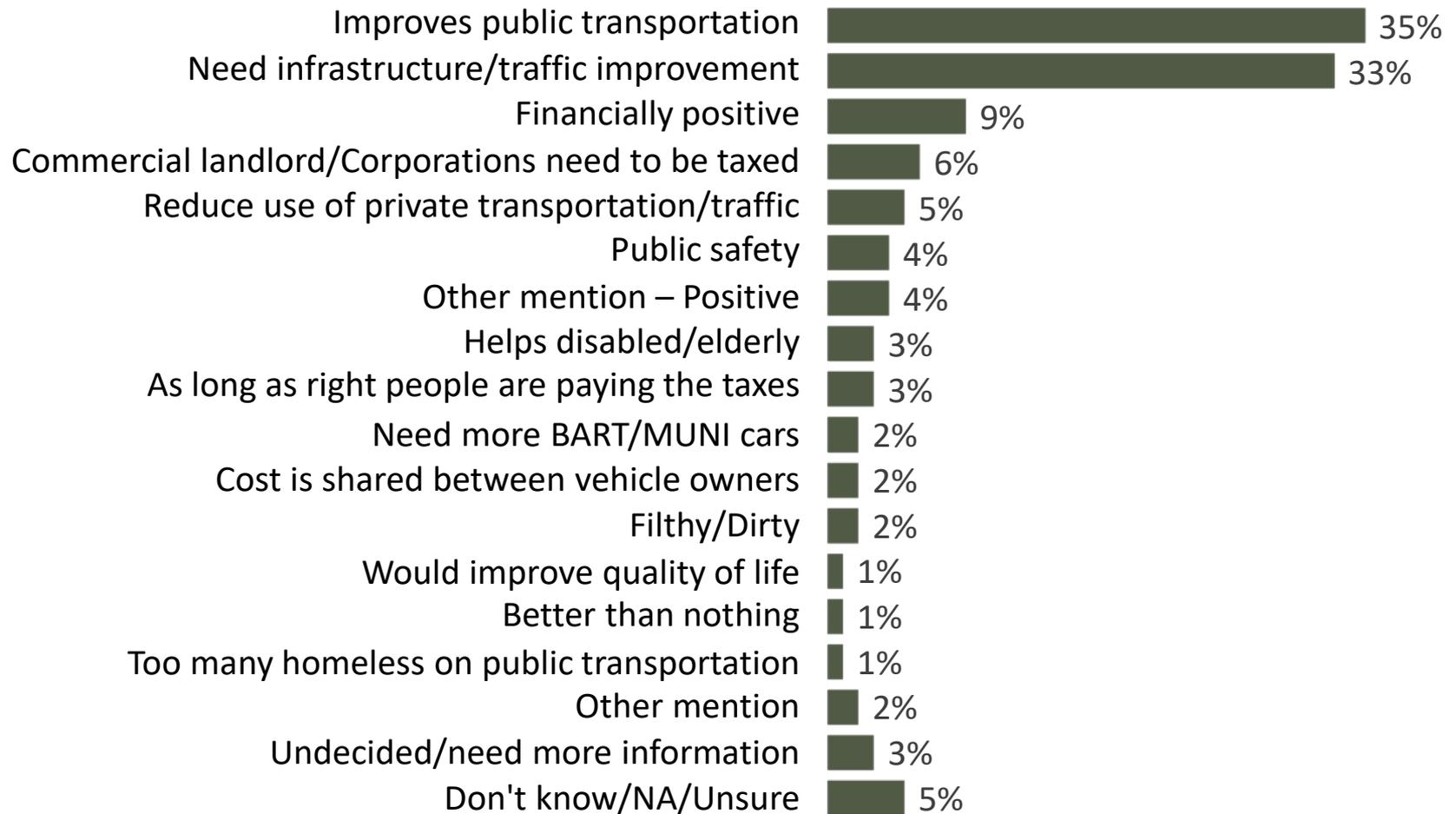
■ Total Yes ■ Total No ■ Undecided



The most commonly-cited reasons for supporting the measure are to improve public transit and minimize traffic.

*In a few of your own words, what are the main reasons why you would vote **YES** on this measure?*

(Open-ends; Grouped Responses Shown)



Comments in Favor of the Measure

I would vote yes because there is too much car traffic- if the money would go to public transit that would be helpful.

Businesses utilize lots of the same roads, and depending on the nature of the business I'm pretty sure they use it more often than residents.

Because I think moving towards public transportation while weening off of fossil fuels will help global warming and decrease congestion.

Need to fix roads, expand BART, fix the Muni system and the infrastructure is decaying. No one has touched it for years.

To improve Muni and potholes and to make it safer for seniors.

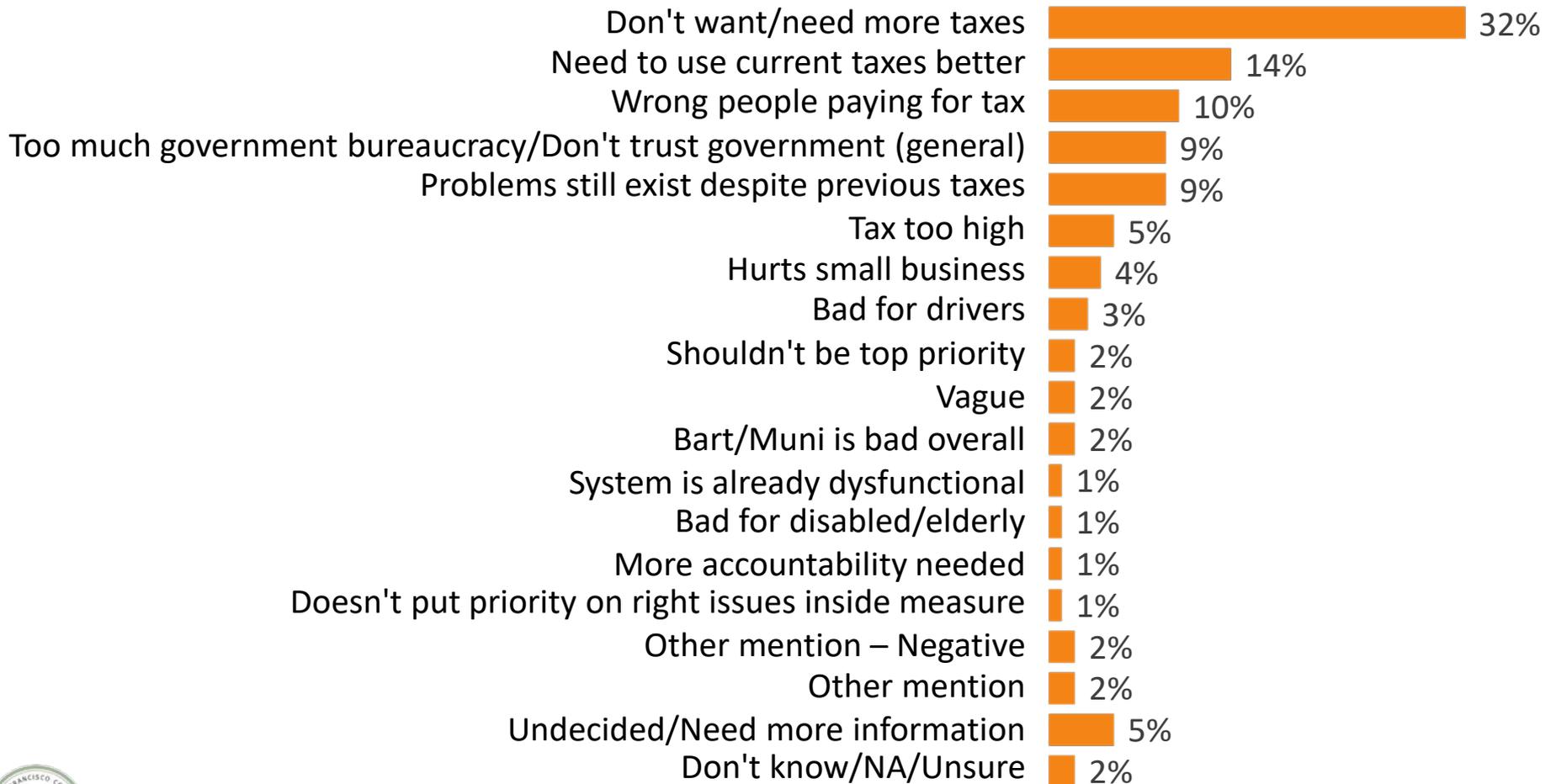
It will be worth it to improve the transportation and infrastructure in San Francisco for a small increase.



Opposition is driven by a dislike of taxes.

*In a few of your own words, what are the main reasons why you would vote **NO** on this measure?*

(Open-ends; Grouped Responses Shown)



Comments in Opposition to the Measure

The City has enough money, they need to budget like the rest of us.

We are overtaxed as it is, generating revenue this way is the wrong approach, tax the very wealthy.

This should not be a priority right now, many other things more important.

I believe that they can address it and get money somewhere else. Tax other people.

I do not work, and everything is expensive. I take the bus and don't want to see price increases.

I remember the way San Francisco was and I prefer the way things were before, I don't like the way San Francisco is now!





Shaping the Structure of a Measure

Upon hearing all four funding mechanisms in isolation, voters drew sharper distinctions in their acceptability.

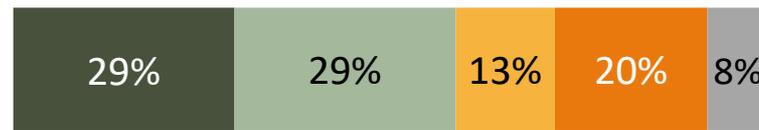
■ Very Acc. ■ Smwt. Acc. ■ Smwt. Unacc. ■ Very Unacc. ■ DK/NA **Total Acc.** **Total Unacc.**

Increasing the business tax rate on total revenues from large commercial rental properties **(HALF SAMPLE: with exemptions for small businesses and non-profits) up to 2.5%**



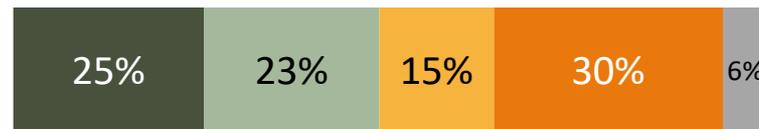
65% **28%**

Establishing a 2% tax on revenues kept by service intermediary companies - which contract with independent workers to provide services like ride-hailing and food delivery



59% **33%**

Add an annual local assessment to the state vehicle license fee **(HALF SAMPLE: equal to 1.35% of the vehicle's value) (HALF SAMPLE: which would restore the total state and local fee to the prior rate of 2%)**



49% **46%**

Increasing the City sales tax rate by ½-cent bringing the total tax to 9%



37% **61%**

Q6 (Total). The final structure of the San Francisco transportation funding ballot measure I just described has not been determined. I am going to read you several different potential sources of funding for the transportation improvements described in that measure. Please tell me whether you would find it acceptable or unacceptable as a way of raising money for these purposes.



Exemptions make little difference in the commercial business tax; historical context helps modestly with the VLF.

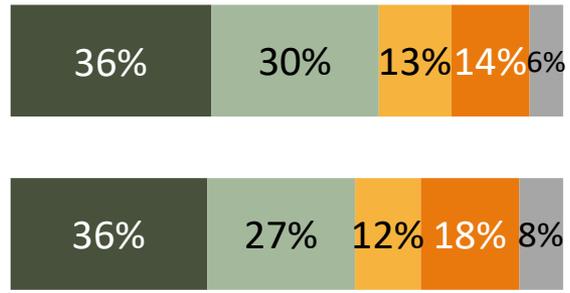
■ Very Acc.
 ■ Smwt. Acc.
 ■ Smwt. Unacc.
 ■ Very Unacc.
 ■ DK/NA

Total Acc. **Total Unacc.**

Increasing the business tax rate on total revenues from large commercial rental properties (HALF SAMPLE: with exemptions for small businesses and non-profits) up to 2.5%

With exemption information

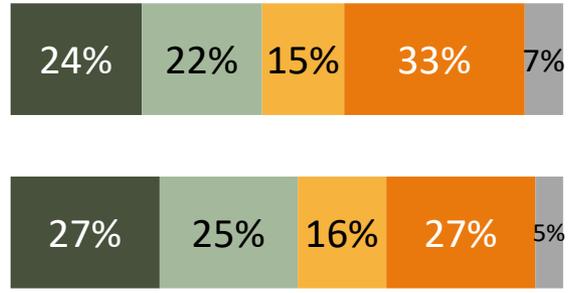
No exemption information



Add an annual local assessment to the state vehicle license fee...

Equal to 1.35% of the vehicle's value

Which would restore the total state and local fee to the prior rate of 2%



Q6b & c (Split Sample E & F). The final structure of the San Francisco transportation funding ballot measure I just described has not been determined. I am going to read you several different potential sources of funding for the transportation improvements described in that measure. Please tell me whether you would find it acceptable or unacceptable as a way of raising money for these purposes.



Given small sample sizes, variations across supervisorial districts are minor in most cases.

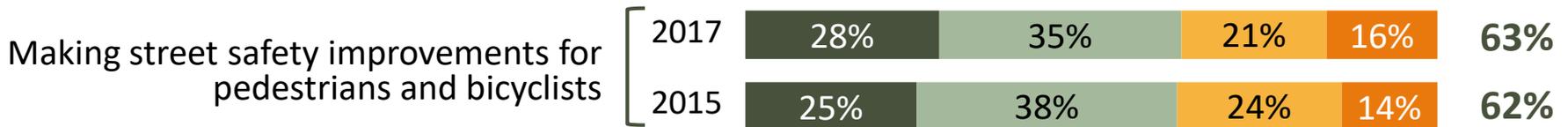
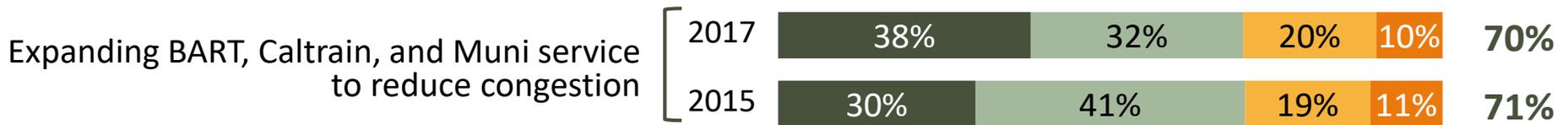
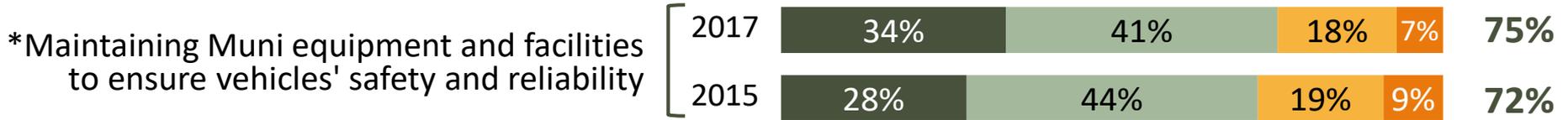
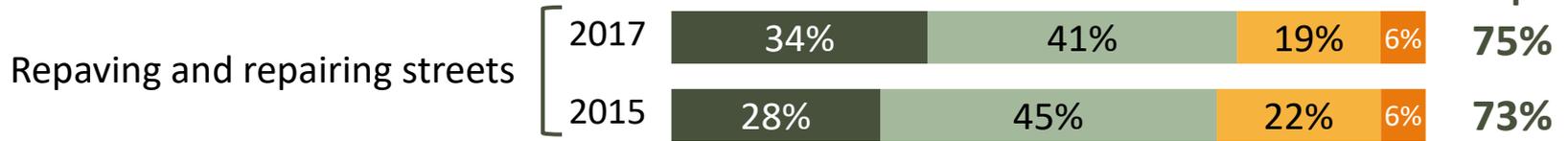
(Total Acceptable)

Funding Mechanisms	All Voters	Supervisorial Districts										
		1	2	3	4	5	6	7	8	9	10	11
Increasing the business tax rate on total revenues from large commercial rental properties (HALF SAMPLE: with exemptions for small businesses and non-profits) up to 2.5%	65%	60%	55%	63%	64%	75%	53%	59%	72%	71%	66%	71%
Establishing a 2% tax on revenues kept by service intermediary <u>companies</u> - which contract with independent workers to provide services like ride-hailing and food delivery	59%	58%	57%	63%	54%	52%	68%	53%	60%	65%	63%	60%
Add an annual local assessment to the state vehicle license fee (HALF SAMPLE: equal to 1.35% of the vehicle's value) (HALF SAMPLE: which would restore the total state and local fee to the prior rate of 2%)	49%	57%	49%	51%	39%	49%	71%	38%	55%	41%	48%	38%
Increasing the City sales tax rate by ½-cent bringing the total tax to 9%	37%	45%	23%	41%	34%	41%	42%	30%	34%	37%	47%	39%



Voters place highest priority on repaving streets, maintaining Muni and expanding public transportation service.

■ Ext. Impt. ■ Very Impt. ■ Swmt. Impt. ■ Not Too Impt./DK/NA Ext./Very Impt.

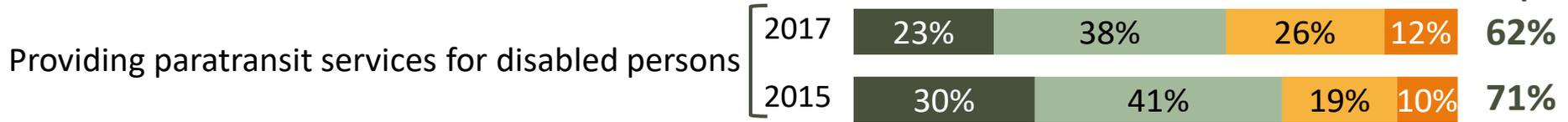


Q7. I am going to read you a list of ways that money from a measure like the one I just described might be used. Please tell me how important it is to you that money from the measure be used to pay for each of the following—is it extremely important, very important, somewhat important, or not too important? *Wording varies slightly from that in 2015



Paratransit services and reduced rates were also important to voters, but lower-tier overall.

■ Ext. Impt. ■ Very Impt. ■ Swmt. Impt. ■ Not Too Impt./DK/NA **Ext./Very Impt.**



Q7. I am going to read you a list of ways that money from a measure like the one I just described might be used. Please tell me how important it is to you that money from the measure be used to pay for each of the following—is it extremely important, very important, somewhat important, or not too important? *Wording varies slightly from that in 2015



Transit improvements tend to be higher priorities to younger voters, while repaving stands out among older voters.

(Total Extremely/Very Important)

List	All Voters	Age							
		18-29	30-39	40-49	50-64	65-74	75+	18-49	50+
Repaving and repairing streets	75%	73%	70%	72%	79%	79%	82%	71%	80%
Maintaining Muni equipment and facilities to ensure vehicles' safety and reliability	75%	73%	77%	73%	73%	77%	75%	75%	75%
Expanding BART, Caltrain, and Muni service to reduce congestion	70%	72%	81%	68%	68%	65%	57%	74%	65%
Making street safety improvements for pedestrians and bicyclists	63%	62%	72%	62%	61%	57%	59%	66%	59%
Providing paratransit services for disabled persons	62%	67%	62%	60%	60%	61%	65%	63%	61%
Providing reduced or free transit for seniors, people with disabilities, youth, and low-income persons	61%	71%	61%	58%	57%	62%	63%	62%	60%
Providing express bus services to connect outer neighborhoods to transit hubs and downtown	59%	68%	67%	61%	53%	53%	51%	65%	53%
Improving management of freeway lanes to reduce congestion and travel times and increase reliability	55%	55%	60%	56%	52%	50%	55%	57%	52%

Q7. I am going to read you a list of ways that money from a measure like the one I just described might be used. Please tell me how important it is to you that money from the measure be used to pay for each of the following—is it extremely important, very important, somewhat important, or not too important?

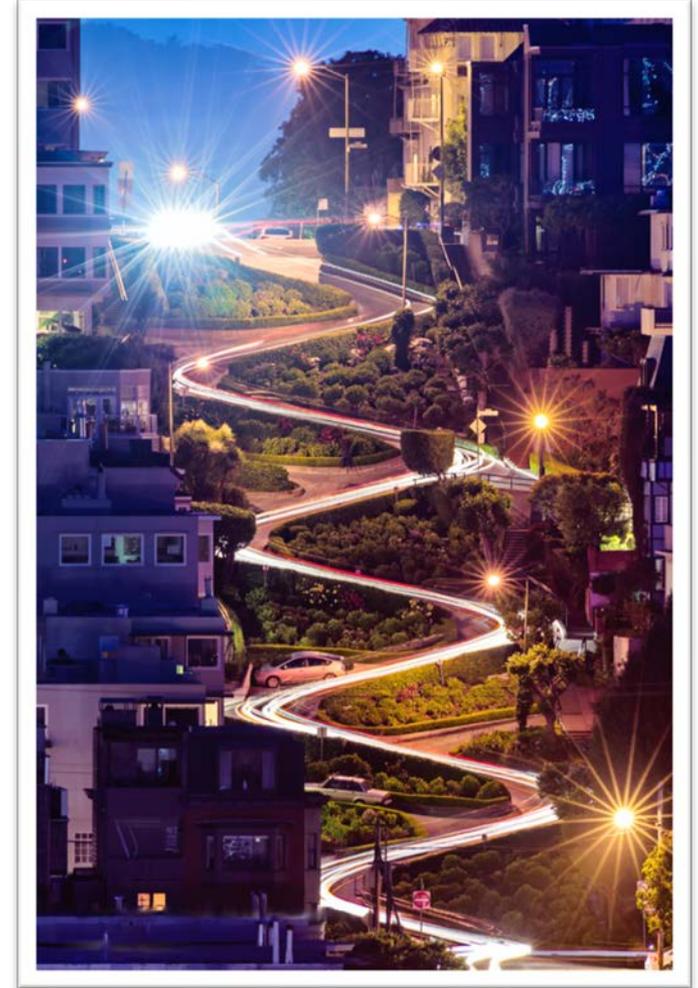




Messaging

Approach to Testing Messaging

- ✓ Each respondent heard balanced pro and con messaging, in rotated order, focused on each potential funding mechanism for the hypothetical transportation funding measure.
- ✓ Respondents first heard messaging for the type of tax they were asked about at the beginning of the survey.
- ✓ Then they heard messaging on the other funding mechanisms in a random order.
- ✓ Broader messaging unrelated to the funding mechanism was not tested.



Arguments For and Against a Business Tax on Service Intermediary Companies

Let me ask you about the idea of establishing a 2% business tax on revenues from service intermediary companies.

Supporters say that ride-hailing, food delivery, and similar companies use our roads and cause congestion, and so they need to start paying their fair share to reduce traffic and maintain roads. Currently, San Francisco taxpayers are subsidizing these costs for them. Besides, since these companies don't pay their workers benefits, and many pay less business tax than other San Francisco companies, they can afford to help pay the cost of transportation improvements, like increasing and improving bus service, repairing roads, and mitigating traffic.

Opponents say that taxing ride-hailing, food delivery services, and the like could lead them to raise costs for San Franciscans who use these services, or pass the costs on to their workers, many of whom are low- or moderate-income. Others say many of these companies strengthen the economy in low-income neighborhoods, and might end up moving their businesses out of San Francisco to avoid these taxes.

Having heard this, would you find establishing a 2% business tax on revenues from service intermediary companies acceptable or unacceptable as a way of raising money to make transportation improvements in San Francisco?



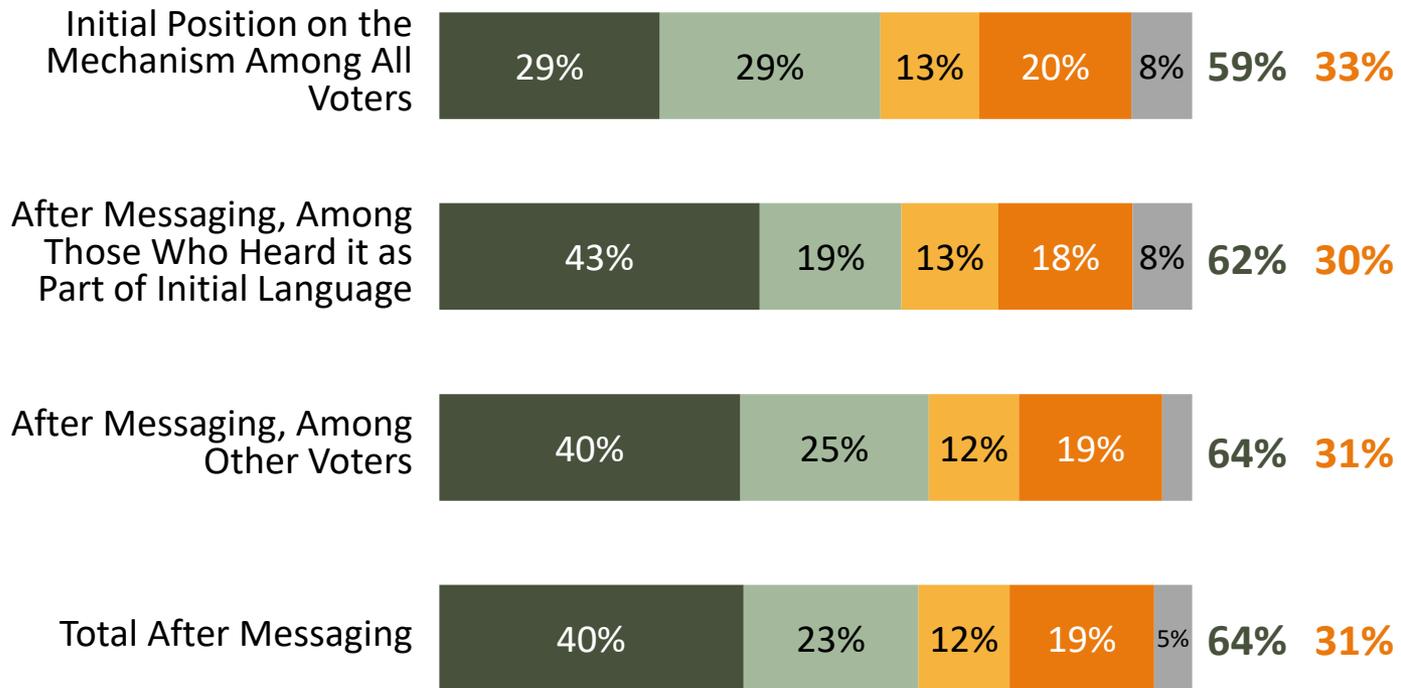
Similarly three in five voters see a tax on service intermediary companies as “acceptable.”

Having heard this, would you find establishing a 2% business tax on revenues from service intermediary companies acceptable or unacceptable as a way of raising money to make transportation improvements in San Francisco?

Very Acc.
 Smwt. Acc.
 Smwt. Unacc.
 Very Unacc.
 DK/NA
 Total Acc. Total Unacc.

Service Intermediary Companies as Part of Initial Ballot Language

Total Yes: 54%
 Total No: 33%
 Undecided: 13%



Q6d. The final structure of the San Francisco transportation funding ballot measure I just described has not been determined. I am going to read you several different potential sources of funding for the transportation improvements described in that measure. Please tell me whether you would find it acceptable or unacceptable as a way of raising money for these purposes. Q11 (Split Sample D, A/B/C & Total).



Arguments For and Against a Business Tax on Commercial Rental Properties

Let me ask you about the idea of increasing the business tax rate on revenues from commercial rental properties to 2.5%.

Supporters say that this tax will collect revenue from commercial landlords that rent large amounts of commercial office space to businesses that are contributing to the high number of commuters using the City's transportation system. Revenues would be used to repair streets, address congestion, improve transit, and make walking and biking safer. Nonprofits and arts organizations will be exempt from this tax. Currently, San Francisco commercial landlords have a tax rate that is less than one-tenth of what it is in Manhattan.

Opponents say that business taxes are too high already and taxes on landlords will end up getting passed on to their tenants many of whom already have trouble finding affordable rental space in San Francisco. At a time when commercial rents in San Francisco are among the highest in the country, this tax risks raising them further.

Having heard this, would you find increasing the business tax rate on revenues from commercial rental properties to 2.5% acceptable or unacceptable as a way of raising money to make transportation improvements in San Francisco?

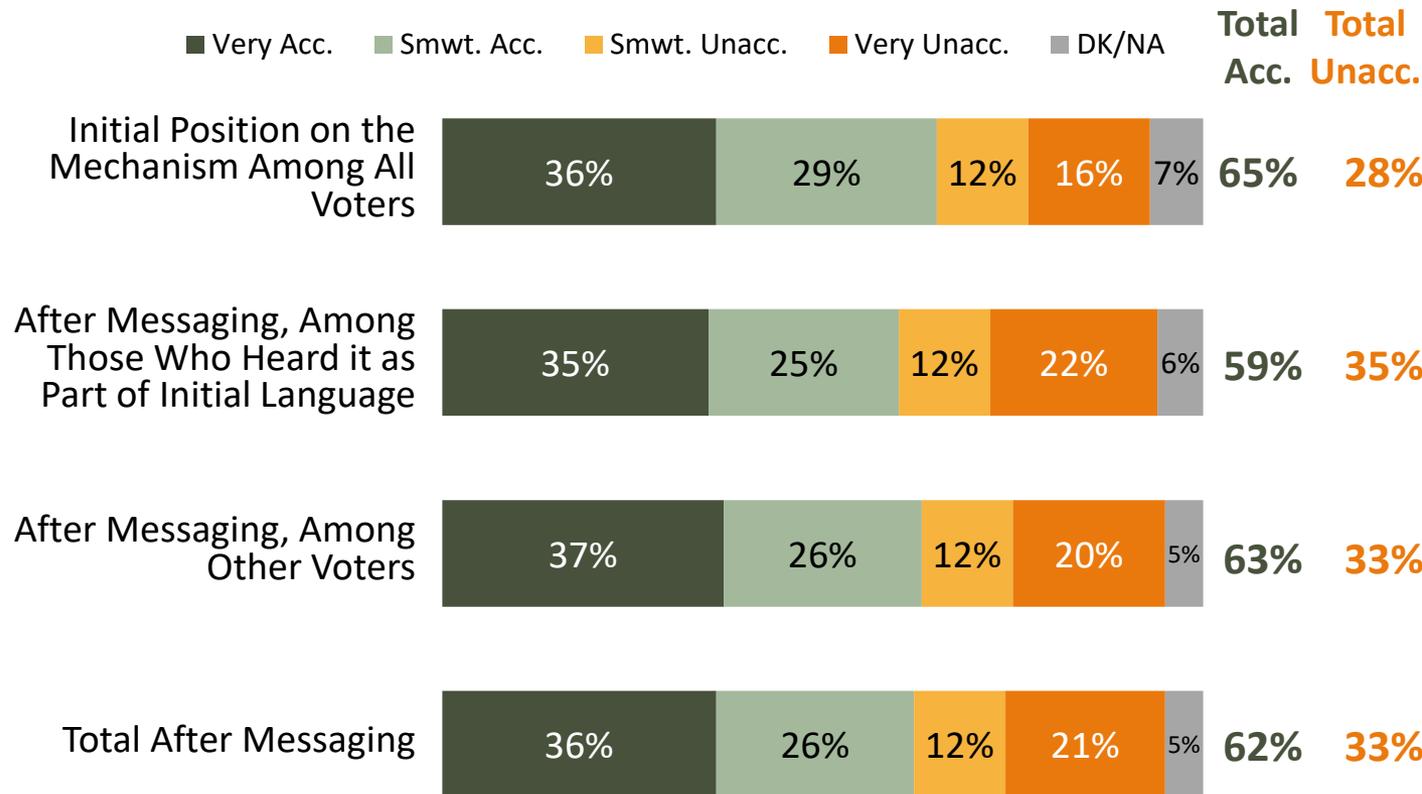


Roughly three in five consistently find a tax on commercial rental properties “acceptable.”

Having heard this, would you find increasing the business tax rate on revenues from commercial rental properties to 2.5% acceptable or unacceptable as a way of raising money to make transportation improvements in San Francisco?

Commercial Rental Properties as Part of Initial Language

Total Yes: 58%
Total No: 35%
Undecided: 7%



Q6c (Total). The final structure of the San Francisco transportation funding ballot measure I just described has not been determined. I am going to read you several different potential sources of funding for the transportation improvements described in that measure. Please tell me whether you would find it acceptable or unacceptable as a way of raising money for these purposes. Q10 (Split Sample C, A/B/D & Total).



Arguments For and Against a Vehicle License Fee

Let me ask you about the idea of adding an annual assessment to the Vehicle License Fee equal to 1.35% of the vehicle's value.

Supporters say that San Francisco's vehicle license fee used to be 2% before Governor Schwarzenegger reduced it to .35%. A vehicle license fee would raise money to repair streets, address congestion, improve transit, and make walking and biking safer. And because it is scaled to a vehicle's value, more affluent residents would pay more. Residents who do not own a car – including many low-income residents – would pay nothing.

Opponents say that another annual vehicle fee on top of recently-enacted gas tax and vehicle fee increases would just be too big of a burden for local residents, especially low-income residents who have no choice but to drive to get to work. Between gas, parking, bridge tolls, and existing fees, driving a car is already too expensive in San Francisco. Drivers shouldn't have to pay more in taxes to support improvements to public transportation systems they may not use. But many drivers on San Francisco streets don't live here and wouldn't pay the fee.

Having heard this, would you find adding an annual assessment to the Vehicle License Fee equal to 1.35% of the vehicle's value acceptable or unacceptable as a way of raising money to make transportation improvements in San Francisco?



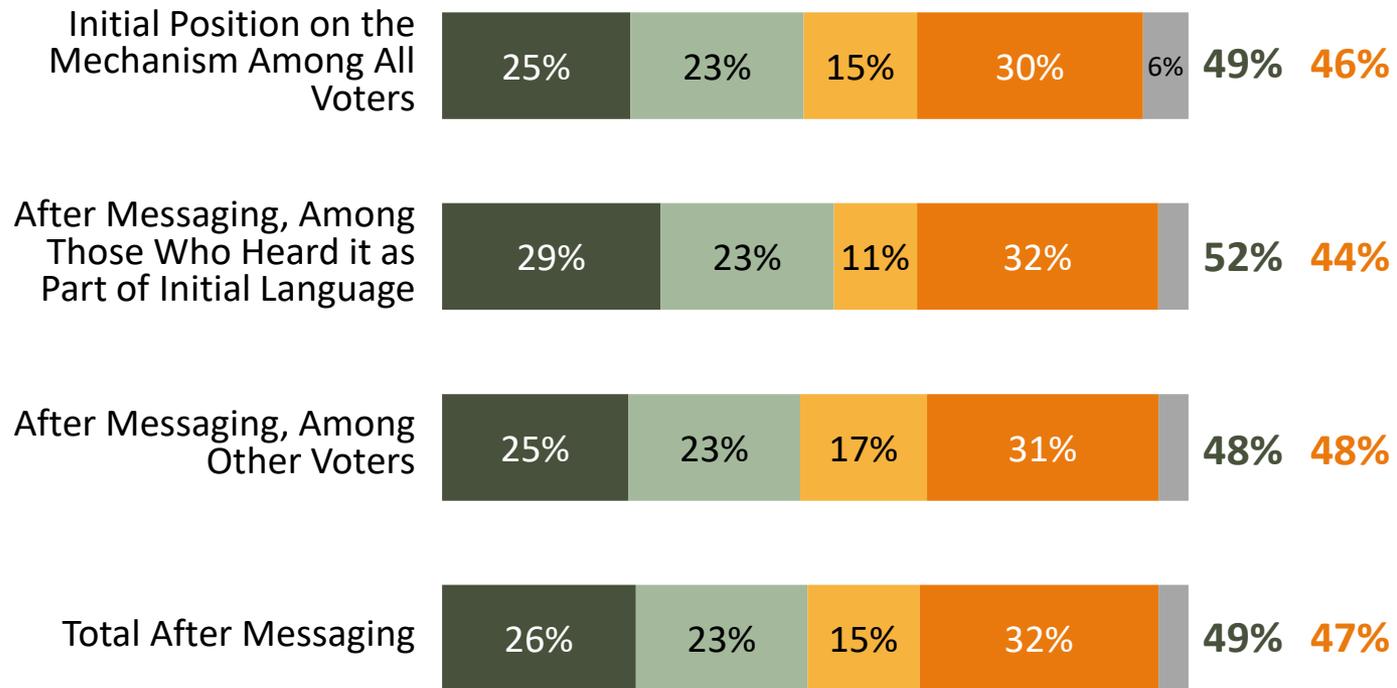
Voters are divided on the acceptability of a VLF – both before and after messaging.

Having heard this, would you find adding an annual assessment to the Vehicle License Fee equal to 1.35% of the vehicle's value acceptable or unacceptable as a way of raising money to make transportation improvements in San Francisco?

■ Very Acc.
 ■ Smwt. Acc.
 ■ Smwt. Unacc.
 ■ Very Unacc.
 ■ DK/NA
 Total Acc. Total Unacc.

Vehicle License Fee as Part of Initial Ballot Language

Total Yes: 53%
 Total No: 41%
 Undecided: 6%



Q6b (Total). The final structure of the San Francisco transportation funding ballot measure I just described has not been determined. I am going to read you several different potential sources of funding for the transportation improvements described in that measure. Please tell me whether you would find it acceptable or unacceptable as a way of raising money for these purposes. Q9 (Split Sample B, A/C/D & Total).



Arguments For and Against a Sales Tax

Let me ask you about the idea of increasing sales tax rate by ½¢.

Supporters say that San Francisco has used the sales tax effectively before and that it has a lower sales tax rate than many neighboring counties, and would still be lower even with a ½¢ increase. In addition, more than \$2 of every \$5 of sales tax revenue would be paid by visitors and businesses. Revenues would improve bus and train service; reduce traffic congestion; and help make transportation affordable for low-income households, seniors, and youth.

Opponents say that the sales tax is regressive, meaning that it costs low-income households a greater proportion of their income than high-income ones. At a time when San Francisco has one of the highest costs of living and a high degree of income inequality, and many residents are struggling to make ends meet, a sales tax is the wrong approach.

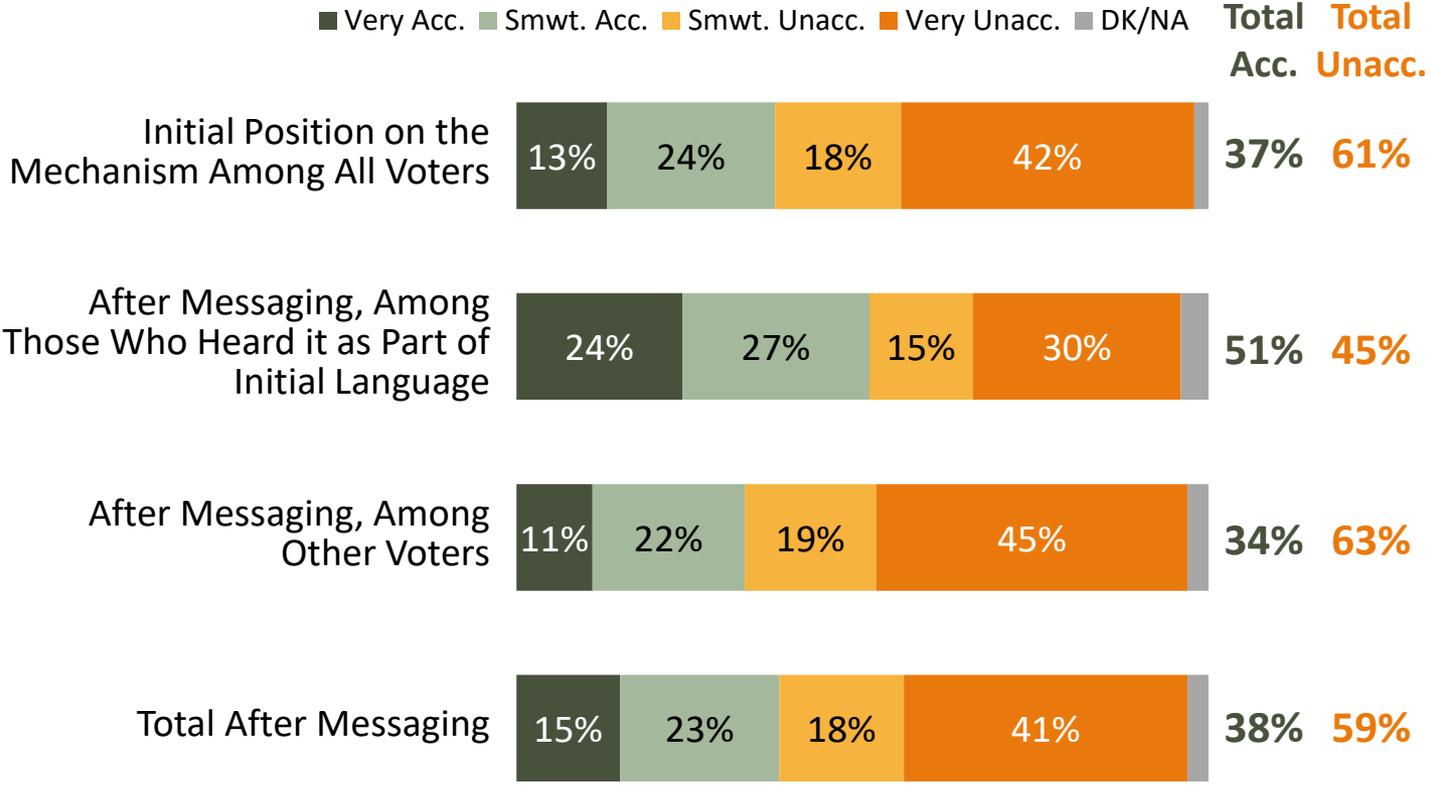


Many expressed reservations about the sales tax as a funding mechanism, though it was more appealing among those who heard it as the initial option presented.

Having heard this, would you find increasing the sales tax rate by ½¢ acceptable or unacceptable as a way of raising money to make transportation improvements in San Francisco?

½¢ Sales Tax as Part of Initial Ballot Language

Total Yes: 59%
 Total No: 36%
 Undecided: 5%



Q6a (Total). The final structure of the San Francisco transportation funding ballot measure I just described has not been determined. I am going to read you several different potential sources of funding for the transportation improvements described in that measure. Please tell me whether you would find it acceptable or unacceptable as a way of raising money for these purposes. Q8 (Split Sample A, B/C/D & Total).





Key Findings

Key Findings

- ✓ San Francisco voters see a need for additional funding for public transportation and a majority are willing to support a funding measure to provide additional funding for public transportation and traffic improvements.
 - Support is driven by the broad perception of need, while opposition is motivated by the concerns about taxation.
 - Those most likely to support a funding measure are voters under age 40 and higher-income voters.
- ✓ Among the potential funding mechanisms, a sales tax and a business tax on commercial rents receive the strongest initial support.
- ✓ However, after balanced pro and con arguments describing each funding mechanism, the potential service intermediary tax and commercial rental property tax are seen as most acceptable to voters.
 - The service intermediary tax is the only funding mechanism among those tested to increase in acceptability over the course of messaging.
- ✓ Voters view investing in public transit, including BART, Muni and Caltrain, and repairing streets as the most important spending areas for the measure.

