

Agenda Item 5.

Preliminary Draft Expenditure Plan



**San Francisco
County Transportation
Authority**

Expenditure Plan Advisory Committee
September 9, 2021



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.



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



San Francisco
County Transportation
Authority

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



San Francisco
County Transportation
Authority

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



San Francisco
County Transportation
Authority



Equity focus including robust engagement



Build on successes of Prop K + make refinements



COVID recovery + Long-term transportation needs



Transparency + Accountability



Strategic fund planning



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)

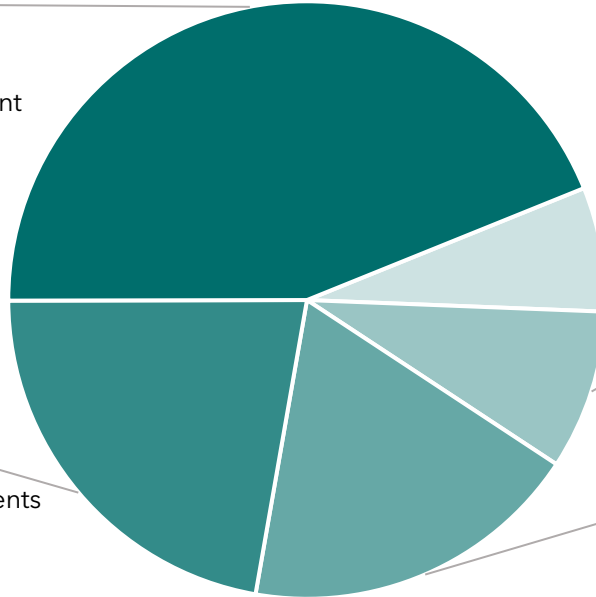
Preliminary Draft New Expenditure Plan



San Francisco
County Transportation
Authority

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



San Francisco
County Transportation
Authority

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



San Francisco
County Transportation
Authority

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
Authority**