



DRAFT MINUTES

SB 83 ADDITIONAL VEHICLE REGISTRATION FEE FOR SAN FRANCISCO – EXPENDITURE PLAN DEVELOPMENT CAC SUBCOMMITTEE

April 12, 2010 MEETING

5:30 pm Introductions

CAC Subcommittee members present were Jul Lynn Parsons, Jacqueline Sachs, Peter Tannen, and Robert Switzer. Authority staff members present were Maria Lombardo and Chad Rathmann.

5:35 pm General Public Comment

Peter Straus stated his support for the use of SB 83 revenues to go towards helping budget emergencies, specifically for operational needs at the San Francisco Municipal Transportation Agency (MTA). Maria Lombardo, Chief Deputy Director, responded that this idea could be discussed more under agenda item #6.

Jonathan Rewers, MTA, stated that MTA staff is interested in using revenues to fill gaps in small programs such as SFgo and the pedestrian program.

Jacqueline Sachs asked how MTA plans to purchase parking meters for potential parking meter expansion.

Robert Switzer stated that he believes the work of the subcommittee is to make a recommendation that is flexible, but also focused to ensure the objectives of the legislation and ballot measure are achieved.

Ms. Sachs stated her concern that MTA would take revenues to help with its budget and the work of the Subcommittee will be negated.

Mr. Switzer voiced his support for using the funding where other opportunities for funding do not currently exist. He continued that augmenting budgets should be a last resort for the SB 83 revenues. Mr. Switzer also stated this work involves a balance of what the law allows versus what the law requires. Ms. Lombardo responded to Mr. Switzer by observing that there is a balance between providing a well-defined Expenditure Plan so the voters know how the funds will be used, supporting accountability, and providing flexibility to fund different projects as priorities may change over the life of the Expenditure Plan. Ms. Lombardo noted that based on information available to date, if the measure passed, the revenues are not expected to be in place in time to help with the current fiscal emergency at MTA.

5:40 pm Progress Update

Ms. Lombardo noted that the Authority Board can act to put this item on the November 2010 ballot and referred to the new timeline included in the agenda packet, which is based on advice from the City Attorney that the Authority Board can directly

place the measure on the ballot instead of having to go through the Board of Supervisors.

Peter Tannen asked why the 50 percent plus one threshold would be required for this item. Ms. Lombardo responded that the measure would be a fee as established in SB83, but everyone is anticipating that one or more of the SB83 measures may be legally challenged.

Ms. Sachs asked what would happen if the measure would not pass. Ms. Lombardo responded that the jurisdiction could place the item on a future ballot.

5:50 pm Polling Results

Mr. Switzer asked if Ms. Lombardo could address the parcel tax issue and how the poll numbers changed after the parcel tax was read. Ms. Lombardo responded by outlining how the SB 83 poll for the Authority was structured, including how other potential revenue measures were read to poll respondents to simulate a crowded ballot. She stated that even with all other measures read, the SB 83 measure still held a statistically significant margin over the 50 percent plus one threshold.

During public comment, Mr. Straus added that this fact reinforces what SPUR and others have found, which is that parcel tax and assessment measures are harder to pass than vehicle-based measures.

6:00 pm Preliminary Benefit/Relationship Analysis Results

Ms. Lombardo reviewed the packet materials summarizing the methodology and noting that all the potential projects are expected to meet the benefit/relationship analysis requirement. Mr. Switzer asked for clarification on the language in the SB 83 legislation that establishes the dual test in the benefit/relationship analysis. Ms. Lombardo responded that the legislation does not specify how one would establish a benefit or relationship to the persons paying the fee, just that there must be a finding of a benefit and/or relationship. She added that the Authority's consultants have indicated that the dual test has been used in other nexus studies.

Mr. Straus noted that the legislation gives some idea of project eligibility.

Mr. Switzer commented that some of the eligible projects may not have a benefit to the fee payer. Ms. Lombardo noted that it's an either/or type test: either there is a direct benefit to the fee payer (driver) or the project mitigates some of the negative impacts of driving like congestion. Ms. Lombardo continued that the legislation was also modeled on the Sinclair Paint decision, which included mitigation as part of related regulatory fees.

Mr. Straus commented that the legislation mentions mitigating congestion and the impacts of driving on air and water quality, as well.

Mr. Switzer continued that the policy issue of what projects should be included in the expenditure plan is distinct from the technical issue of determining project eligibility.

Based on the language of the legislation, Jul Lyn Parsons asked if there should be some sort of green element included in the expenditure plan or selection of project eligibility. Ms. Lombardo stated that most congestion management agencies (CMAs) in the Bay Area are looking at projects that encourage transit use and bicycle and pedestrian projects as green elements, and that one CMA is also looking at hydrogen or electric

fueling infrastructure. She continued that San Mateo County has a fee in place that addresses storm water run-off. In the bigger picture, there are efforts to develop potential funds sources to enable implementation of SB 375.

Mr. Rewers gave an example of a dual test used in a study for a benefit assessment district, which essentially became a fee on home builders and developers.

Mr. Switzer reiterated his concern about including projects that don't directly benefit the fee payer as opposed to just mitigating the impacts of driving. Ms. Lombardo commented that she would accelerate seeking the input of counsel on the benefit/relationship analysis to address Mr. Switzer's concerns and help ensure that the analysis is legally defensible.

6:10 pm

Preliminary Draft – Expenditure Plan Proposal (Projects and Programs Description)

Mr. Tannen noted the fact that trees and landscaping projects will likely not pass the benefit/relationship analysis as standalone projects to be funded with SB 83 revenues. Ms. Lombardo confirmed this, clarifying that they meet the test if included as part of a traffic calming project to improve pedestrian safety.

Mr. Switzer asked about the possibility of funding community-based neighborhood plans to create potential projects that incorporate more than just single-agency or single-mode features. Ms. Lombardo responded that these types of plans, which the Authority does and calls neighborhood transportation plans or community based transportation plans have a long timeframe and are very intensive. She continued that projects, even high priority projects, developed within the plans may take a long time to construct as they have to go through planning, environmental, and design phases after the community plan. Ms. Lombardo stated that the Stakeholder Advisory Panel came up with the idea of SB 83 funds funding only the construction phase of projects. Mr. Rewers voiced his agreement with Ms. Lombardo's comments and added that the timeframe to do this type of work would be lengthy and with the amount of funds available, the projects would likely be quite small.

Mr. Switzer voiced his support for street reconstruction and repair projects with a clear benefit that would include pedestrian safety and circulation and transit reliability and mobility improvements.

Mr. Straus commented that he believed street resurfacing to have a strong connection to drivers, but little relationship to the intent of the legislation, and that street resurfacing does very little to relieve congestion. Ms. Lombardo noted that the bicycle advocacy community, including a representative on the Stakeholder Advisory Panel had identified street resurfacing as among the highest priority projects for cyclists and that pedestrian advocates support street maintenance, as well. She also clarified that the intent was for street repair projects to include other elements such as pedestrian safety improvements, signal improvements and bicycle improvements.

Mr. Switzer commented that relative to the amount of revenue, including a broader type of reconstruction project may make it seem like not a lot of project for the funding. He voiced his support for smaller, more visible projects where there are safety or liability issues involving pedestrians, Muni riders, and cyclists that do not involve a significant project.

Ms. Sachs asked how something like traffic signal prioritization would happen under SB

83 revenues if that type of project were to be included in the Expenditure Plan. Ms. Lombardo responded that MTA maintains a priority list that is partially based on citizen requests, supervisor requests, and safety analysis. This list could provide the basis for identifying projects for SB83 revenues since there are more projects on the list than available funding. Ms. Sachs voiced her support for a traffic signal at California and Pierce to help improve pedestrian safety.

Mr. Tannen voiced his support for SB 83 to be used for projects that one could point to and say were funded with SB 83 funds. He stated that although he supported complete streets projects, the amount of funding available through SB 83 would pay for only a small number of blocks of a complete streets project. He mentioned that there is a lot of payoff if the money would be used for small specific projects, particularly if they can provide a rapid response to community concerns.

Mr. Switzer asked why planning for off-street parking improvement had not been brought up as a potential project. Mr. Rewers asked if parking management and transportation demand management as included under Transit Reliability and Mobility Improvements in the Draft Preliminary Proposal for Expenditure Plan Categories would be something similar to what SFpark does at MTA. Ms. Lombardo responded that at the staff level the idea was more about reconfiguring parking in neighborhoods or commercial areas to help leverage other improvements or street management studies to evaluate changes in parking management.

Ms. Lombardo also commented that many programs have funding shortfalls, including street resurfacing, where the backlog is in the hundreds of millions of dollars. She continued that lighting, pedestrian improvements, traffic calming, and landscaping, for example, are all difficult to fund with discretionary funds.

Mr. Switzer stated that funding the planning of improvements may make greater contributions than capital projects. He voiced his support for some SB 83 revenue to be used for creative community planning activities that are not usually funded. Ms. Lombardo responded that given the limited amount of SB83 revenues and the growing support to fund projects that can be implemented quickly, it might make sense to take advantage of Prop K funds, from which more neighborhood planning could be funded, and that the pipeline of projects from those plans are prioritized for SB83 funding. Mr. Switzer said he would be in favor of that proposal.

Mr. Rewers commented that keeping three separate categories made most sense to him. He stated that these funds could be used to help develop programs like SFgo or the MTA Pedestrian Program in which there are numerous small projects. He added that one category and larger projects would make it harder to fund the smaller, more programmatic projects, and that they would likely have less of an immediate impact. He noted that planning and cost effectiveness would be improved by having a reliable source of funds available for these programs

Ms. Parsons added that she would be in favor of prioritizing funds for projects where there was already another project planned or occurring to leverage SB83 revenues. She added that this would create more coordination among agencies. Ms. Parsons also stated she believes everyone benefits when improvements are made for pedestrians and cyclists.

Mr. Tannen stated his support for Mr. Rewer's thoughts.

6:50 pm Meeting Re-Cap, Next Steps, and Next Meeting

Mr. Switzer volunteered to report back to the full CAC at its next meeting.

7:00 pm Adjournment



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SUMMARY

1. Introductions

CAC Subcommittee members present were Jul Lynn Parsons, Jacqueline Sachs, Peter Tannen, and Robert Switzer. Authority staff members present were Maria Lombardo and Chad Rathmann.

2. General Public Comment

- Support for providing an Expenditure Plan focused on capital improvements, but with flexibility to direct allowing SB 83 revenues to go towards helping operating budget emergencies at the San Francisco Municipal Transportation Agency (MTA) (Peter Straus)
 - E.g., The Authority shall have discretion to redirect SB83 VLF program receipts to address unanticipated critical operational or project needs consistent with the requirements of SB83 and confirmation of an appropriate nexus, provided that such redirection of funds shall not exceed (20%)(30%) of historical and anticipated receipts in any rolling ten-year period. [Between FY2012 and FY2021, this ten year period will include total receipts within said period, plus the SF Controller's certified projection of anticipated receipts in future years; following FY2021, historical data will be used.]
- Concern that the above provision would divert all the revenues to MTA's operating budget, negating the work of the sub-committee in defining an Expenditure Plan (J. Sachs)
- Support for revenues to fill gaps in small MTA programs such as SFgo and the pedestrian program (Jonathan Rewers, MTA)
- Support for prioritizing use of funding where other opportunities for funding do not currently exist (R. Switzer)

3. Progress Update

- Ms. Lombardo referenced the new timeline targeting June approval of the Expenditure Plan by the Authority Board instead of May, based on advice from the City Attorney that the Authority Board can directly place the measure on the ballot instead of having to go through the Board of Supervisors.

4. Polling Results

- Ms. Lombardo referenced the results of the March polling effort included in the agenda packet showing a statistically significant margin of approval even when testing against a ballot loaded with several other revenue measures. Types of improvements that were rated the highest closely parallel input received from the CAC and Stakeholder Advisory Panel: improving MUNI's reliability, repairing local streets and roads, supporting programs that encourage people to get around without driving cars, and pedestrian safety.

5. Preliminary Benefit/Relationship Analysis Results

- Concern raised about the dual test and whether legally and/or in terms of public perception it would be appropriate to include projects that don't directly benefit the driver (fee payer) and only mitigate the impacts of driving (R. Switzer)
 - Ms. Lombardo committed to following-up with legal counsel, but also noted that the dual test has been used in other nexus studies and the legislation specifically calls out congestion mitigation and mitigation of the impacts of motor vehicles on air and water quality as part of the program's intent
- Support for including a "green element" in the Expenditure Plan based on the language of the legislation, and comments that transit, bike and ped projects, as well as signal timing to smooth traffic flow would be appropriate (J. Parsons, P. Straus)

6. Preliminary Draft – Expenditure Plan Proposal (Projects and Programs Description)

- General consensus to focus on smaller projects that can be implanted quickly with immediate benefits.
- Trees and landscaping projects would likely not pass the benefit/relationship analysis as standalone projects to be funded with SB 83 revenues, but would meet the test as part of a traffic calming project to improve pedestrian safety (P. Tannen)
- Support for street reconstruction and repair projects with a clear benefit to the fee payer that could include pedestrian safety and circulation and transit reliability and mobility improvements (R. Switzer)
- Street resurfacing has a strong connection to drivers, but little relationship to the intent of the legislation, and street resurfacing does very little to relieve congestion (P. Straus)
 - Ms. Lombardo noted that the bicycle advocacy community had identified street resurfacing as among the highest priority projects for cyclists and that pedestrian advocates support street maintenance, as well. She also clarified that the intent was for street repair projects to include other elements such as pedestrian safety improvements, signal improvements and bicycle improvements.
- Support for the idea of complete streets, but recognition that the small revenue stream from SB 83 is not a good fit for "fully-loaded" complete street projects. (P. Tannen; J. Sachs)
- Support funding for targeted community planning efforts to identify solutions, noting that in the end this may expedite project delivery. (Robert Switzer)
 - Ms. Lombardo acknowledged the benefit of such efforts which are similar to the Authority's neighborhood based transportation plans, but they take a lot of time to do well, and then the projects still have to undergo environmental review and design before they can be implemented. This can take years depending upon the complexity of the project and other factors. Ms. Lombardo suggested that this might conflict with the desire to focus SB83 on quick to implement project projects. She suggested using Prop K to funds and other sources (e.g. Caltrans Planning grants) to fund more community planning efforts, which could develop a pipeline of projects to be prioritized for SB 83 funds. Mr. Switzer indicated that this could address his concern.
- Consider including planning funds for parking improvement projects (R. Switzer)

- Ms. Lombardo clarified that type of parking management projects that might be funded would likely be neighborhood-based efforts in-line with the recommendations of the Authority's on-street parking study. She flagged this project type as needing clarification in the next iteration of the project list

- Support for three separate categories since funds could be used to help develop programs like SFgo or the MTA Pedestrian Program in which there are numerous small projects and not a lot of discretionary funding opportunities. One category and larger projects would make it harder to fund the smaller, more programmatic projects, and would likely have less of an immediate impact (J. Rewers, MTA; P. Tannen)
- Support for projects where there is another project planned or underway to leverage SB 83 revenues and encourage coordination (J. Parsons)

7. Meeting Re-Cap, Next Steps, and Next Meeting

- Mr. Switzer volunteered to report back to the full CAC at its next meeting.