

AGENDA

Expenditure Plan Advisory Committee Meeting Notice

Date: Thursday, September 9, 2021; 6:00 – 8:00 p.m.

Location: Join Zoom Meeting
<https://us02web.zoom.us/j/83534438683>

Meeting ID: 835 3443 8683

One tap mobile
+1 669 900 6833,,83534438683# US (San Jose)
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+1 312 626 6799 US (Chicago)
833 548 0282 US Toll-free
877 853 5247 US Toll-free
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Remote Access to Information and Participation:

In accordance with Governor Gavin Newsom’s statewide order for rolling back certain provisions of the Governor’s COVID-19-related Executive Orders – video conferencing and teleconferencing exceptions to the Brown Act remain in effect until September 30, 2021. Pursuant to the lifted restrictions on video conferencing and teleconferencing, the Transportation Authority Expenditure Plan Advisory Committee Meetings will be convened remotely and allow for remote public comment. Members of the public are encouraged to stream the live meetings via Zoom.

Comment during the meeting: EPAC members and members of the public participating by Zoom wishing to speak should use the “raise hand” feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.



Written public comment may be submitted prior to the meeting by emailing the Clerk of the Transportation Authority at clerk@sfcta.org or sending written comments to Clerk of the Transportation Authority, 1455 Market Street, 22nd Floor, San Francisco, CA 94103. Written comments received by 8 a.m. on the day of the meeting will be distributed to Expenditure Plan Advisory Committee members before the meeting begins.

Page

Agenda

6:00	1.	Roll Call & Introductions	
6:05	2.	Welcome from Transportation Authority Chair Rafael Mandelman	
6:20	3.	Public Comment	
		During this segment of the meeting, members of the public may make comments on items under the purview of the Expenditure Plan Advisory Committee that are not otherwise listed on this agenda as an action item. Public comment on action items on this agenda will be taken under those items.	
6:30	4.	Expenditure Plan Advisory Committee Purpose and Process - INFORMATION*	12
6:45	5.	Preliminary Draft Expenditure Plan - INFORMATION*	27
7:05	6.	Equity Analysis: Findings and Recommendations - INFORMATION*	47
		<i>Break-out discussions and report back</i>	
7:55	7.	Draft Minutes of the August 19, 2021 Workshop/Meeting - INFORMATION*	77
8:00	8.	Adjournment	

***Additional Materials**

To request sign language interpreters, readers, large print agendas or other accommodations, please contact the Clerk of the Transportation Authority at (415) 522-4800. Requests made at least 48 hours in advance of the meeting will help to ensure availability.

If any materials related to an item on this agenda have been distributed to the Expenditure Plan Advisory Committee after distribution of the meeting packet, those materials will be available for public inspection at the Transportation Authority at 1455 Market Street, Floor 22, San Francisco, CA 94103, during normal office hours.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; (415) 252-3100; www.sfethics.org.

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San Francisco
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Expenditure Plan Advisory Committee (EPAC)

Meeting #1



San Francisco
County Transportation
Authority

September 9, 2021

Using Zoom

EPAC members: Update your name and follow with "EPAC"

e.g. Michelle Beaulieu, EPAC

Having Trouble?

Send chat (Chats only go to project team.)



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Agenda

1. Roll Call
 2. Welcome from Chair Rafael Mandelman
 3. Public Comment
 4. EPAC Purpose and Process
 5. Preliminary Draft Expenditure Plan
 6. Equity Analysis: Findings and Recommendations
- Breakout Discussions and Report Out
7. Additional Background Materials
 8. Adjournment



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Agenda Item1.

Roll Call & Introductions



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Roll Call & Introductions

EPAC Members Roll Call: please say “here” and give your organization when called upon

If on a computer, press UNMUTE

If on phone:

*6 to unmute



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Agenda Item 2.

Welcome from Transportation Authority Chair Rafael Mandelman



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Agenda Item 3.

Public Comment



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Public Comment

Please raise your hand:

Computer: press REACTIONS, and
choose Raise Hand

Phone: dial *9

Once called on, unmute yourself:

Computer: choose UNMUTE

Phone: dial *6



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Agenda Item 4.

Expenditure Plan Advisory Committee (EPAC) Purpose and Process



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EPAC Goal



To recommend that the Transportation Authority Board approve a new Expenditure Plan for the ongoing sales tax for transportation and place it on the ballot (anticipated June 2022).

A New Expenditure Plan: Why now?



We've delivered most of our major capital projects, and several programs are running out of money

Sales tax provides a significant source of funding, which can support the city's COVID recovery

Why now?

San Francisco has new and emerging priorities

Allows us to use sales tax as local match to federal, state, and other funding

A New Expenditure Plan: Why now?



Prop K programs with no funds programmed after Fiscal Year (FY) 2024/25*

- Muni New & Renovated Vehicles, Facilities (maintenance & rehab)
- Caltrain New & Renovated Vehicles, Facilities, Guideways, Capital Improvement Program
- Bus Rapid Transit/Muni Metro Network (reliability, travel time, safety)
- Transit Enhancement (BART, Muni, Caltrain), Additional Light Rail Vehicles (Muni)
- Paratransit (last full year of funding FY 2024/25; less than half year funding FY 2025/26)
- Upgrades to Major Arterials (safety)
- Traffic Calming & Bicycle Circulation and Safety (though both have significant amounts of unallocated funds)

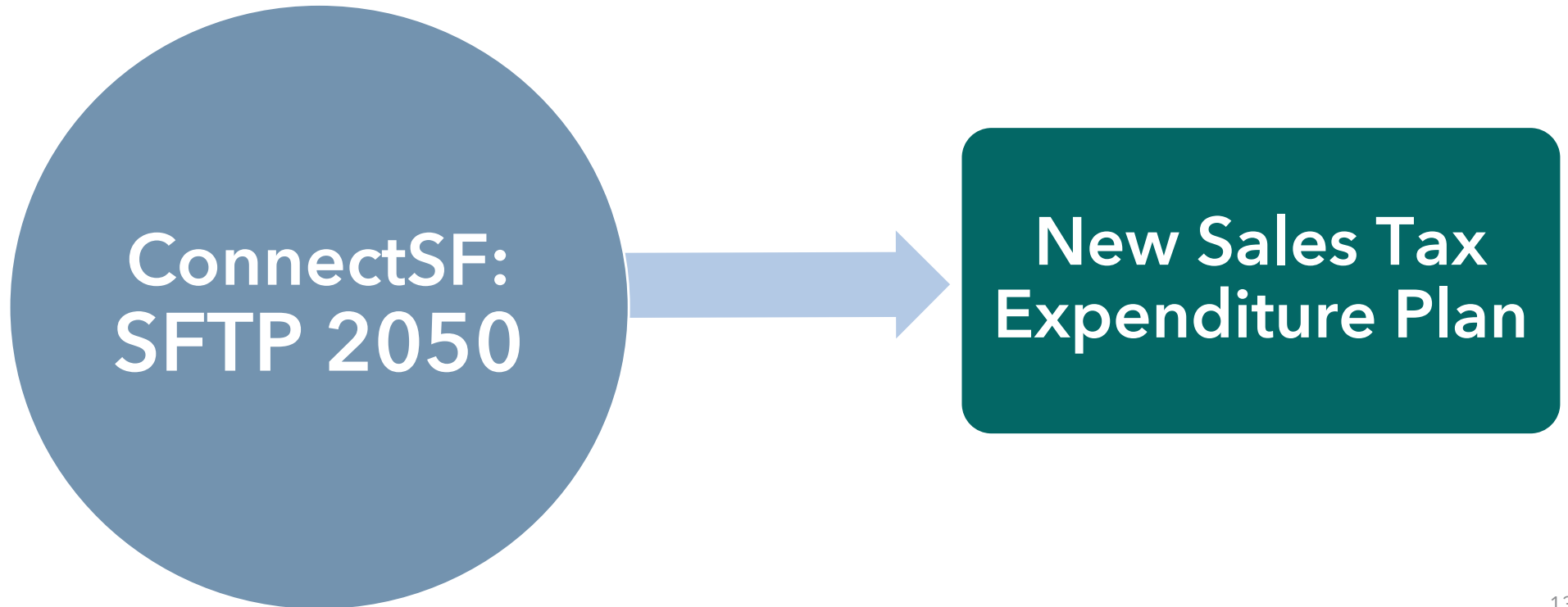
*Per the 2019 Prop K Strategic Plan as amended. We are updating the plan now (anticipated complete this fall), which may change the information above.

ConnectSF: San Francisco Transportation Plan 2050



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The new sales tax expenditure plan helps implement the long-range vision of the San Francisco Transportation Plan 2050.



EPAC Roster, page 1 of 4



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EPAC Category	EPAC Member	District	Organization (if applicable)
Equity Priority Community: Bayview	Earl Shaddix	10	EDoT Bayview
Equity Priority Community: Tenderloin	Eric Rozell	6	Tenderloin Traffic Safety Task Force
Equity Priority Community: Western Addition	Majeid Crawford	5	New Community Leadership Foundation
Equity Priority Community: Outer Mission/ Ingleside	Maurice Rivers	11	OMI Cultural Participation Project
Equity Priority Community: Excelsior	Mel Flores, alternate: Maribel Ramirez	11	Excelsior Action Group
Equity Priority Community: Chinatown	Rosa Chen	3	Chinatown Community Development Center
Equity Priority Community: Visitacion Valley	Susan Murphy, alternate: Melvin Parham	10	FACES SF
Equity Priority Community: Mission District	Yensing Sihapanya	9	

EPAC Roster, page 2 of 4



EPAC Category	EPAC Member	District	Organization (if applicable)
Neighborhoods/Communities	Jay Bain	1	
Neighborhoods/Communities	<i>TBD</i>	2	
Neighborhoods/Communities	Maelig Morvan	4	
Neighborhoods/Communities	Joan Van Rijn	7	Community Living Campaign
Neighborhoods/Communities	Aaron P. Leifer	8	

EPAC Roster, page 3 of 4



EPAC Category	EPAC Member	Organization
Advocacy: Environment	Amandeep Jawa	League of Conservation Voters
Advocacy: Seniors and People with Disabilities	Anni Chung	Self Help for the Elderly
Advocacy: Youth	Calvin Quick, alternate: Sasha Hirji	San Francisco Youth Commission
Advocacy: Bike Mode	Chris White	San Francisco Bicycle Coalition
Advocacy: Walk Mode	Jodie Medeiros	Walk San Francisco
Advocacy: Seniors and People with Disabilities	Pi Ra	Senior and Disability Action
Advocacy: Transit Mode	Zack Deutsch-Gross	San Francisco Transit Riders
Advocacy: Equity	<i>TBD - PODER invited</i>	

EPAC Roster, page 4 of 4



EPAC Category	EPAC Member	Organization
Business & Civic: Tourism & Visitors	Jessica Lum, alternate: Cassandra Costello	The San Francisco Travel Association
Business & Civic: Labor	Kim Tavaglione	San Francisco Labor Council
Business & Civic: Small Businesses	Maryo Mogannam	San Francisco Council of District Merchants Associations
Business & Civic: Civic	Nick Josefowitz	SPUR
Business & Civic: Large Businesses	Rodney Fong	San Francisco Chamber of Commerce
Business & Civic: Small Businesses	Sharky Laguana	San Francisco Small Business Commission

EPAC Meetings: What to expect



- EPAC Meeting will be publicly noticed
- Meeting agendas and materials will be distributed via email in advance and posted on our website
- Public comment will be taken at every meeting
- Meetings will be held virtually at least through the end of September
- Most meetings will include small breakout discussions and reports out
- Recaps and updates will be provided at the beginning of each meeting
- Staff from multiple agencies will be invited to make presentations
- Ultimately, there will be a vote on the Expenditure Plan

EPAC Meetings: What we expect



- Please make every effort to attend **all** meetings
- Bring the perspective of your community or organization to the discussions
- Hold one conversation at a time
- Be respectful of your colleagues on the EPAC and staff. No personal attacks – address the topic not the person
- Agenda items will be timed, and time limits will be strictly enforced in order to keep meetings to 2 hours
- If a topic warrants further discussion or investigation, we may arrange follow-up actions which may include distributing materials between meetings and/or reporting out at subsequent meetings

EPAC Meetings: Agenda Roadmap



Meeting #	Agenda Topics (proposed, subject to change)
Optional Meetings August 19, 28	Introduction to the Transportation Authority Expenditure Plan Advisory Committee Purpose and Process Transportation Funding Basics
Meeting #1 September 9	Expenditure Plan Advisory Committee Purpose and Process Preliminary Draft Expenditure Plan Summary Equity Analysis and Outreach Plan Summary
Meeting #2 September 23	Maintaining our Transportation Systems <ul style="list-style-type: none"> • Local Streets and Roads • Transit (Muni BART Caltrain) Paratransit Operations
Meeting #3 October 14	Enhancing and Expanding our Systems, Part 1 <ul style="list-style-type: none"> • Street Safety and Accessibility (bike, ped, signals) • Freeway Safety and Operational Improvements • Transformative Freeway Projects

EPAC Meetings: Agenda Roadmap



Meeting #	Agenda Topics (proposed, subject to change), continued
Meeting #4 October 28	Enhancing and Expanding our Systems, Part 2 <ul style="list-style-type: none"> • Transit Reliability, Capacity and Expansion • Next Generation Transit Investments Expenditure Plan Policies, Part 1
Meeting #5 November 4	Planning and Transportation Demand Management <ul style="list-style-type: none"> • Citywide and Modal Planning • Neighborhood Program • Equity Community Program • Development Oriented Transportation • Transportation Demand Management Expenditure Plan Policies, Part 2
Meeting #6 November 18	Draft Final Expenditure Plan
Meeting #7 December 9	Final Action: Recommendation to the SFCTA Board

Process and Schedule



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*public hearing and MTC review required prior to adoption

Questions?



**San Francisco
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Agenda Item 5.

Preliminary Draft Expenditure Plan



**San Francisco
County Transportation
Authority**

Expenditure Plan Advisory Committee
September 9, 2021

Sales Tax Expenditure Plan



A sales tax expenditure plan tells voters how the sales tax funds will be spent, who can receive the funds, and how the program will be administered.

Sales Tax Expenditure Plan



Most of the Expenditure Plan is composed of programs to be flexible over 30 years.

- Draft examples: street resurfacing, traffic calming, transit vehicle replacement/rehabilitation

There are relatively few named projects.

- Draft examples: New Bayview Caltrain Station, BART Core Capacity, Muni Rail Core Capacity

Expenditure Plan Requirements: Content



Division 12.5 of the Public Utilities Code, Section 131051 (paraphrased)

The county transportation expenditure plan shall consist of the following:

- A **list of traffic and transportation projects**, with their respective **sponsoring agencies**.
- An **estimate of the costs of each of the projects**, and of the **current sources of funds available** to assist in the completion of each of the projects.
- A **recommendation whether the sales tax is necessary** to fund the projects in the plan, and whether the tax should be permanent or for a specific term.

Expenditure Plan Requirements: Process



Division 12.5 of the Public Utilities Code, Section 131052-6 (paraphrased)

The county transportation expenditure plan shall be subject to:

- A **public hearing**; and
- **Metropolitan Transportation Commission (MTC) review** for reasonableness (e.g. revenue projections); prior to
- **Adoption and submission of the sales tax ordinance to the voters**, by the Board of Supervisors.

Any dedicated tax measure requires a 2/3 approval vote at the ballot.

Approach to the New Expenditure Plan



Equity focus including robust engagement



Build on successes of Prop K + make refinements



COVID recovery + Long-term transportation needs



Transparency + Accountability



Strategic fund planning

Preliminary Draft New Expenditure Plan



How can the EPAC help shape the Expenditure Plan?



Eligibility of different types of projects



Relative funding levels for different programs



Policies (e.g. administration, prioritization)

Preliminary Draft New Expenditure Plan



Transit Maintenance & Enhancements, 43.7%

Muni, BART, Caltrain, Ferry
Maintenance, rehabilitation and replacement
Enhancements
Next Generation Transit Planning

Transportation System Development & Management, 6.7%

Community-based and citywide planning
Equity studies
Demand management (including pilots)

Paratransit, 8.6%

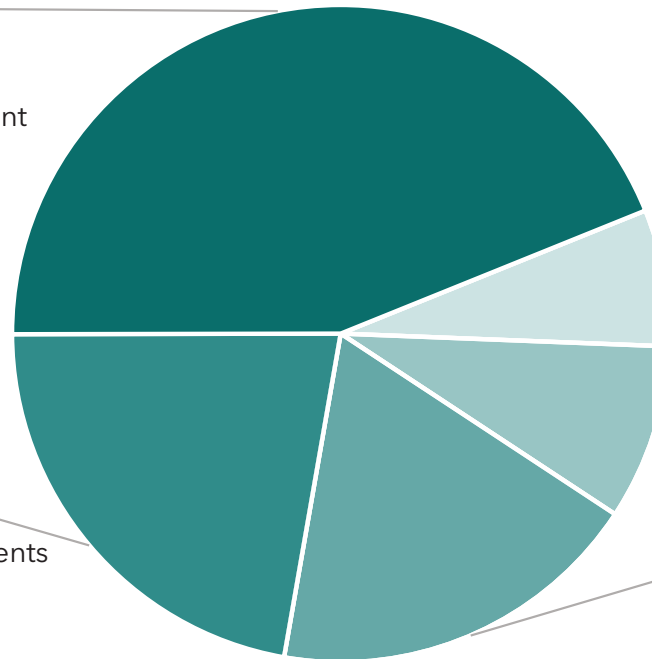
Transit service for seniors and
people with disabilities

Major Transit Projects, 22.1%

Muni Bus Reliability & Efficiency Improvements
Muni Rail Core Capacity
BART Core Capacity
Caltrain Service Vision: Capital Investments
Downtown Rail Extension & Pennsylvania Alignment

Streets & Freeways, 18.4%

Bicycle and pedestrian improvements
Traffic calming and signals
Street repaving
Freeway safety and operations
Freeway redesign planning



Preliminary Draft New Expenditure Plan



Upcoming meetings will dive deep on different programs with project sponsors:

Eligibility of
different
project types

Funding
needs

Anticipated
benefits

Other
funding
available

Draft Sales Tax Revenue Forecast



Conservative Forecast	Optimistic Forecast
Total forecast: \$2,938 million	Total forecast: \$3,151 million
30 years October 1, 2022 – September 30, 2052	
2020 dollars Discounted for inflation at 3% annually	
Near-term economic recovery Higher rates of revenue growth through Fiscal Year (FY) 2025/26	
Long-term conservative growth Annual nominal growth rate after FY 2025/26: 1.8%	Long-term historic growth Annual nominal growth rate after FY 2025/26: 2.4%
Existing sales tax commitments netted out of available funds Estimated \$550 million already committed (subject to change)	
Priority 1 funding level: \$2,388 million	Priority 2 funding level: \$2,601 million

Existing Sales Tax Commitments



The new measure would supersede Prop K, and so needs to account for existing funding commitments:



Existing bond repayments: \$21 million per year through Fiscal Year 2033/34



Remaining grant balances: approx. \$450 million as of August 2021



TBD - additional financing, legacy projects

Questions?



**San Francisco
County Transportation
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Table 1 - PRELIMINARY DRAFT New Transportation Sales Tax Expenditure Plan (EP)						
#	New EP Category - Subcategory - Program/Project			Eligible Agencies	EP Funding (2020 million\$*)	EP %**
	A - Major Transit Projects					22.07%
1		1	Muni Bus Reliability and Efficiency Improvements	SFMTA	\$100.00	4.19%
2		2	Muni Rail Core Capacity	SFMTA	\$57.00	2.39%
3		3	BART Core Capacity	BART	\$50.00	2.09%
4		4	Caltrain Service Vision: Capital System Capacity Investments	PCJPB	\$10.00	0.42%
5		5	Caltrain Downtown Rail Extension and Pennsylvania Alignment	TJPA SFCTA	\$310.00	12.98%
	B - Transit Maintenance & Enhancements					43.73%
	i. Maintenance, Rehabilitation and Replacement					39.23%
6		1	Muni - Vehicles	SFMTA	\$458.05	19.18%
7		2	Muni - Facilities	SFMTA	\$94.09	3.94%
8		3	Muni - Guideways	SFMTA	\$258.88	10.84%
9		4	BART	BART	\$21.25	0.89%
10		5	Caltrain	PCJPB	\$100.06	4.19%
11		6	Ferry	GGBHTD Port of SF	\$4.54	0.19%
	ii. Transit Enhancements					4.50%
12		1	Transit Enhancements	BART PCJPB SFCTA SFMTA SFPW TIMMA	\$38.21	1.60%
13		2	BART Station Access, Safety and Capacity	BART SFCTA SFMTA SFPW	\$9.31	0.39%
14		3	New Bayview Caltrain Station	PCJPB SFCTA SFMTA	\$23.00	0.96%
15		4	Mission Bay Ferry Landing	Port of SF	\$7.00	0.29%
16		5	Next Generation Transit Investments	BART PCJPB SFCTA SFMTA	\$30.00	1.26%
17	C - Paratransit				\$205.38	8.60%
	D - Streets and Freeways					18.44%
	i. Maintenance, Rehabilitation and Replacement					5.14%
18		1	Street Resurfacing, Rehabilitation and Maintenance	SFPW	\$105.00	4.40%
19		2	Pedestrian and Bicycle Facilities Maintenance	SFMTA SFPW	\$17.67	0.74%
	ii. Safe and Complete Streets					11.50%
20		1	Safer Streets (signals, traffic calming, bikes and peds)	SFCTA SFMTA SFPW	\$226.87	9.50%
21		2	Curb Ramps	SFPW	\$23.88	1.00%
22		3	Tree Planting	SFPW	\$23.88	1.00%

			iii. Freeway Safety and Operational Improvements			1.80%
23		1	Vision Zero Ramps	Caltrans SFCTA SFMTA	\$8.00	0.33%
24		2	US-101/I-280 Managed Lanes and Express Bus	Caltrans SFCTA SFMTA	\$15.00	0.63%
25		3	Freeway Safety and Operational Improvements	Caltrans SFCTA SFMTA	\$5.00	0.21%
26		4	Transformative Freeway Projects	Caltrans Planning SFCTA SFMTA SFPW	\$15.00	0.63%
E - Transportation System Development & Management						6.70%
27		i. Transportation Demand Management		BART PCJPB Planning SFCTA SFE SFMTA TIMMA	\$30.00	1.26%
		ii. Transportation, Land Use and Community Coordination				5.44%
28		1	Neighborhood Transportation Program	Planning SFPW SFCTA SFMTA	\$40.00	1.67%
29		2	Equity Priority Transportation Program	Planning SFPW SFCTA SFMTA	\$40.00	1.67%
30		3	Development Oriented Transportation	BART PCJPB Planning SFPW SFCTA SFMTA	\$40.00	1.67%
31		4	Citywide / Modal Planning	Planning SFCTA SFMTA	\$10.00	0.42%
TOTAL DRAFT NEW EXPENDITURE PLAN FUNDING***					\$2,377.09	99.54%

Table 2 - DRAFT Revenue Forecast Options

		Funding Amounts (2020 million\$*)	
Revenue Forecast Options			
DRAFT Recommended (conservative) 30-year revenue forecast		\$2,938	
DRAFT Recommended revenues available for the new EP (net of existing obligations, eg Prop K financing, remaining grant balances, and potential legacy projects)		\$2,388.15	
DRAFT Optimistic (high) 30-year revenue forecast		\$3,151	
DRAFT Optimistic revenues available for the new EP (net of existing obligations, and potential legacy projects)		\$2,601	

* All funding amounts are in millions of 2020 dollars including the total revenue forecast.

** EP percentages are based on a percent of the recommended (conservative) 30-year revenue forecast, net of existing obligations.

*** EP percentages do not add up to 100% of the recommended (conservative) 30-year revenue forecast in this preliminary draft, and totals may not add up due to rounding errors.

Working with the EPAC and partner agencies, we will develop a Priority 2 funding strategy that will incorporate the additional revenues from the optimistic revenue forecast.

We may also carry forward funding for certain projects from Prop K, which may include the Quint Connector Road, Schlage Lock Development Project, the Downtown Extension and Geary Rapid Improvements.



Memorandum

AGENDA ITEM 5

DATE: 09.04.21

TO: Expenditure Plan Advisory Committee

FROM: Cynthia Fong, Deputy Director for Finance & Administration and
Anna LaForte, Deputy Director for Policy and Programming

SUBJECT: Sales Tax Revenue Projections

This memorandum provides some background on how we estimated sales tax revenues for the new expenditure plan period. We have assumed voter approval of a new 30-year expenditure plan at the June 2022 election. This means the New Expenditure Plan period would cover October 1, 2022, through September 30, 2052. Forecasting revenues 30 years into the future is always a difficult task. This has been made more challenging by the economic impacts from the COVID-19 pandemic, which has hit San Francisco's sales tax particularly hard. Attachment 1 shows annual sales tax revenues for the past three decades during which the Transportation Authority has administered the half-cent transportation sales tax. The graphic also shows past economic declines and the duration of the recovery period for reference.

We approached development of the sales tax forecasts with the intent of leaning more towards being conservative rather than overly optimistic. To assist with development of our revenue forecasts, we contracted with MuniServices, our economic consultants. The sales tax projections take into consideration several factors including but not limited to employment, disposable income, tourism and visitor expenditures, and inflation.

For purposes of the New Expenditure Plan, we have developed two forecasts for sales tax revenues – a conservative forecast and an optimistic forecast, as shown in Attachment 2. We include the forecast in both Year of Expenditure dollars (YOE \$s) and in 2020 dollars. To calculate the later, we applied a 3% inflation to de-escalate to 2020 dollars. The actual average Consumer Price Index or CPI increase from 2003 to 2020 in the Bay Area has been 2.49%.

In both the conservative and optimistic forecast, the near-term projections for Fiscal Years 2022/23 - 2025/26 are identical and reflect a recovery from the COVID-19 recession with a return to pre-COVID revenue levels (~\$116 million) in Fiscal Year 2023/24.

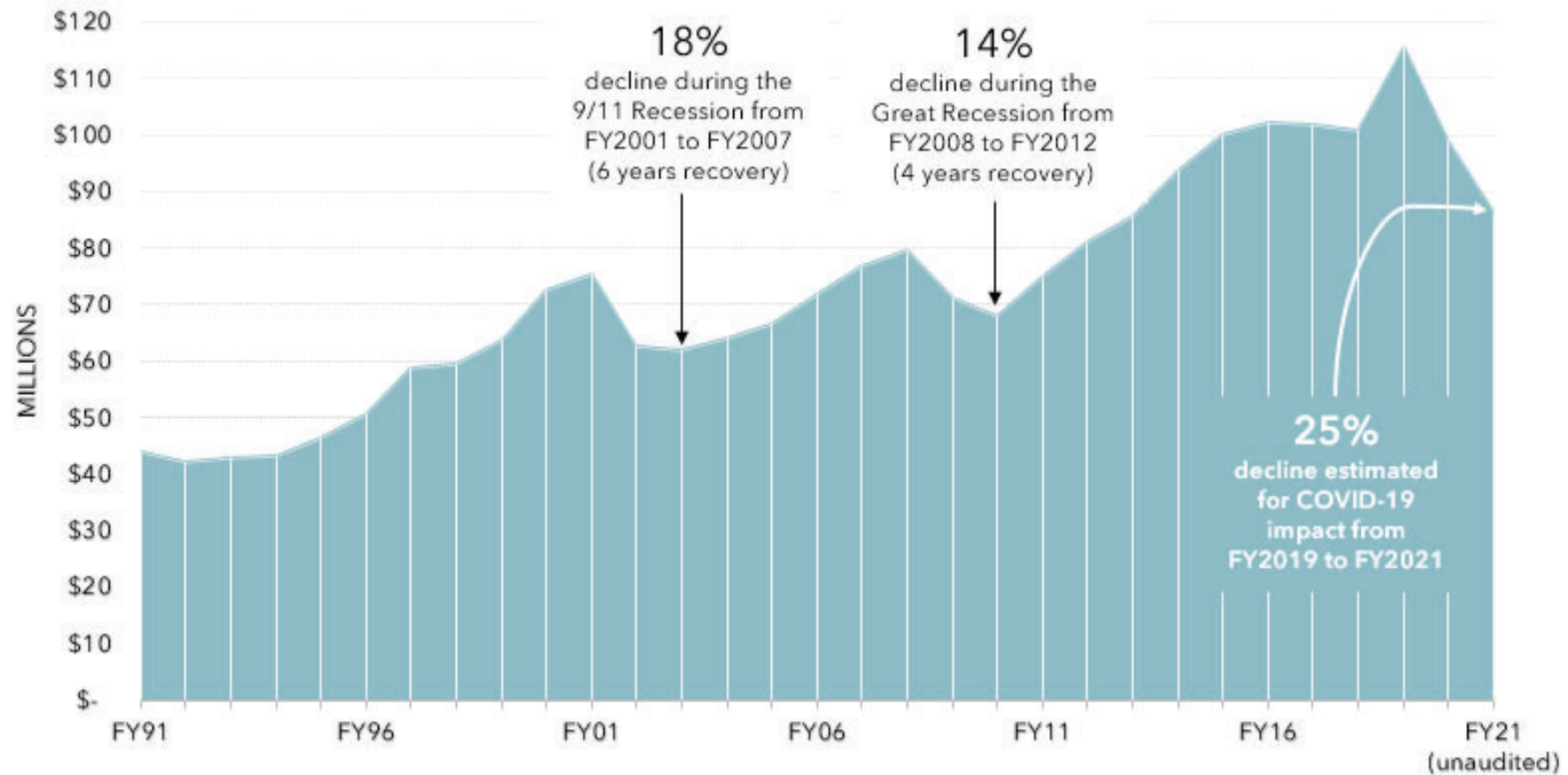
The forecasts differ in the long term for Fiscal Years 2026/27 - 2050/51. The **conservative forecast** is based on MuniService forecasts for growth at 1.8% based on assumptions for post-pandemic taxable sales tax growth for different sectors of the San Francisco economy (i.e. Retail, Food, Transportation, Construction, and Business-to-Business). Applying that growth rate to the \$130.89 million (YOE \$s) base value in 2026, we obtained sales tax revenue of \$4.864 billion (YOE \$s) or **\$2.938 billion (2020 \$s) over the 30-year period**.

The **optimistic forecast** is based on an applied actual average historic sales tax growth rate of 2.4% for the period of Fiscal Years 1991/92 to 2020/21. Applying that growth rate to the \$130.89 million base value in 2026, we obtained sales tax revenue of \$5.285 billion (YOE \$s) **\$3.151 billion over the 30-year period**. The difference between the two forecasts is about \$213 million (2020 \$s).

Attachments:

- 1 - Historical Sales Tax Revenue
- 2 - Sales Tax Revenue Forecast in Year of Expenditure \$'s

Historical Sales Tax Revenue (Year-to-Year)



Attachment 2.
Sales Tax Revenue Forecast

September 6, 2021

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	Conservative (Priority 1 Funding Level)			Optimistic (Priority 2 Funding Level)			
Fiscal Year	Revenue Forecast in YOE dollars ^a	Nominal % change	Revenue Forecast in 2020 dollars ^b	Revenue Forecast in YOE dollars ^a	Nominal % change	Revenue Forecast in 2020 dollars ^b	Notes
FY2018/19	\$ 115,670,918	12.0%		\$ 115,670,918	12.0%		FY 2018/19 through September 30, 2022 (first quarter of FY 2022/23) shown for reference only. FY 2022/23 is split across two rows assuming a June 2022 election.
FY2019/20	\$ 99,268,709	-14.2%		\$ 99,268,709	-14.2%		
FY2020/21	\$ 86,530,445	-12.8%		\$ 86,530,445	-12.8%		
FY2021/22	\$ 92,879,800	7.3%		\$ 92,879,800	7.3%		
FY2022/23	\$ 27,055,500			\$ 27,055,500			
FY2022/23 ^c	\$ 81,166,500	16.5%	\$ 76,507,211	\$ 81,166,500	16.5%	\$ 76,507,211	^c Partial year, October 1, 2022 - June 30, 2023 based on June 2022 election.
FY2023/24	\$ 117,299,000	8.4%	\$ 107,345,202	\$ 117,299,000	8.4%	\$ 107,345,202	In both forecasts, FYs 2022/23 - 2025/26 assume higher nominal growth reflecting recovery from the Starting in FY 2026/27, the conservative forecast uses a 1.8% nominal growth rate, while the optimistic forecast uses a 2.4% growth rate, which is based on the average historic sales tax nominal growth rates, including the COVID-19 pandemic recession and other fluctuations in the economy since the Transportation Authority began administering the sales tax in 1990.
FY2024/25	\$ 125,051,000	6.6%	\$ 111,106,194	\$ 125,051,000	6.6%	\$ 111,106,194	
FY2025/26	\$ 130,890,000	4.7%	\$ 112,906,864	\$ 130,890,000	4.7%	\$ 112,906,864	
FY2026/27	\$ 133,221,645	1.8%	\$ 111,571,031	\$ 134,044,449	2.4%	\$ 112,260,116	
FY2027/28	\$ 135,594,826	1.8%	\$ 110,251,002	\$ 137,274,920	2.4%	\$ 111,617,072	
FY2028/29	\$ 138,010,282	1.8%	\$ 108,946,591	\$ 140,583,246	2.4%	\$ 110,977,712	
FY2029/30	\$ 140,468,767	1.8%	\$ 107,657,613	\$ 143,971,302	2.4%	\$ 110,342,015	
FY2030/31	\$ 142,971,046	1.8%	\$ 106,383,885	\$ 147,441,010	2.4%	\$ 109,709,959	
FY2031/32	\$ 145,517,900	1.8%	\$ 105,125,227	\$ 150,994,339	2.4%	\$ 109,081,523	
FY2032/33	\$ 148,110,124	1.8%	\$ 103,881,461	\$ 154,633,302	2.4%	\$ 108,456,687	
FY2033/34	\$ 150,748,525	1.8%	\$ 102,652,410	\$ 158,359,965	2.4%	\$ 107,835,430	
FY2034/35	\$ 153,433,925	1.8%	\$ 101,437,900	\$ 162,176,440	2.4%	\$ 107,217,732	
FY2035/36	\$ 156,167,163	1.8%	\$ 100,237,760	\$ 166,084,892	2.4%	\$ 106,603,572	
FY2036/37	\$ 158,949,090	1.8%	\$ 99,051,818	\$ 170,087,538	2.4%	\$ 105,992,931	
FY2037/38	\$ 161,780,574	1.8%	\$ 97,879,908	\$ 174,186,648	2.4%	\$ 105,385,787	
FY2038/39	\$ 164,662,497	1.8%	\$ 96,721,863	\$ 178,384,546	2.4%	\$ 104,782,120	
FY2039/40	\$ 167,595,758	1.8%	\$ 95,577,519	\$ 182,683,614	2.4%	\$ 104,181,912	
FY2040/41	\$ 170,581,272	1.8%	\$ 94,446,714	\$ 187,086,289	2.4%	\$ 103,585,142	
FY2041/42	\$ 173,619,969	1.8%	\$ 93,329,289	\$ 191,595,068	2.4%	\$ 102,991,790	
FY2042/43	\$ 176,712,796	1.8%	\$ 92,225,083	\$ 196,212,509	2.4%	\$ 102,401,837	
FY2043/44	\$ 179,860,719	1.8%	\$ 91,133,942	\$ 200,941,231	2.4%	\$ 101,815,264	
FY2044/45	\$ 183,064,718	1.8%	\$ 90,055,711	\$ 205,783,915	2.4%	\$ 101,232,050	
FY2045/46	\$ 186,325,792	1.8%	\$ 88,990,236	\$ 210,743,307	2.4%	\$ 100,652,177	
FY2046/47	\$ 189,644,958	1.8%	\$ 87,937,367	\$ 215,822,221	2.4%	\$ 100,075,626	
FY2047/48	\$ 193,023,251	1.8%	\$ 86,896,955	\$ 221,023,536	2.4%	\$ 99,502,377	
FY2048/49	\$ 196,461,724	1.8%	\$ 85,868,853	\$ 226,350,203	2.4%	\$ 98,932,412	
FY2049/50	\$ 199,961,450	1.8%	\$ 84,852,914	\$ 231,805,243	2.4%	\$ 98,365,712	
FY2050/51	\$ 203,523,519	1.8%	\$ 83,848,995	\$ 237,391,750	2.4%	\$ 97,802,258	
FY2051/52	\$ 207,149,041	1.8%	\$ 82,856,954	\$ 243,112,891	2.4%	\$ 97,242,031	

Sales Tax Revenue Forecast

FY2052/53^d	\$ 52,709,787	1.8%	\$ 20,469,162	\$ 62,242,978	2.4%	\$ 24,171,253	^d Partial year, July 1, 2052 - September 30, 2052.
TOTAL 30-YR^e	\$ 4,864,277,621		\$ 2,938,153,634	\$ 5,285,423,851		\$ 3,151,079,967	October 1, 2022 - September 30, 2052

^a YOE stands for Year of Expenditure.

^b Uses 3% inflation to de-escalate to 2020\$. Actual average CPI increase 2003 to 2020 in the Bay Area has been 2.49%.

^c Assuming a June 2022 election, FY 2022/23 estimate only includes revenues from October 1, 2022 (operative date of new measure) to June 30, 2023.

^d Assuming a June 2022 election, FY 2052/53 estimate only includes revenues from July 1, 2052 to September 30, 2052 (end date of new measure).

^e Total revenues for the New Expenditure Plan cover the 30-year period between October 1, 2022 through September 30, 2052.

Agenda Item 6.

Equity Analysis: Findings and Recommendations



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Expenditure Plan Advisory Committee
September 9, 2021

Racial Equity

Racial equity is a set of social justice practices, rooted in a solid understanding and analysis of historical and present-day oppression, aiming towards a goal of fairness for all. As an outcome, achieving racial equity would mean living in a world where race is no longer a factor in the distribution of opportunity. As a process, we apply racial equity when those most impacted by the structural racial inequities are meaningfully involved in the creation and implementation of the institutional policies and practices that impact their lives.



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– Adapted by San Francisco Office of Racial Equity from
Anti-Oppression Resource and Training Alliance (AORTA)

Why do a Racial Equity Analysis?

Without intentional intervention, institutions and structures will continue to perpetuate racial inequities

We acknowledge sales taxes are regressive

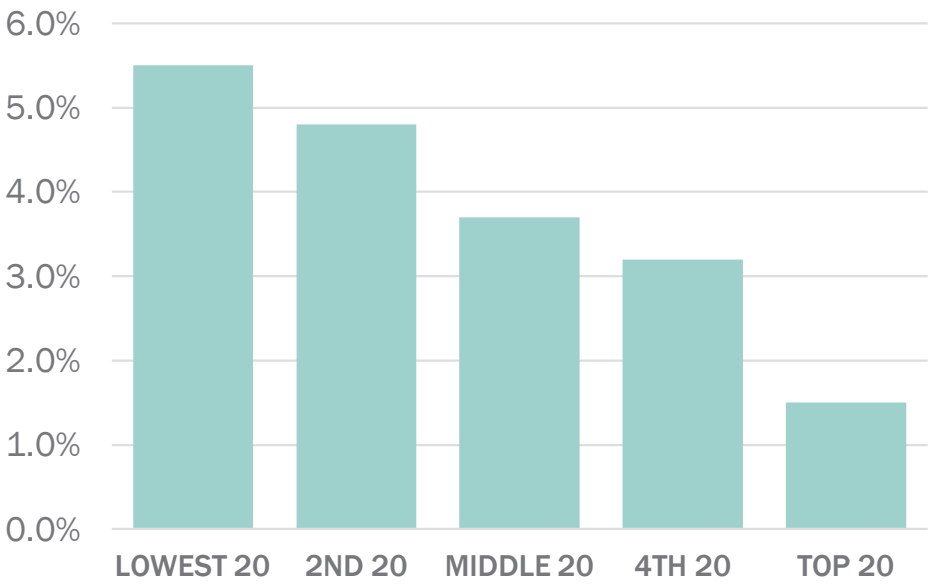
We want to ensure the sales tax program advances equity through its investments and with a transparent and accountable process

Equity Implications of Sales Taxes



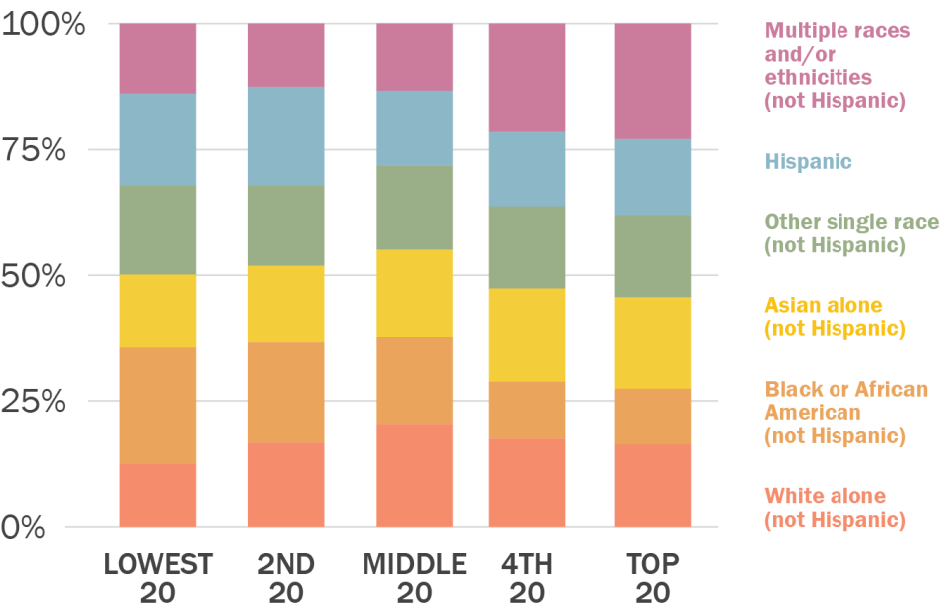
Bay Area Combined Sales Taxes

Share of household income



The share of household income of sales taxes by income bracket.
SPUR's "Creating a Bay Area Sales Tax Fairness Credit" webinar, October 28, 2020

Distribution of Race Through Income Groups



Distribution of race through income groups.
SPUR's "Creating a Bay Area Sales Tax Fairness Credit" webinar, October 28, 2020

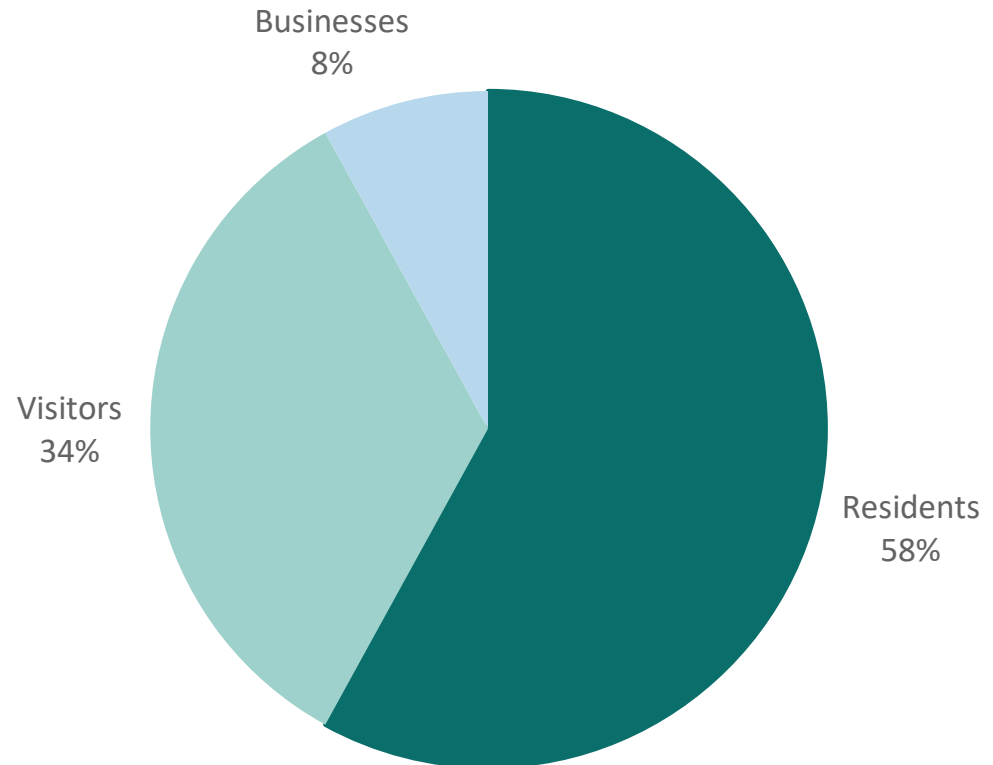
Who Pays the Sales Tax

58% of the sales tax collected in San Francisco is paid by residents; visitors pay 34% and businesses pay 8%



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San Francisco Sales Tax Contributions by Group



Source: San Francisco Chief Economist, 2017.

Racial Equity Toolkit



- Informed Expenditure Plan **process** including outreach strategy
- Informing **programs** to be funded in the New Expenditure Plan
- Will help guide **administration** of the New Expenditure Plan

Racial Equity Toolkit

An Opportunity to Operationalize Equity



LOCAL AND REGIONAL
GOVERNMENT ALLIANCE ON
RACE & EQUITY

[RACIALEQUITYALLIANCE.ORG](https://racialequityalliance.org)

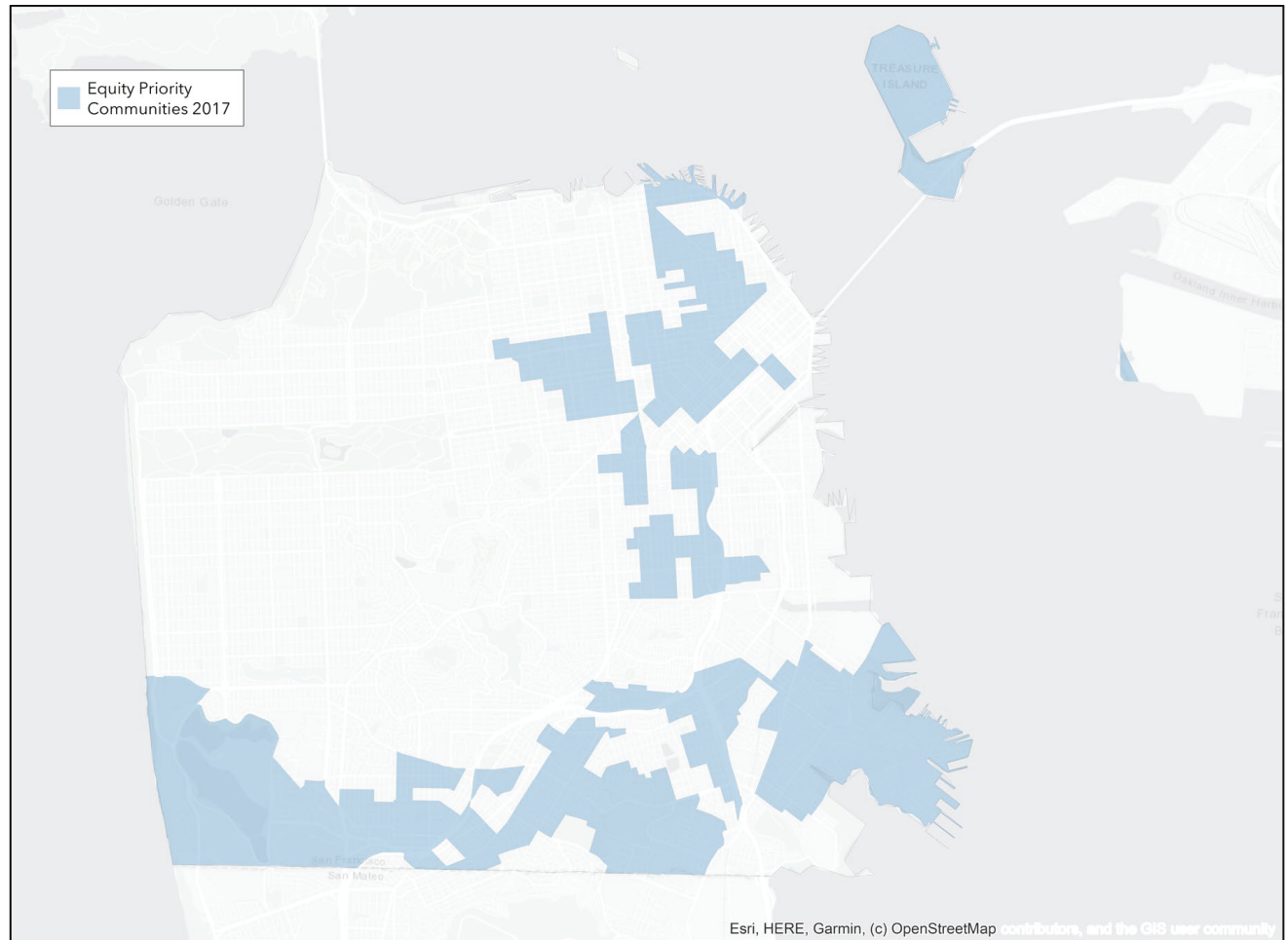
Equity Priority Communities (EPCs)

~51% of low-income
San Franciscans live
within EPCs

~65% of residents of
color live within EPCs



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Source: Metropolitan Transportation Commission data, 2017.

Equity Priority Communities Criteria, 2017



Defined by MTC:

1. Census tract exceeds thresholds for both low-income and people of color; OR
2. Census tract exceeds threshold for low-income and three or more other variables
 - People of Color (70% threshold)
 - Limited English Proficiency (20%)
 - Zero-Vehicle Households (10%)
 - People with a Disability (25%)
 - Low-Income (<200% Federal Poverty Level) (30%)
 - Seniors 75 Years and Over (10%)
 - Single Parent Families (20%)
 - Rent-Burdened Households (15%)

Equity Analysis Findings

Needs vary across Equity Priority Communities and citywide

- Travel Time and Job Access
- Accessibility for Seniors and People with Disabilities
- Transportation Costs
- Traffic Safety
- Public Health

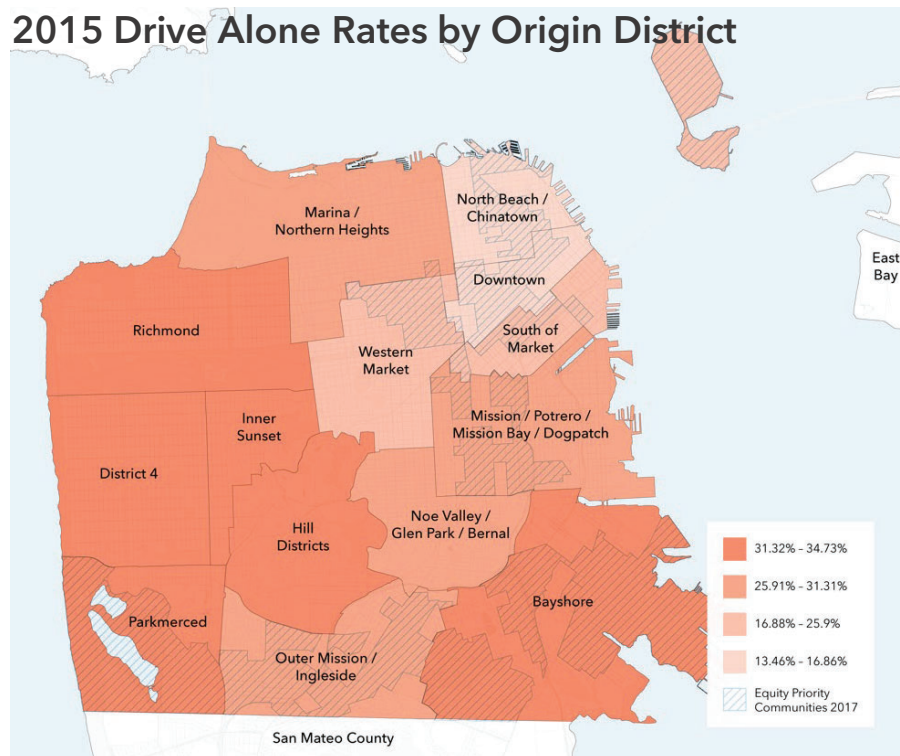
Need for more engagement and partnerships

How do people travel?



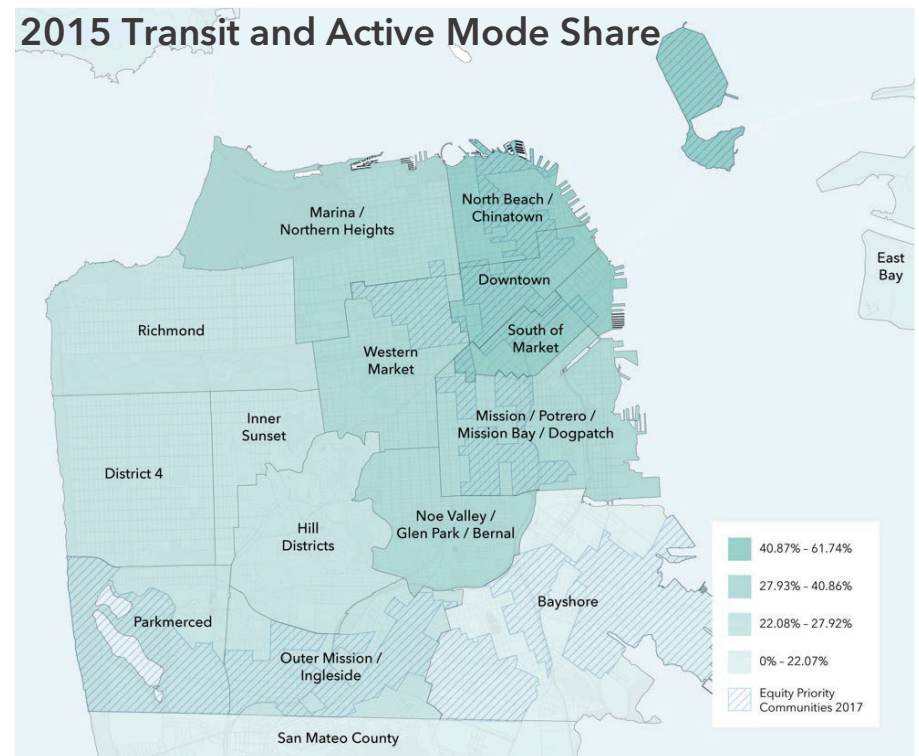
Driving alone is more prevalent in outer neighborhoods with less transit access

2015 Drive Alone Rates by Origin District



Source: ConnectSF Statement of Needs, published 2019

2015 Transit and Active Mode Share



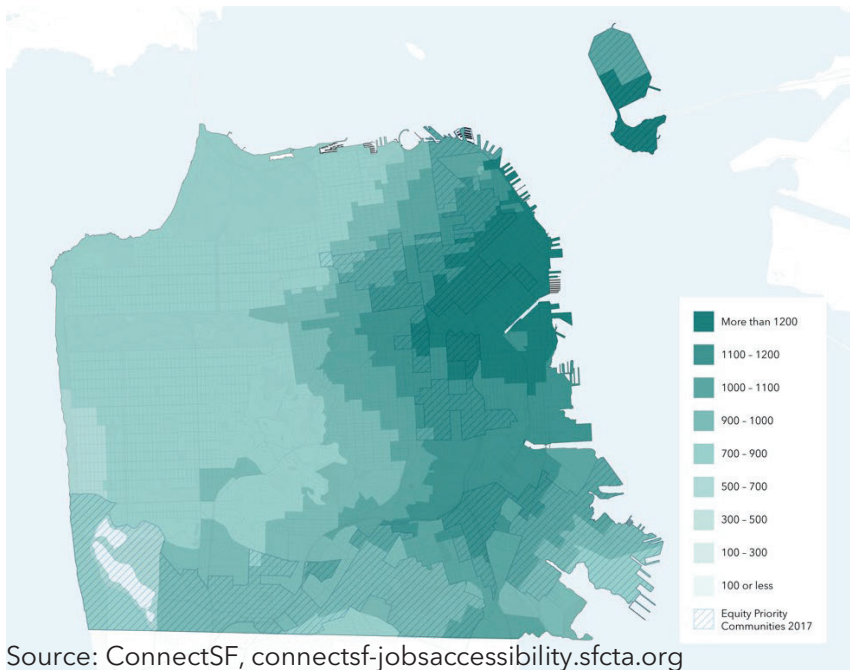
Source: ConnectSF Statement of Needs, published 2019

Access to Jobs & Travel Time



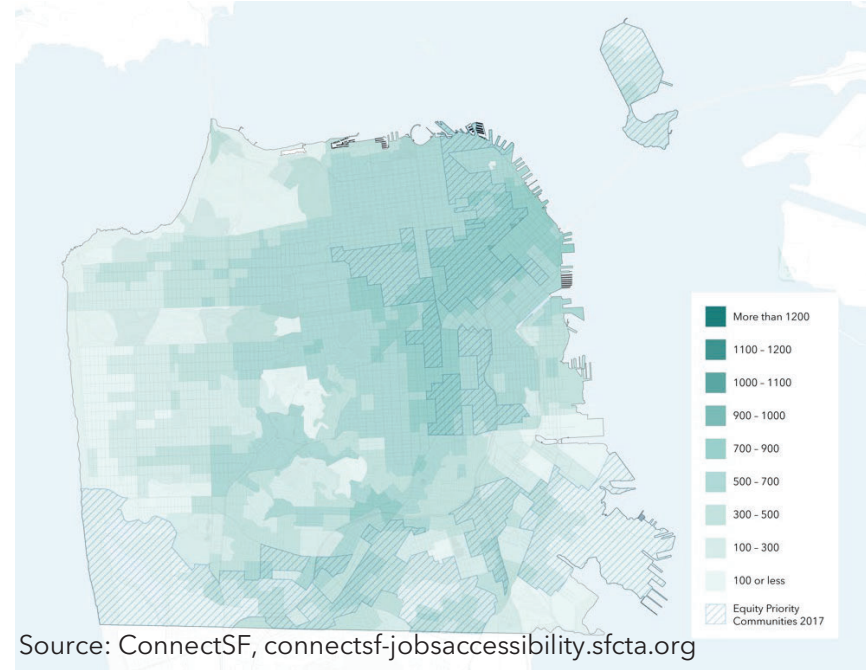
People in the city's core and Mission corridor have the best accessibility to jobs by both automobile and transit

Thousands of Jobs Accessible by a
30-minute Automobile Trip, 2015



Source: ConnectSF, connectsf-jobsaccessibility.sfcta.org

Thousands of Jobs Accessible by
a 45-minute Transit Trip, 2015

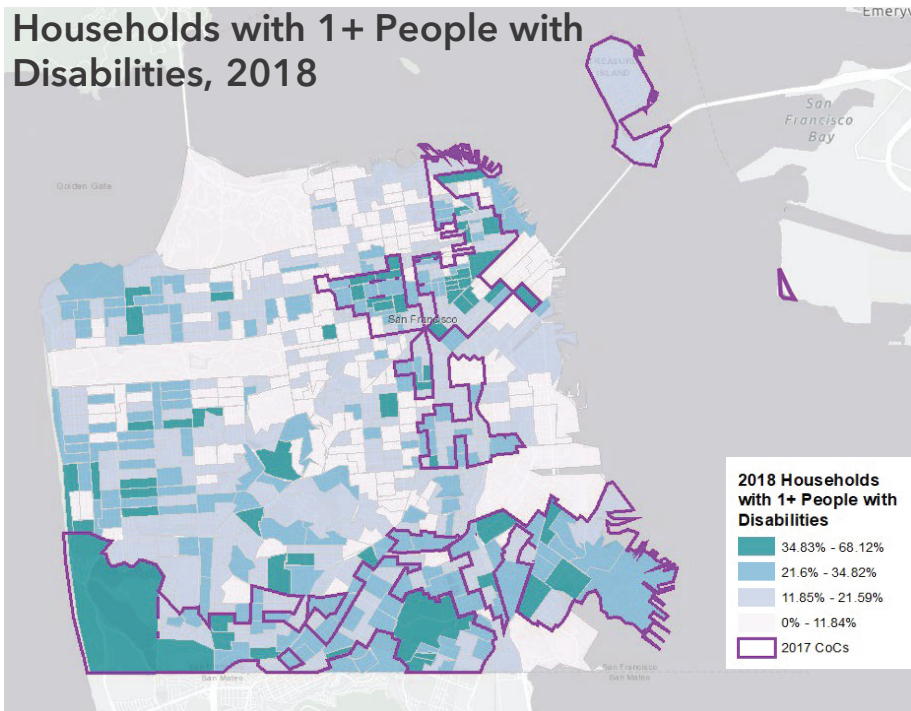


Source: ConnectSF, connectsf-jobsaccessibility.sfcta.org

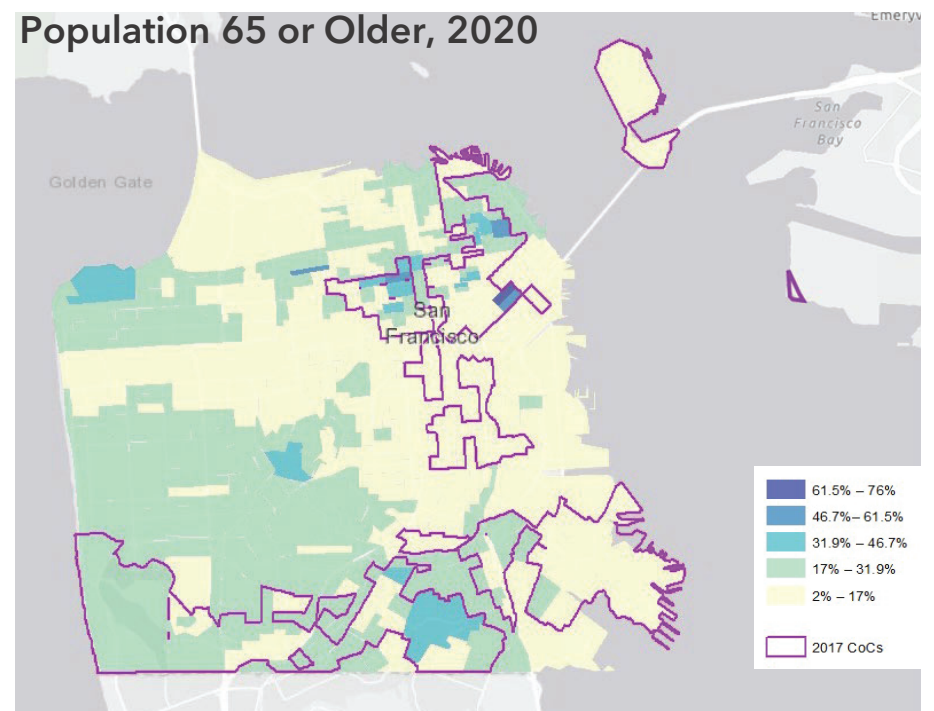
Accessibility for Seniors & People with Disabilities



People with disabilities are more concentrated in EPCs;
Seniors are more dispersed



Source: "At Risk Population," American Community Survey, Esri 2018

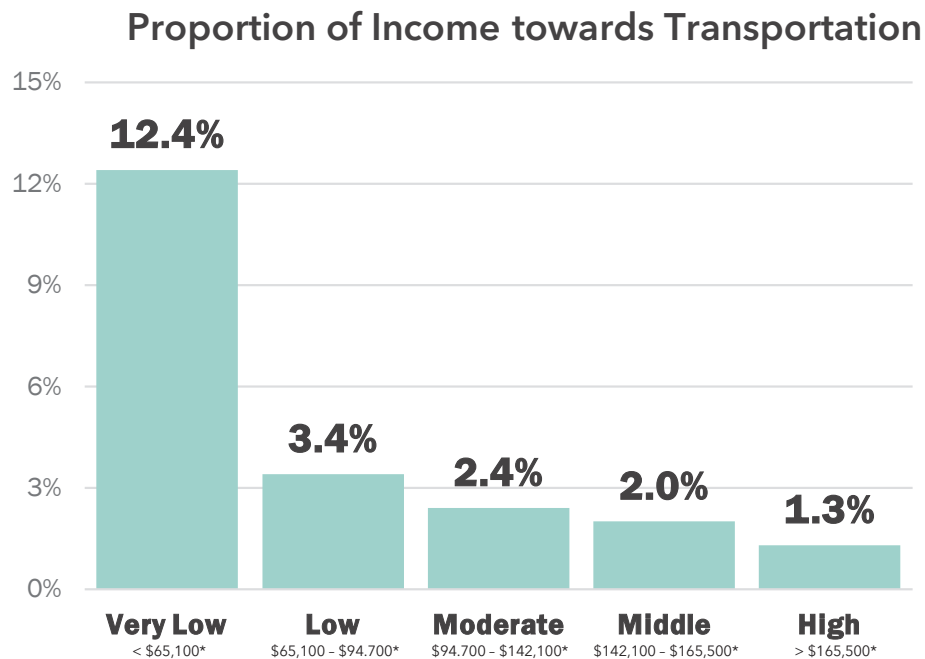


Source: US Census data, Esri estimates for 2020

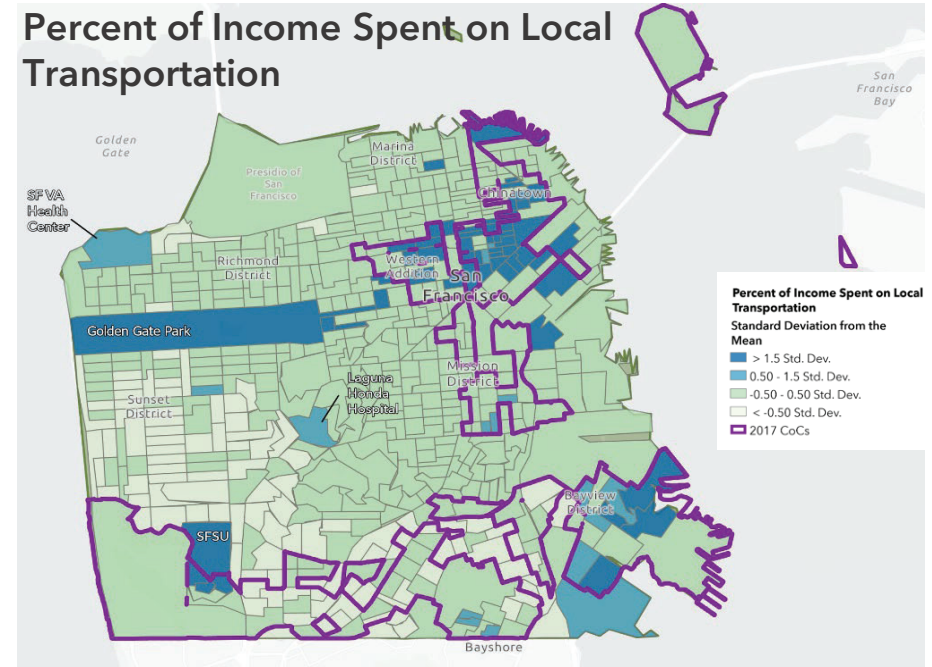
Transportation Costs



Low-income households spend a higher portion of their income on transportation, notably residents in Chinatown, Tenderloin, Western Addition and Bayview neighborhoods



* Income numbers are for a family of four. Source: SF-CHAMP Model



Source: "2020 Transportation," Esri and Bureau of Labor Statistics

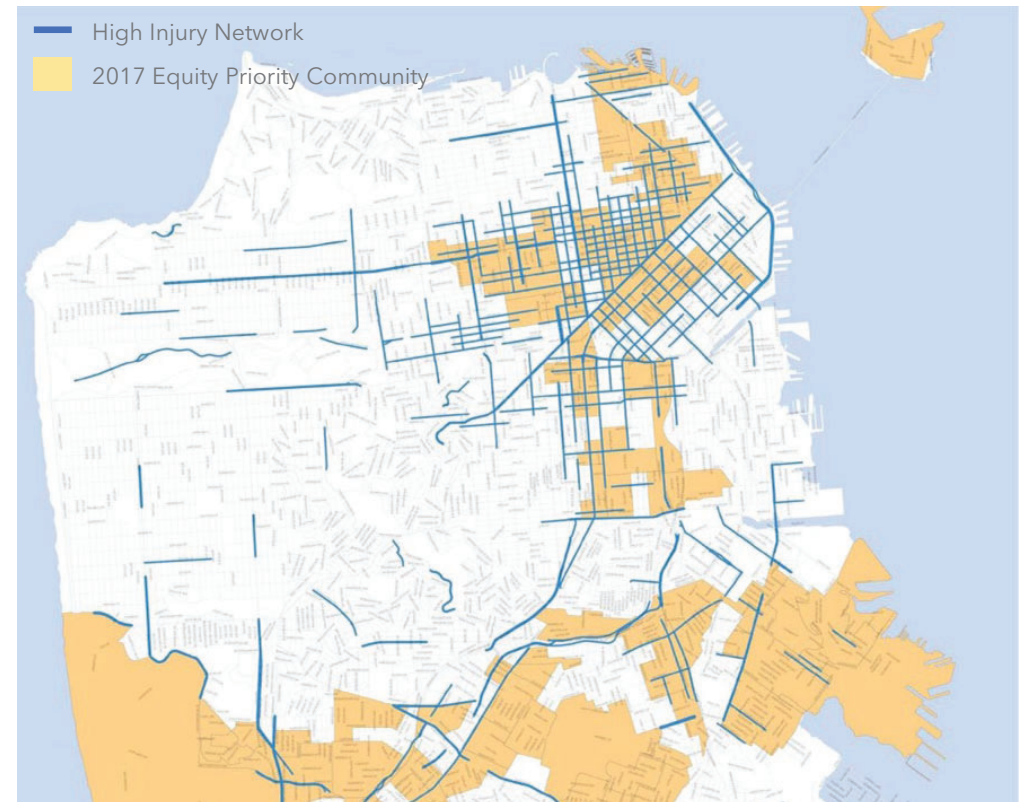
Traffic Safety



High Injury Network: 13% of city streets account for 75% of severe and fatal injuries

Half of the High Injury Network is in EPCs

People of Color are disproportionately impacted by traffic deaths in the city



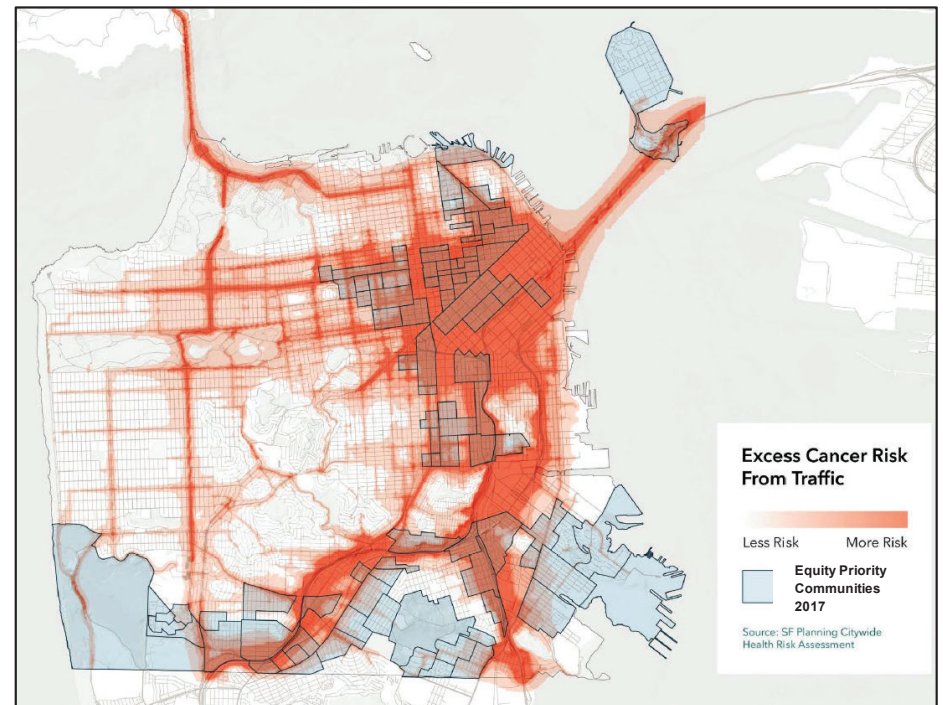
Source: San Francisco Department of Public Health, 2017,
<https://www.visionzerosf.org/maps-data/>

Public Health



Many EPCs are at elevated risk of developing cancer due to nearby traffic exhaust

Risk is particularly high for the Tenderloin, Chinatown, Western Addition, and EPCs adjacent to freeways



Source: SF Planning Citywide Health Risk Assessment

Need for Engagement and Partnerships

- Needs vary within and across EPCs
- People of color and those with low incomes have historically been excluded from planning processes
 - Lack of trust in government
 - Lack of pipeline of projects in EPCs



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Equity Analysis Recommendations



1. Expenditure Plan Development Process
2. Expenditure Plan Investments
3. Expenditure Plan Administration

Equity Analysis Recommendations



1. Expenditure Plan Development Process

- Community-focused Expenditure Plan Advisory Committee
- Robust outreach in multiple languages

Equity Analysis Recommendations



Outreach Plan includes:

Community
Interviews

Non-English
Focus Groups

Join existing
community
meetings

Online Tool

Expenditure
Plan Advisory
Committee

Traditional,
social and
multi-lingual
media

Town Halls

Voter Opinion
Survey

Equity Analysis Recommendations



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2. Expenditure Plan Investments that:

- Improve travel time and accessibility
- Improve traffic safety and public health
- Address transportation costs
- Support community-based planning

Improve Travel Time and Accessibility



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- Continue funding paratransit for seniors and people with disabilities
- Invest in transit reliability and accessibility
- Solutions for first/last mile connections to transit
- Manage congestion on our streets and freeways



Improve Traffic Safety for All Road Users



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- Prioritize Safer Streets

- Bicycle and pedestrian safety
- Traffic calming, signals, and signs
- Vision Zero quick-build program
- Improve safety at freeway ramps
- Street resurfacing



Address Public Health



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- Support mode shift to sustainable and active modes: transit, walking, bicycling, and other emerging sustainable modes



Address Transportation Costs



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- Transit investments disproportionately benefit low-income households
 - 38% of Muni customers live in low-income households (compared to citywide 24% of households are low-income)
- Continue investing in the active transportation network to help people get around affordably
- Lead with equity in planning for demand management



Community-based Planning



- Equity Priority Neighborhood Program
 - Community-based planning, community-identified priorities
 - Includes local match funding for implementation
- Funding for equity studies throughout the city, not just in EPCs

Equity Analysis Recommendations



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3. Expenditure Plan Administration

- Transparency and Accountability should continue to be central to program administration
 - Board and Community Advisory Committee process
 - Transparent project prioritization process (5-year plans)
 - Annual independent audits

Any Questions?



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Breakout Discussions



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Discussion Questions



1. Is this analysis missing anything?
2. Are these investment recommendations to advance equity hitting the mark?
3. As we administer the new Expenditure Plan, should we:
 - Require priority for projects that disproportionately benefit EPCs and/or low-income communities?
 - Prioritize projects that come from community planning efforts or other equity analyses?

Report Out



**San Francisco
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DRAFT MINUTES

Expenditure Plan Advisory Committee

Optional Workshop/Meeting

Thursday, August 19, 2021

An optional workshop of the Expenditure Plan Advisory Committee (EPAC) began at 6:00 p.m. During introductions, at 6:15 p.m., a quorum of the EPAC was reached and staff announced that a meeting of the EPAC was now in session.

1. Call to Order

The meeting was called to order at 6:15 p.m.

Present: Jay Bain, Anni Chung, Amandeep Jawa, Aaron Leifer, Jessica Lum, Jodie Medeiros, Maryo Mogannam, Susan Murphy, Calvin Quick, Pi Ra, Eric Rozell, Joan Van Rijn, Earl Shaddix, Yensing Sihapanya (14)

Absent at Roll Call: Rosa Chen, Nick Josefowitz, Sharky Laguana, Maelig Morvan, Kim Tavaglione, Christopher White (6)

Alternates Present: Sasha Hirji, Melvin Parham

2. Public Comment – INFORMATION

There was no public comment.

3. Introduction to the Transportation Authority – INFORMATION

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

Member Amandeep Jawa asked about the legal requirements related to the EPAC's work and what other measures are targeting the same ballot. Ms. Beaulieu answered that this workshop will cover what is expected from the EPAC members, and the goal of this committee, which is to make a recommendation to the Transportation Authority Board to adopt a New Expenditure Plan and put it on the ballot. She noted the statutory requirements related to the EPAC's work would be covered at the September 9 meeting.

Member Aaron Leifer inquired about the timing of the decision announcement on the 2022 ballot, to which Ms. Beaulieu replied that the Board has directed staff to prepare for a potential June 2022 ballot measure. The decision to place a measure on the ballot would be the subject of a future Board action.

Member Jodie Medeiros asked if the 30-year time span for the New Expenditure Plan is standard, and whether a shorter duration may make more sense at a time when people are not certain about anything. Ms. Beaulieu noted that the Prop K Expenditure Plan was for 30 years and that this was a fairly common duration for similar measures. She said the longer time frame also provides more revenues. Chief Deputy Director Maria



Lombardo acknowledged that there are tradeoffs with shorter versus longer expenditure plan periods and that shorter plans were more typical for jurisdictions with no prior dedicated sales tax plan where a shorter period may be proposed to build up public trust.

Member Joanie van Rijn requested clarification on the relationship between the San Francisco Municipal Transportation Agency's or SFMTA's Transportation 2050 plan and this expenditure plan, and she asked what ability the EPAC has to influence these plans. She also raised concerns about current Census data and asked how that data impacts the New Expenditure Plan. Ms. Beaulieu replied that the Transportation Authority is bringing an initial draft Expenditure plan to the EPAC for their feedback and expects to make revisions to that draft based on that feedback. She also indicated that the Transportation Authority used Census data as an input to various planning efforts along with other data.

Member Calvin Quick, asked about the typical annual revenue for the current Prop K sales tax. Ms. Beaulieu answered, it was around \$115 million dollars before COVID, but last year was lower, and revenues were budgeted at about \$93 million this year.

Member Pi Ra, said he had served on the EPAC for both the current sales tax (Prop K) and its predecessor (Prop B), and said there had been very lively, but polite conversations. He also observed that each expenditure plan really had something that helped garner support – paratransit for seniors and disabled persons in the first plan and pedestrian safety in Prop K.

Member Maryo Mogannam asked whether the Transportation Authority factors in the evolution of technology in the plan. Executive Director Tilly Chang appreciated the question and cited autonomous vehicles as an example. She said the agency had received a Smart City grant to pilot an autonomous shuttle on Treasure Island. She opined that autonomous vehicles probably won't happen as fast as some may think, but that it's important to track and be involved. She noted that autonomous vehicles could induce more traffic, and that the agency wants to ensure that safety is improved, and that those with limited income are not left behind. She offered to continue this conversation after the meeting or at another time.

Member Jay Bain asked how the work on the Transportation Element and the sales tax effort relate. He also asked how the performance of the different investments were measured. Ms. Beaulieu replied that various city agencies (e.g. Planning Department, SFMTA and the Transportation Authority) had been working together through Connect SF, the multi-agency effort on long range planning, and both the San Francisco Transportation Plan or SFTP (which the New Expenditure Plan helps to implement) and the Transportation Element are part of that effort. With respect to performance measurement, Ms. Beaulieu answered that the various transportation agencies will present on the benefits of their proposed programs and projects over the course of the EPAC meetings, and that there is also a performance assessment that takes place as part of the SFTP that is used as an input to the New Expenditure Plan.

Member Yensing Sihapanya inquired about the need for a contingency plan if the ballot measure is not approved, and she also asked if polling is part of the process. Ms. Beaulieu answered that the current Prop K Expenditure Plan is a 30-year measure that will continue if the ballot measure fails. She confirmed there will be a voter poll later that will help inform the decision about whether to place the measure on the June 2022 ballot. Chief Deputy Lombardo added that as part of contingency planning, staff is

currently working to update financial plans for the current sales tax to stretch out dollars further in case a new Expenditure Plan isn't approved in 2022.

4. Expenditure Plan Advisory Committee Purpose and Process -- INFORMATION

Principal Transportation Planner, Michelle Beaulieu presented the item.

Member Joanie van Rijn asked if there would be minutes for these meetings, and if staff would be available to present to groups and organizations if requested. Ms. Beaulieu replied in the affirmative to both questions.

Member Jay Bain asked if EPAC members could provide comments on their own behalf during public comment. Chief Deputy Lombardo said she would confirm with counsel but she believed that EPAC members should not comment during public comment at EPAC meetings but were free to do so at Transportation Authority Board or Community Advisory Committee meetings.

Member Maryo Mogannam asked what a quorum of the EPAC and Ms. Beaulieu said it was 14 of 27 members. Mr. Mogannam also asked whether there would be an EPAC chair and would there be motions and seconds on votes. Ms. Beaulieu said staff was working with Transportation Authority Chair Mandelman on the EPAC chair topic. She said the EPAC wouldn't be voting at the initial meetings, but there would be motions and seconds when there are votes later in the process.

5. Transportation Funding Basics - INFORMATION

Principal Transportation Planner, Michelle Beaulieu presented the item.

Member Jay Bain asked if the half-cent was only for transportation. Ms. Beaulieu replied that the state statute that the Transportation Authority was created under limits the sales tax to transportation purposes and it requires a 2/3 voter approval to pass.

Member Jay Bain also asked about transportation project phases (slide 41), specifically asking what happens after construction and where pilots fit into that sequence and where they fit in the expenditure plan. Ms. Beaulieu replied that after construction the next phase is ongoing maintenance and operations. With respect to pilots, she explained these were generally temporary in nature and faster to implement, allowing testing or learnings to take place before deciding whether and how to implement on a more permanent basis. She said it was possible for pilots to be incorporated within specific programs in the expenditure plan.

Member Joan van Rijn said she recalls voting on bond measures for street resurfacing. Going forward, she said she would like to know what the full funding picture is for street resurfacing and for SFMTA. Ms. Beaulieu said that staff would follow up on this question and that the agency presentations scheduled over the next several meetings will also address this topic. She added that the sales tax is just one piece of the overall funding puzzle.

Member Joan van Rijn asked if the Metropolitan Transportation Commission (MTC) sets priorities for the expenditure plan. Ms. Beaulieu said that as the transportation planning and funding agency for the nine county Bay Area region, the MTC develops a long-range transportation plan for the region called Plan Bay Area. At a high level, she said that the expenditure plan needs to be consistent with Plan Bay Area.

Member Earl Shaddix inquired whether planning for maritime taxis or ferries and purchase of vessels would be eligible. Ms. Beaulieu replied that right now staff is



proposing making them eligible for planning funds. Executive Director Tilly Chang said that it would be possible to make purchase of ferry/water taxis eligible.

Member Jodie Medeiros asked if staff could provide a list of the Prop K sales tax programs that are running out of funds. Anna LaForte, Deputy Director for Plans & Programs said staff would do so and explained that the agency was currently updating the Strategic Plan – the financial plan for the current sales tax and was trying to stretch out funds longer for those programs running out of funds. The goal is to help bridge the gap until a New Expenditure Plan measure is approved.

Member Joan van Rijn asked for projections of how much funding the Bay Area would see if a federal infrastructure plan was approved and whether those funds would be added to the Expenditure Plan. Ms. Beaulieu said staff would provide funding estimates if the plan was approved. She said that this would be a good example of how the sales tax funds could leverage or help attract other funds for San Francisco projects.

6. Adjournment

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