



Memorandum

AGENDA ITEM 11

DATE: November 24, 2021

TO: Transportation Authority Board

FROM: Maria Lombardo - Chief Deputy Director

SUBJECT: 12/07/2021 Board Meeting: Update on Schedule and Outreach Efforts for Development of a New Expenditure Plan for the Half-Cent Sales Tax

RECOMMENDATION ☒ Information ☐ Action

None. This is an information item.

SUMMARY

At the direction of the Board, we have been working to develop a New Expenditure Plan for Prop K, the half-cent transportation sales tax measure approved by voters in November 2003. After consulting with Chair Mandelman and Vice Chair Peskin and per their guidance, we recently shifted our efforts to focus on the November 2022 election rather than June 2022, given the potential impacts of a statewide initiative for a constitutional amendment titled "The Taxpayer Protection and Government Accountability Act." The initiative would require any proposed tax seeking voter approval be consolidated with a regularly scheduled general election for members of the governing body of the local government, with few exceptions. The initiative would apply retroactively to any tax adopted after October 1, 2021. The initiative has just received state approval to gather signatures and we are advised that the measure could qualify for and meet the simple majority threshold for passage at the November 2022 ballot. Thus, rather than risk voiding a measure approved in June 2022 and needing to go back to the voters a second time, we are refocusing our efforts on November 2022. This memo provides an update on timeline for development of a New Expenditure Plan, including extending the Expenditure Plan Advisory Committee's meeting schedule into February 2022 (Attachment 1), and other outreach we have underway.

- ☐ Fund Allocation
- ☐ Fund Programming
- ☐ Policy/Legislation
- ☒ Plan/Study
- ☐ Capital Project Oversight/Delivery
- ☐ Budget/Finance
- ☐ Contract/Agreement
- ☐ Other:



BACKGROUND

The half-cent sales tax for transportation was first approved by San Francisco voters in 1989 (Prop B) and then extended by voters in 2003 along with the adoption of the new Prop K Expenditure Plan, which is currently in place. Since then, the Transportation Authority has directed more than \$1.9 billion in half-cent sales tax funding citywide.

The half-cent sales tax generates about \$110 million per year (pre-pandemic) and helps fund transportation projects large and small across the city. Major capital investments have included the purchase of new Muni buses and light rail vehicles, Salesforce Transit Center, the electrification of Caltrain (under construction), Muni Central Subway, and reconstruction of Doyle Drive, now known as Presidio Parkway. It also makes a big difference in people's lives through smaller projects like traffic calming, street repaving projects, paratransit service for seniors and persons with disabilities, protected bicycle lanes, new and upgraded signals, and, during the pandemic, taxi rides home for essential workers.

The Expenditure Plan guides the way the half-cent sales tax program is administered by identifying eligible project types and activities, designating eligible sponsoring agencies, and establishing limits on sales tax funding by Expenditure Plan line item. It also sets expectations for leveraging of sales tax funds with other federal, state, and local dollars to fully fund the Expenditure Plan programs and projects and includes policies for program administration. Finally, the current Prop K Expenditure Plan requires that the Transportation Authority Board establish an Expenditure Plan Advisory Committee (EPAC) to help develop a new Expenditure Plan.

DISCUSSION

As noted in the Summary section, we have recently shifted our efforts to focus on the November 2022 election rather than June 2022. We were recently informed by the City Attorney's Office of a statewide initiative for a constitutional amendment ("The Taxpayer Protection and Government Accountability Act") that would, among many other things, void the sales tax measure if approved by voters at the June 2022 election. The initiative would require any proposed tax seeking voter approval be consolidated with a regularly scheduled general election for members of the governing body of the local government, with few exceptions. The initiative would apply retroactively to any tax adopted after October 1, 2021.

The initiative has just received state approval to gather signatures and we are advised that the measure could qualify for and meet the simple majority threshold for passage at the November 2022 ballot. Thus, rather than risk voiding a measure approved in June 2022 and needing to go back to the voters a second time, and per the guidance of the Transportation Authority Chair and Vice Chair, we are refocusing our efforts on November 2022.

In June 2021, when the Board approved the original schedule and process for development of a new Expenditure Plan (Resolution 21-51) targeting the June 2022 election, we had



flagged that it was adaptable to a November 2022 election, if directed by the Board. We are still seeking to confirm meeting dates for calendar year 2022; however, our initial look at the revised schedule includes:

- Extending EPAC meetings into February 2022 when they would approve the final Expenditure Plan
- Transportation Authority Board public hearing and action to approve the Expenditure Plan in March 2022
- Metropolitan Transportation Commission action to approve the Expenditure Plan in April 2022
- Board of Supervisors Action to approve the Expenditure Plan and place the sales tax measure on the ballot in May-July 2022
- November 8, 2022 election

We are currently checking in with EPAC members to confirm their willingness to continue to serve on the EPAC for 3-4 additional meetings, extending their service from December 2021 through February 2022. We anticipate being able to provide a more detailed revised schedule by the time we post the agenda materials for the December 7 Board meeting.

EPAC Update. The EPAC has been meeting virtually twice a month since early September. The current roster is included as Attachment 1. Agendas and other meeting materials are posted online at the project website (www.sfcta.org/ExpenditurePlan) and on the Transportation Authority's meetings, agendas and events calendar (www.sfcta.org/events).

The goal of the EPAC is to help shape the New Expenditure Plan and ultimately, recommend that the Transportation Authority Board approve the New Expenditure Plan for the ongoing half-cent sales tax for transportation and place it on the ballot. We are very grateful to all the EPAC members and alternates who continue to dedicate their time and energy toward this important effort. We are currently working with the EPAC to extend their meeting schedule into the new year given our extended timeline for the measure.

The EPAC has reviewed preliminary draft recommendations for a New Expenditure Plan (Attachment 2) and after receiving a lot of background information on program needs and benefits from project sponsors, the EPAC has recently begun discussing funding levels for different programs, policies around project prioritization, and program descriptions and project eligibility. Partner agency staff will continue to be available to the EPAC at its meetings to help answer any questions the EPAC may have. We are also appreciative of the time and effort our partner agencies have dedicated to supporting the EPAC deliberations.

New Expenditure Plan Outreach and Engagement. During prior presentations to the Board, we described the outreach and engagement strategy for the development of the New Expenditure Plan. The strategy is multifaceted and draws on lessons learned from other



projects at the Transportation Authority to help ensure that we hear from folks who may be disproportionately affected by the sales tax while being respectful of the organizations that serve low-income communities and communities of color, many of which are stretched thin right now due to the lengthy pandemic. Attachment 3 lists each of the outreach and engagement strategies and provides a status update for each. We will provide a summary of feedback received during the meeting.

Next Steps. The next virtual EPAC meeting is scheduled for December 9 from 6 to 8 pm. We will keep working with our agency partners while we move forward with our outreach and engagement strategy. We will continue to provide regular updates to the Board and Community Advisory Committee and have reached out to all of the Board offices to offer briefings.

FINANCIAL IMPACT

None. This is an information item.

CAC POSITION

The Community Advisory Committee will hear this item at the December 1, 2021 meeting.

SUPPLEMENTAL MATERIALS

- Attachment 1 – EPAC Roster as of November 18, 2021
- Attachment 2 – Preliminary Draft New Expenditure Plan (October 4, 2021)
- Attachment 3 – New Expenditure Plan Outreach and Engagement Plan Status



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2021 Expenditure Plan Advisory Committee Roster - Updated November 15, 2021

Affiliation/ Representation	District	Organization	Member	Alternate
Equity Priority Community: Bayview	10	EDoT Bayview	Earl Shaddix	
Equity Priority Community: Bayview	10	FACES SF	Susan Murphy	Melvin Parham
Equity Priority Community: Chinatown	3	Chinatown Community Development Center & SFCTA Community Advisory Committee	Rosa Chen	
Equity Priority Community: Excelsior	11	Excelsior Action Group	Mel Flores	Maribel Ramirez
Equity Priority Community: Inner Mission	9	N/A	Yensing Sihapanya	
Equity Priority Community: Outer Mission/Ingleside	11	OMI Cultural Participation Project	Maurice Rivers	
Equity Priority Community: Tenderloin	6	Tenderloin Street Safety Task Force	Eric Rozell	
Equity Priority Community: Western Addition	5	New Community Leadership Foundation	Majeid Crawford	
Neighborhoods/Communities	1	N/A	Jay Bain	
Neighborhoods/Communities	2	N/A	Wesley Tam	
Neighborhoods/Communities	4	N/A	Maelig Morvan	
Neighborhoods/Communities	7	Community Living Campaign	Joan Van Rijn	
Neighborhoods/Communities	8	N/A	Aaron P. Leifer	
Advocacy: Environment		League of Conservation Voters	Amandeep Jawa - EPAC Chair	
Advocacy: Equity		PODER	Jessie Fernandez	
Advocacy: Modal, Bike		San Francisco Bicycle Coalition	Chris White	
Advocacy: Modal, Transit		San Francisco Transit Riders	Zack Deutsch-Gross	
Advocacy: Modal, Walk		Walk San Francisco	Jodie Medeiros	
Advocacy: Seniors and People with Disabilities		Self Help for the Elderly	Anni Chung - EPAC Vice Chair	



Affiliation/ Representation	District	Organization	Member	Alternate
Advocacy: Seniors and People with Disabilities		Senior and Disability Action	Pi Ra	
Advocacy: Youth		San Francisco Youth Commission	Calvin Quick	Sasha Hirji
Business/Civic: Civic		SPUR	Sujata Srivastava	
Business/Civic: Labor		San Francisco Labor Council	Kim Tavaglione	
Business/Civic: Large Businesses		San Francisco Chamber of Commerce	Rodney Fong	Daniel Hertzstein
Business/Civic: Small Businesses		San Francisco Council of District Merchants Associations	Maryo Mogannam	
Business/Civic: Small Businesses		San Francisco Small Business Commission	Sharky Laguana	
Business/Civic: Tourism/Visitors		San Francisco Travel Association	Jessica Lum	Cassandra Costello

Total number of EPAC seats: 27

Total confirmed EPAC members: 27



NEW EP CATEGORY - SUBCATEGORY - PROGRAM	MAXIMUM FUNDING (2020 MILLION\$*)	PERCENT OF TOTAL**
Major Transit Projects	\$556.5	23.3%
Muni Reliability and Efficiency Improvements	\$110.0	4.6%
Muni Rail Core Capacity	\$57.0	2.4%
BART Core Capacity	\$50.0	2.1%
Caltrain Service Vision: Capital System Capacity Investments	\$10.0	0.4%
Caltrain Downtown Rail Extension and Pennsylvania Alignment	\$329.5	13.8%
Transit Maintenance & Enhancements	\$1,049.0	43.9%
Maintenance, Rehabilitation and Replacement	\$936.8	39.2%
Muni — Vehicles	\$453.7	19.0%
Muni — Facilities	\$118.5	5.0%
Muni — Guideways	\$238.8	10.0%
BART	\$21.3	0.9%
Caltrain	\$100.0	4.2%
Ferry	\$4.5	0.2%
Transit Enhancements	\$112.2	4.7%
Transit Enhancements	\$38.2	1.6%
BART Station Access, Safety and Capacity	\$9.3	0.4%
New Bayview Caltrain Station	\$27.7	1.2%
Mission Bay Ferry Landing	\$7.0	0.3%
Next Generation Transit Investments	\$30.0	1.3%
Paratransit	\$205.4	8.6%
Streets and Freeways	\$440.4	18.4%
Maintenance, Rehabilitation and Replacement	\$122.7	5.1%
Street Resurfacing, Rehabilitation and Maintenance	\$105.0	4.4%
Pedestrian and Bicycle Facilities Maintenance	\$17.7	0.7%
Safe and Complete Streets	\$274.7	11.5%
Safer Streets (signals, traffic calming, bikes and peds)	\$226.9	9.5%
Curb Ramps	\$23.9	1.0%
Tree Planting	\$23.9	1.0%
Freeway Safety and Operational Improvements	\$43.0	1.8%
Vision Zero Ramps	\$8.0	0.3%
Managed Lanes and Express Bus	\$15.0	0.6%
Transformative Freeway & Major Street Projects	\$20.0	0.8%
Transportation System Development & Management	\$162.0	6.8%
Transportation Demand Management	\$30.0	1.3%
Transportation, Land Use and Community Coordination	\$132.0	5.5%
Neighborhood Transportation Program	\$40.0	1.7%
Equity Priority Transportation Program	\$40.0	1.7%
Development Oriented Transportation	\$42.0	1.8%
Citywide / Modal Planning	\$10.0	0.4%
Total Draft Expenditure Plan	\$2.413 billion	101.1%
Total Draft Revenue Forecast	\$2.383 billion	

* All funding amounts are in millions of 2020 dollars.

** EP percentages are based on a percent of the conservative 30-year revenue forecast. We may add additional funding based on a more optimistic forecast.

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



**Attachment 3.
New Expenditure Plan Outreach and Engagement Strategy
Status as of November 22, 2021**

Engagement Method	Description	Schedule
Community Interviews	One-on-one discussions with community members living in, working in, or serving Equity Priority Communities, to learn about transportation priorities in their communities	Completed eight (8) interviews, July through September 2021 Summary provided to the EPAC on November 18, 2021
Non-English Focus Groups	Focused discussions in Spanish, Chinese and Russian, in partnership with community-based organizations and targeting mono-lingual communities who are difficult to reach through other means, to get feedback on potential investment types	Completed three (3) focus groups in October 2021 Summary provided to the EPAC on November 18, 2021
Town Hall Meetings	Broad public meetings which will be recorded and posted online	Completed 1 town hall in November 2021; tentative planning for one (1) additional in January 2022
Expenditure Plan Advisory Committee (EPAC)	A diverse group of 27 representatives convened to provide input and ultimately recommend that the Transportation Authority Board approve a new Expenditure Plan for the ongoing sales tax for transportation and place it on the ballot. The EPAC will be meeting approximately twice a month in public virtual meetings. Meeting agendas and materials are posted on our website at www.sfcta.org/expenditureplan	Ongoing meetings September 2021 - February 2022
Online Survey	An online questionnaire to get feedback on potential investment types; available in English, Spanish, Chinese and Filipino	Ongoing: live online at www.sfcta.org/expenditureplan Summary of responses to date provided to the EPAC on November 18, 2021
Joining Existing Meetings	Presentations and discussions with organizations that are regularly meeting to get feedback on potential investment types and educate the public	Ongoing through March 2022
Traditional, Social, and Multi-lingual Media	Multi-modal media strategy to educate the public about the new expenditure plan effort and engagement opportunities	Ongoing through March 2022



Voter Opinion Survey	A statistically-significant telephone and online survey of registered voters to help inform ballot measure timing and messaging	Planned for early 2022
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