San Francisco
County Transportation
Authority

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DRAFT MINUTES

Expenditure Plan Advisory Committee

Thursday, September 9, 2021

1. Call to Order

The meeting was called to order at 6:00 p.m.

Present at Roll Call: Jay Bain, Rosa Chen, Anni Chung, Majeid Crawford, Zack Deutsch-Gross, Jesse Fernandez, Mel Flores, Amandeep Jawa, Nick Josefowitz, Sharky Laguana, Aaron Leifer, Jodie Medeiros, Calvin Quick, Pi Ra, Maurice Rivers, Eric Rozell, Earl Shaddix, Yensing Sihapanya, Kim Tavaglione, Joan Van Rijn, Christopher White (20)

Absent at Roll Call: Rodney Fong, Jessica Lum (joined after roll call), Maryo Mogannam, Maelig Morvan, Susan Murphy, (5)

Alternates Present: Sasha Hirji

2. Welcome from Transportation Authority Chair Rafael Mandelman

Transportation Authority Chair Rafael Mandelman, welcomed the Expenditure Plan Advisory Committee (EPAC) members to the first official meeting of the EPAC, provided some context about the importance of the effort to develop a new Expenditure Plan to continue the existing half-cent transportation sales tax, and thanked everyone for their willingness to devote their time and energy for this purpose. Chair Mandelman then introduced Amandeep Jawa who will serve as EPAC Chair and Anni Chung, who will serve as Vice Chair and appreciated them for their willingness to step up into these roles to help guide the EPAC over the next several months [starting at meeting #2 on September 23, 2021]. He also introduced his legislative aide, Jacob Bintliff, who will be attending most, if not all the EPAC meetings.

3. Public Comment – INFORMATION

There was no public comment.

4. Expenditure Plan Advisory Committee Purpose and Process – INFORMATION

Michelle Beaulieu, Principal Transportation Planner, Government Affairs presented the item.

A member asked if the slides would be available. Staff replied that they are available online at sfcta.org/expenditureplan, as well as on the Transportation Authority's events calendar at www.sfcta.org/events.

A member stated that she wanted to know more about the current Prop K Expenditure Plan, including what percentages were expended, what the concerns were, and what was accomplished. They expressed interest in how the agency is thinking about new and innovative ways to reduce greenhouse gas emissions. Ms. Beaulieu said staff would include information on the Prop K sales tax in the next agenda packet and with respect to greenhouse gas emissions, this was something sponsor agencies have been asked to address in their presentations and would be a good topic for breakout discussions at this and subsequent EPAC meetings.

A member asked about the goal of the EPAC and if it is intended to directly recommend that the Transportation Authority approve a new plan. They asked about the distinction between the Board approval and developing a plan. Ms. Beaulieu replied that the EPAC process is intended to shape development of a New Expenditure Plan and to ultimately adopt the Expenditure Plan and recommend that the Transportation Authority Board adopt the plan and ask the Board of Supervisors to place it on the ballot for voter approval.

A member asked to elaborate on slide 12 showing various Prop K sales tax programs that are running out of funds and asked if traffic calming and bicycle circulation and safety funds were still available. Anna LaForte, Deputy Director for Policy and Programming, replied that programming of funds means the funds are available for a project sponsor to request or allocate when they are ready to proceed with the project. She said that no funds programmed after Fiscal Year 2024/25 means that no funds are available for allocation after those years, assuming the project sponsor(s) has asked for allocation of all the funds programmed before that date.

A member asked if they should have opinions about the revenue side and if the rate of the tax is fixed or variable. Ms. Beaulieu said that this EPAC has been convened explicitly to help develop a New Expenditure Plan for the existing half-cent sales tax.

5. Preliminary Draft Expenditure Plan – INFORMATION

Michelle Beaulieu, Principal Transportation Planner, Government Affairs presented the item.

A member asked if this was superseding Prop K and if the funds to pay for the estimated ~$450 million in existing Prop K sales tax grant obligations was already available. Maria Lombardo, Chief Deputy Director, replied that yes, the New Expenditure Plan, if approved, would take effect before the 30-year Prop K Expenditure Plan period was over and therefore, would need to take on any remaining financial obligations from the Prop K program. She said this includes the ~$450 million in grant balances for existing allocations. Ms. Lombardo said that while the agency has some cash available, it isn't enough to cover the total obligations were sponsors to ask for all of it today. She said the agency is able to finance to cover the costs, but also works with sponsors to approve reimbursement schedules that take into account the project schedule – many of which span multiple years, as well as other funding sources paying for the project. She said that helps to spread out the timing of when the reimbursements come in and helps to minimize financing costs.

The member asked if there was enough in the Prop K sales tax to pay all of its obligations. Ms. Lombardo replied that there was over the 30-year life of the Expenditure Plan. She said the agency regularly updates the Prop K Strategic Plan, the financial planning tool for the sales tax to ensure it has enough revenues to pay for the grants or allocations made, plus any financing costs.

A member asked about the estimated sales tax revenue and who decides what to do with revenue if there was a surplus. In addition to the conservative and optimistic forecast that were presented, they also suggested presenting a forecast that was beyond the optimistic forecast. Ms. Beaulieu replied that the revenue projection was over 30 years and, in the past, there had not been a surplus of revenues. Ms. Lombardo added that because no one can accurately forecast 30-years into the future, the way the Expenditure Plan handles this is by showing a percentage share of revenues for each program, along with estimated dollar amounts. This allows staff to scale the amounts up or down according to revenues, using the percentage share. In addition, Ms. Lombardo noted, that the New Expenditure Plan can specify how to distribute the funds for the optimistic forecast, as well as a potential higher forecast if the EPAC choose to do so, noting that the Prop K Expenditure Plan has three revenue level forecasts and corresponding priorities in the Expenditure Plan for each level.

A member asked what engagement that extends beyond the EPAC might look like and how it might inform the process. Ms. Beaulieu replied that there would be more information about this in the upcoming equity presentation on the agenda and that regular updates could be provided as supporting materials between meetings.

A member stated that they were going to bring up the possibility of a third revenue forecast as well and said that there were three options for Prop K that corresponded to the minimum, the realistic, and the wish list revenue levels. They said it was hard to gain agreement on the prior sales tax EPAC, but the highest revenue forecast provided a sense of priority and it was a tool that was helpful or gaining consensus in the last EPAC.

A member asked if the conservative forecast was based on the COVID-19 pandemic or business as normal, and if it included environmental disasters like smoke were reflected in the sales tax revenue forecast. Ms. LaForte acknowledged that revenue projections are challenging and even more so with the pandemic. She said the agency worked with a sales tax consulting firm to develop the revenue forecasts which did make assumptions about when people would return to working in offices, about overall vaccination rates, when business and travel would return to pre-pandemic levels, and beyond that when international tourism would return. She said that smoke and natural disasters aren't explicitly included in the assumption, but that the model incorporates periodic recessions as part of the long-term economic cycle. She added that while one can't assume this indicates a trend, June revenues collected exceed pre-pandemic collections for the same month, which was a positive sign.

A member expressed concern about the conservative forecast and asked what the scenario would be if the New Expenditure Plan were not approved. They expressed worry about paratransit and what might happen to paratransit operations if that happened. Ms. Beaulieu replied the Prop K Expenditure Plan continues until 2034 so it would continue if the New Expenditure Plan and sales tax extension were not approved in 2022. She said based on the current Prop K Strategic Plan, there would be enough money for the paratransit program until Fiscal Year 2024/2025, providing several more chances at the ballot if needed.

A member noted the possibility of a new federal program coming that may provide access to dollars that may not be available if a different administration comes in.

A member asked if contingency planning was a possibility, for example if the SFMTA gets a certain amount of dollars from the federal government, then sales tax funds could be redirected elsewhere. The member also said they would appreciate gaining an understanding of how critical sales tax funds are for these projects, such as what percentage of Prop K funding was part of their overall budget and what impact it would have on those programs. They said it would be helpful to see an objective baseline laid out in a spreadsheet or other rating system to help the EPAC compare across programs. Ms. Beaulieu replied that it was possible to have that sort of contingency plan in place. Ms. Lombardo added that when staff develop the leveraging assumptions for each program, they looked at all the other federal, state, local and regional funds expected to be available over the 30-year Expenditure Plan period and make a judgement about how much of those funds each program would likely secure based on eligibility and competitiveness. She said that will provide some indication of the importance of the sales tax for various programs and she reiterated that the project sponsors would speak to this topic in their presentations starting next meeting.

6. Equity Analysis: Findings and Recommendations – INFORMATION

Kaley Lyons, Senior Transportation Planner, presented the item.

A member said that it would be difficult to right all the wrongs of the past and asked if there was a list of best practices to remediate some of the inequities. Executive Director Chang recognized that there was a lot of expertise among committee members on this topic and encouraged sharing best practices with one another during the breakout sessions.

The Brown Act meeting was suspended to allow members to participate in breakout rooms. The minutes below reflect the breakout group reports outs after the Brown Act meeting was resumed, with additional notes added to summarize discussions in the breakout rooms for reference.

During the breakout discussion, a member asked if it would be possible to see a map of traffic volumes compared to population density. Staff noted that this information is available on the Transportation Authority's website.

A member asked if the EPAC could see a map of Muni lines laid over the Equity Priority Communities, and stated that District 7 did not have a lot of transit options.

Another member noted that it would be helpful to have a citywide discussion of equity, for more than just transportation. The member noted that the Recreation and Parks Department had changed their prioritization process to prioritize investments in Equity Priority Communities, and that should be done for all topics including transportation.

A member expressed appreciation for the serious conversation on equity. They wanted to know what the trade-offs were between equity and other city priorities. They also noted that some investments could help everyone in the city, in effect "lifting all boats." They asked if something could be presented to the committee for discussion. Staff agreed that there were some investments, such as investing in the backlog of maintenance investments for Muni, for example, that benefit the entire system while also supporting equity since Muni's ridership is disproportionately low income.

A member stated that a lot of the plan had to do with getting residents to downtown, particularly the transit investments, but that getting downtown might not be as important as it had been in the past with increasing remote work. The member felt that the jobs-housing relationship will change and be more corridor-focused. The member stated that Muni didn't focus on where Equity Priority Communities were located, but on where jobs were located, and that they need to support Muni to lift all boats but also to help determine how to adapt their service plan for the future. Staff noted that the sales tax doesn't fund Muni service, but that it could fund improvements/changes to transit stops and red lanes that could support any service changes.

One member asked about poor air quality areas and wanted to take into consideration where congestion is impacting peoples' health.

Another member asked about the youth population and wanted more information about how they get around. They also asked about transportation education. Staff stated that they would provide information about where young people live in the city and noted that bicycle and pedestrian and vision zero education could be eligible in the Safer Streets program.

A member stated that there was an aging population, and that there would be a need for more paratransit service.

Another member asked about the date of data in the presentation. Staff noted that the presentation pulled from multiple sources to provide a breadth of information, and that the data come from multiple dates because of that. The member noted that certain parts of the city, the Mission, Bayview and Dogpatch, were the fastest growing in the city and were probably adding a lot of transit riders. They asked about where jobs were going and what kinds and lengths of trips people would be making in the future.

Staff noted that the member was correct about where growth was occurring, and that the Transportation Authority's parallel countywide plan update (called the San Francisco Transportation Plan) that looked were growth was happening and forecast to be happening in the future, and that plan was being developed with an inter-agency group through the ConnectSF process. That process uses the Metropolitan Transportation Commission's growth forecast to start, and the Planning Department was using that to develop the Housing Element to distribute growth across the city.

A member noted that it would be helpful to see what kinds of trips were being taken, to help understand what the need was for planning. They also mentioned it would be interesting to see a presentation about the Housing Element in the future as well, as it would feed into the transportation needs of the future.

A member asked about how different city goals would overlay, including climate goals, vision zero, and transit, and how to improve transportation to address multiple goals.

During the breakout discussion, a member expressed concern about the equity solutions not addressing historic impact of transportation on communities.

A member asked about the process of developing new ideas to help communities that have been negatively impacted by transportation policies and asked who they can email with ideas before the next meeting. They also asked if there a document that explains what qualifies for funding.

Staff responded by indicating the three different ways to influence the funding reauthorization plan: process, types of investment, and administration. They provided information about where emails could be sent (expenditureplan@sfcta.org or clerk@sfcta.org). Staff added that the expenditure being developed with input from the EPAC would determine the criteria for what qualifies for funding.

A member asked if the transportation cost analysis included all the costs of owning a vehicle, such as gas, maintenance, and so on. They also asked about the success of electric vehicle program subsidies and if those programs were being used by people in Equity Priority Communities (EPCs).

A member asked if the Transportation Authority was already considering equity in community-based planning in the existing Prop K program, and if so, how it was being communicated to these communities to explain that funding was available for their transportation projects.

Staff stated that funds were prioritized for equity funding for projects that come from community-based planning efforts. Staff said that in order to strengthened the focus on EPCs in the New Expenditure Plan, staff was recommending a new program to support planning in EPCs, citywide equity planning, and to provide local match funds to help implement recommendations from these plans. Staff added that they are conducting outreach and taking suggestions on community groups that should receive a presentation.

A member asked if there were parameters or flexibility on what would be prioritized.

Staff responded that setting parameters was part of the work to be done with the EPAC. They added that it was good to keep the guidance flexible but provide enough direction for voters to know how the revenue would be used. Staff added that there were multiple places where the EPAC and the public could influence prioritization, including 5-Year Prioritization Programs, which are developed through a public process and are the place where the list of specific projects to be funded in the next 5-year period are established for the sales tax programs. Staff said this is the process in the Prop K Expenditure Plan and that staff is recommending it be continued for the New Expenditure Plan.

During the breakout discussion, a member mentioned the bar chart showing the proportion of income towards transportation on the “Transportation Costs” slide and said the note indicating “Income numbers are for a family of four” raised questions about the definitions the city used and who fits into different categories. They said there was an ongoing racial wealth gap and a concentration of affluence in the Bay Area, so the income numbers could be problematic and may not allow an accurate reflection and get to the target populations in the equity priority communities.

Staff responded that the region and state often set certain thresholds for what was considered low income and sometimes it did not account for the higher cost of living in San Francisco. Staff said working with those definitions was a challenge and they could investigate other sources.

The member responded that they believed the AMIs developed for the Bay Area had implications for income statistics. They said it would be helpful to show the data by San Francisco supervisorial district and noted that there were ways to define the information differently.

A member said that the maps shown on the Transportation Costs, Traffic Safety and

Public Health slides had a distinct correlation.

A member said impacts of the pandemic were still present and were an important dimension to the data.

Staff mentioned that transit operators have collected ridership data during the pandemic and have highlighted that the profile of riders has changed dramatically since the pandemic began.

A member said they did not see the mention of youth, particularly youth of color, and their reliance on transit to travel to and from school in San Francisco. They said a majority of San Francisco Unified School District high school students of color used Muni to travel to school and has heard that getting across town to school could be challenging if one had to rely on taking multiple buses that were constantly full. They said the impacts on youth of color getting to school, work and leisure in San Francisco could be analyzed.

A member mentioned cross town transportation and said there seemed to be reasonably good access to downtown. They said as they thought about the 30-year plan and disincentivizing the use of cars and freeways, while recognizing that outer neighborhoods were not currently well served by transit, it was hard to establish spending priorities without having a sense of what would be possible with improving transit routes and services. They said they needed a lattice transportation system that was more evenly distributed and could respond more efficiently to demand changes.

A member highlighted the non-traditional transit routes and mentioned that the 29 bus route had about 30 schools in a quarter of a mile of the route, was used by many students and routinely had operational problems such as crowding and pass ups. They said investing in routes that serve neighborhoods and not necessarily downtown, whether that be capital improvements, school trippers, etc would be important to fund from an equity perspective for youth. They said the investments would create and sustain an integrated public school system, which was something the city and school district were grappling with.

Referring to the pie chart on the Preliminary Draft New Expenditure Plan slide of the Agenda Item 5. Preliminary Draft Expenditure Plan presentation, a member asked if the previous point would fall under a major transit project or transit maintenance and enhancements. They said if investments were made in core infrastructure, it could reduce the need to invest in streets and freeways.

Referring to the same pie chart, a member said it was difficult to tell where the expenditures were taking place, which had an impact on equity.

Staff clarified that the Muni Bus Reliability and Efficiency Improvements would fund planning work to figure out the type of transit improvements that made sense.

A member referred to the Transportation Costs slide and said that none of the bullet points addressed costs for users, which needed more work.

During the breakout discussion, a member asked if data was available on travel patterns for people coming from EPCs and where they were traveling.

A member mentioned that a Census was recently completed and asked if updated information would be included in the report.

San Francisco Public Works (SFPW) staff mentioned that some funding sources, such as developer impact fees, can only be used in certain neighborhoods, and asked if an analysis could look at similar requirements for other funding sources.

A member said that children and youth were missing from the equity analysis and that they will be around longest and therefore heavily impacted by investments.

A member asked about the community-based planning recommendation that was presented at the meeting. They asked if this was new or a continuation of other planning efforts and mentioned that the San Francisco Department of Public Health has a community-based planning program where community-based organizations receive funding annually to organize neighborhoods around pedestrian safety and/or transportation issues involving seniors.

Staff responded that there are ongoing community-based planning efforts and this recommendation would specifically call out funding for community-based planning as a program in the New Expenditure Plan.

A member asked if the equity analysis factored in impacts of free Muni for seniors and potentially free Muni for youth and how that might impact travel patterns and usage.

Staff responded that this was not addressed in the equity analysis but staff would look into any available analysis that may already be done.

A member asked if there were any data on late night transportation and ridership as many hospitality workers do not have typical 9am to 5pm schedules and may not have adequate transit service available at the times they need it.

A member asked about how much of the community-based planning funding was intended to be planning versus implementation. They also asked if there would be opportunities for equity studies using a definition that differs from the Metropolitan Transportation Commission definition for EPC as these were harder to fund.

Regarding addressing transportation costs, a member asked if there was information on Muni's affordability programs as these may take care of some of the need already.

A member asked how SFMTA decided which Muni lines to start running again and said service cuts had impacted seniors, people with disabilities, and students in District 11. They also asked how maintenance in terms of cleaning was affected.

Staff responded that they would follow up with SFMTA separately and that cleaning trains was considered operations rather than a capital expense.

A member announced that the SFMTA is currently updating their capital plan and encouraged others to get involved in that process. They said to hit the equity mark, the New Expenditure Plan could fund access and streetscape type improvements.

A member said it would be helpful if there was an analysis of where there were transit deserts, like food deserts, in the city and how infrastructure could help provide better connections.

A member said that the Transportation Authority establishes policies procedures around disbursing sales tax funds, including what it could be spent on and how it could be spent.

Staff confirmed this and said that policies would be discussed at a later meeting.

During the breakout discussion with members of the public, a member of the public said that his concern regarding targeting investment toward certain communities based on equity criteria was "if you build it, will they come?" They said that San

Francisco had built the 3rd Street light rail and then had to bring back the 15-3rd Street bus. They asked whether priorities were misplaced. They said they would be interesting to see how successful the Central Subway would be. They said there was no doubt about the need for equity and for people to access transportation investments. They said buy-in by the constituents needed to be determined in the designated area to ensure that investments would be used.

A member of the public said that transportation investments need to be equitable. They said that doing actual on the ground outreach produces projects that come from the community. They said that prioritizing projects that come from community planning efforts can take a lot of effort and money, but will get to a point of equitable investment. They said that the sales tax should help fund these community planning efforts.

An EPAC member said that projects should be prioritized that benefit EPCs and provide profound climate benefits. They said that standards or scoring criteria need to be developed to redirect resources to projects that meet certain requirements and work toward these goals. They suggested focusing on signature projects that have meaningful impacts, like the big rail projects which don't always have the deepest equity impact or the five-minute network on transit lanes, with a commitment to lead with equity. They expressed the need to be conscious that building infrastructure in EPCs has its own set of challenges and there should be more sophisticated models of benefits to these communities than just a project within a certain community.

A member of the public said that in Watsonville, they were establishing a circulator bus through lower income neighborhoods that would be frequent and reliable and connects to regular established bus routes. They said that it would be interesting to see how successful that would be.

A member of the public said that regarding priority, low-income communities should come first. They said San Francisco is diverse but the ones who need help were lower income as they relatively have fewer options, and that was not necessarily the case for minorities in EPCs. They said they think projects from community planning efforts directly reflect their wishes but lacks the regional view that others had. They said to take the ideas from the communities but prioritize the ones that benefit multiple communities, especially projects that benefit multiple low-income communities.

7. Draft Minutes of the August 19, 2021 Workshop/Meeting – INFORMATION

8. Adjournment

The meeting was adjourned at 8:00 p.m.