



DRAFT MINUTES

Expenditure Plan Advisory Committee

Thursday, January 13, 2022

1. Call to Order

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

Present at Roll Call: Members: Jay Bain, Rosa Chen, Anni Chung, Majeid Crawford, Zack Deutsch-Gross, Jessie Fernandez, Mel Flores, Amandeep Jawa, Sharky Laguana, Aaron Leifer, Jessica Lum, Jodie Medeiros, Susan Murphy, Pi Ra, Maurice Rivers, Eric Rozell, Earl Shaddix, Yensing Sihapanya, Sujata Srivastava, Kim Tavaglione, Joan Van Rijn, Christopher White (22)

Absent at Roll Call: Rodney Fong, Maryo Mogannam, Maelig Morvan, Calvin Quick (arrived Item 4), Wesley Tam (arrived Item 2) (5)

2. EPAC Chair's Remarks - INFORMATION

Chair Jawa thanked EPAC members for dedicating their time to the process and said the meeting would include discussion of a complete draft of the expenditure plan, including the summary table of funding levels, program descriptions, and policy and additional text. He said the discussion would focus on funding levels for both Priority 1 and Priority 2 revenue forecasts.

There was no public comment.

3. Meeting #7 Recap, Minutes and Follow-Ups - INFORMATION*

Michelle Beaulieu, Principal Transportation Planner, presented the item.

There was no comment from EPAC members.

There was no public comment.

4. Draft Expenditure Plan Discussion - INFORMATION*

Michelle Beaulieu, Principal Transportation Planner, presented the item.

A member commented that maintenance of Muni's assets was important, but that every scenario decreased funding for the Muni Maintenance categories. They suggested the EPAC consider an option to increase local sales tax so Muni Maintenance could be funded at the level proposed in the draft preliminary expenditure plan.

Ms. Beaulieu said a sales tax increase was outside of EPAC's purview, which is looking at a new Expenditure Plan to continue the existing half-cent sales tax, but pointed out that SFMTA would be seeking voter approval for a new general obligation bond, and that there were other revenue ideas as well. She said the EPAC should consider whether Muni maintenance should be cut given the current revenue scenarios.

A member expressed their concern with cutting funds for Muni maintenance.

Maria Lombardo, Chief Deputy Director, said the change in the timing of the ballot



measure from June 2022 to November 2022 had necessitated a new revenue forecast, which resulted in a \$32 million reduction in the expenditure plan scenarios and that accounted for some but not all of the reduction in funds to Muni maintenance programs along with bringing the preliminary draft funding levels down from 101.1% to 100% to match the revised priority 1 revenue forecast.

A member commented that the second biggest fund category was the Caltrain Downtown Rail Extension (DTX), and pointed out that funding for that program had not been reduced in any of the scenarios.

Ms. Beaulieu said DTX had been a long-standing priority for the City and there were time constraints on when funding would be needed given the federal New Starts funding being queued up for the project.

Ms. Lombardo added that DTX was also a long standing priority in Plan Bay Area, the regional transportation plan, and said local funds were needed to leverage federal New Starts funds and provide the required local match for a planned for grant on the order of \$1.5-\$2.0 billion. She said the commitment had arisen from the Plan Bay Area process pointing a new local San Francisco measure or measure(s) rather from a specific Board action.

A member asked about the consequences to the project if the sales tax commitment were not met.

Ms. Lombardo answered that with its acceptance into the New Starts project development pipeline, the project was now on the clock to shore up the funding plan. She acknowledged that reducing the funding a bit wouldn't kill the project, but noted that the tradeoff is the window of opportunity that the project now has with its entry into the New Starts program and the current federal administration.

A member suggested that EPAC should consider balancing the funding needs of regional projects against those that directly benefitted San Francisco residents.

Ms. Beaulieu said the draft preliminary expenditure plan had included regional projects because the City benefitted from regional travel, including economic benefits from commuters and tourists, and pointed out that City residents also utilize regional transportation.

A member said it would help to have clarity about the difference between the level of City sales tax funding requested by BART and the amount allotted to BART programs in the expenditure plan scenarios.

Ms. Beaulieu responded that one of the priorities for the draft expenditure plan was the continuation of existing programs. She said at the time the current expenditure plan was developed (2003), BART projects had relatively small shortfalls in the regional transportation plan compared to Muni and BART was allotted a proportional share based on the need.

Ms. Lombardo added that all of the proposed programs have much higher funding needs than preliminary draft proposed funding levels.

A member asked if there were a threshold under which sales tax funding for DTX couldn't be cut without serious consequences. They also asked why there was no scenario that didn't cut Muni maintenance below the levels in the draft preliminary expenditure plan.

Ms. Beaulieu answered that in aggregate Muni maintenance were the biggest three



programs in the new expenditure plan, and since it was scalable, the impact of cuts was proportional to their size. She pointed out that EPAC had suggested few other places to cut. She reminded the EPAC that some of the reduction is just do to lower revenues and needing to bring the initial draft down to 100% to match projected revenues.

Ms. Lombardo added that all the scenarios proposed to backfill the Priority 1 cuts to Muni maintenance programs to some extent with Priority 2 funds, which would potentially be available toward the end of the expenditure plan period.

A member asked why the same strategy hadn't been used with BART Core Capacity.

Ms. Lombardo answered that the funding needs for BART Core Capacity relates to near term needs to execute contract options for purchase of additional BART cars and thus, that project needs priority 1 funding. Ms. Lombardo added that BART also some near-term projects it would like to fund in the city such as fare gate replacement and new and upgraded elevators.

Tilly Chang, Executive Director, said the Transportation Authority commitment to Caltrain's Downtown Rail Extension dated back to 2003. She noted that the project had a major funding gap and said a stable commitment of local funds to DTX could help attract much larger amounts of state and federal funds.

A member asked for clarification about the timing of Priority 2 funds vs. Priority 1.

Ms. Beaulieu answered that if available, Priority 2 funds likely would only be available later in the expenditure plan period after there was more certainty about revenue levels and an expectation that revenue would exceed the Priority 1 forecast.

A member asked why the proposed sales tax commitment to BART Core Capacity was \$50 million when other counties had committed \$100 million. They also suggested that the EPAC should consider balancing BART's funding needs against Caltrain's needs.

Ms. Beaulieu answered that the sales tax wouldn't necessarily be the only source available to help fulfill the San Francisco share of local matching funds.

A BART staff member added that according to BART's 2020 demographic survey, most BART riders are non-white, most are low income, and many don't own cars.

Ms. Lombardo said staff was committed to identifying a source of sources to cover the full \$100 million local match requested for BART Core Capacity. She said Alameda has a 1 cent local transportation-dedicated sales tax and enough funds to make the commitment entirely with sales tax funds, while the most recent Contra Costa County measure failed and the soonest that may be put forward again would be 2024, but it was not yet decided

A member stated that District 1 residents were concerned about the high level of funding for DTX and asked if the project would generate its own funding.

Ms. Beaulieu said an important aspect of the DTX project was that it would create a connection between multiple regional and local transportation modes, leveraging the effectiveness of all of them.

A staff member from the Transbay Joint Powers Authority (TJPA) said the history of San Francisco's support for DTX went back to 1990. They said TJPA had requested \$350 million in San Francisco local sales tax funding in the regional transportation plan, reduced to \$326 million in each of the three scenarios just presented. They said the



federal government could potentially provide half of the project's funding, but only if there were sufficient local matching funds. They emphasized the importance of multi-modal connections.

A member said it was too early in the EPAC's process to advocate for any specific expenditure plan scenario. They suggested the EPAC give line-by-line consideration to the expenditure plan categories to develop a sense of the EPAC's priorities.

Ms. Beaulieu said the three scenarios were not intended as proposals for up or down votes by the EPAC but were instead intended to illustrate the type of tradeoffs that would be needed to finalize the new expenditure plan.

A member expressed unhappiness with the overall direction of the illustrative scenarios, saying there wasn't sufficient focus on repair of harm from past transportation policies. They said that historically transportation projects had neglected the needs of low-income people and people of color, including tearing down parts of the Fillmore to widen Geary Boulevard. They said they would be holding a meeting on January 24th as part of the San Francisco Black Led Organizations Coalition to discuss the draft expenditure and get feedback on how the group would spend these funds. They said the January 27th EPAC meeting should incorporate the feedback heard at that meeting as well as the town hall on January 20th.

Ms. Beaulieu said Transportation Authority staff had been talking to communities of color and groups representing low-income communities throughout the process. She said staff would welcome the opportunity to attend the January 24th meeting and confirmed there was opportunity to incorporate feedback into future EPAC meetings.

Ms. Lombardo said, if it was helpful, staff could make the information easier to digest by including percentages of investments that are going to transit and to maintenance, in particular, which typically benefit low-income populations more than other investments.

Another member expressed unhappiness with the limitations implied by the illustrative scenarios. They said every fund category was important and asked why the EPAC was already discussing funding cuts.

Ms. Beaulieu said in previous EPAC meetings members had expressed the desire to increase funding for certain categories such as paratransit and funding for the increases needed to come from other programs to stay within the revenue projections.

The member said they thought the paratransit discussion at a previous meeting was about wanting to increase funding for it, not what the EPAC was willing to decrease funding for. They expressed support for the idea that the EPAC should evaluate the expenditure plan programs line-by-line.

A member asked how funds from the recently passed federal infrastructure bill would affect transportation funding in the Bay Area.

Ms. Beaulieu said some of the new federal funding was for transit maintenance, though it came with strings attached such as local match requirements. She said there was also funding for highways, which was more flexible. She said much of the funding was in the form of competitive programs, meaning that local funding would be needed for planning work to make projects competitive. She said the federal bill included social justice funds to improve transportation in communities harmed by past transportation projects.



Ms. Lombardo said the federal bill would provide a lot of additional funding but wouldn't close funding gaps in existing projects. She said all of the new funding would require local matching funds. She said the bill was good news for leveraging opportunities but probably wouldn't help much with setting priorities for local funds.

A member expressed appreciation for the work done by staff and acknowledged that they were faced with a difficult balancing act. They said they viewed BART service as a critical lifeline, especially for front line workers. They asked if there had been analysis of the impact that increased telecommuting would have on ridership demand for Caltrain. They asked what impacts would result if the DTX project were cancelled.

Ms. Beaulieu said the policy recommendations for the new expenditure plan included a recommendation to allow funds to be redirected to another program within the same category if a project was cancelled or otherwise did not need the sales tax funds.

Ms. Lombardo said DTX had gained momentum recently with restructuring of oversight and stakeholders and having gained acceptance into the federal New Starts program. She said the current moment offered the opportunity to make DTX happen.

A member asked why education programs were categorized with Safer Streets at the October 14, 2021 EPAC meeting, while at the November 4 meeting they were included in the Transportation Demand Management (TDM) category.

Ms. Beaulieu said programs like bicycle education would be eligible for Safer Streets funds, whereas programs focused on mode shift would be eligible for TDM funding.

The member said bicycle education was important for encouraging mode shift and said the EPAC should make sure that important programs didn't fall through eligibility cracks.

A member said the Mission Bay Ferry Landing project was mentioned in a previous meeting as a candidate for reduced funding. They said the EPAC needed more time to make prioritization decisions.

A member asked if there were any managed lanes projects in the pipeline, and asked how the \$20 million in the Transformative Freeway & Major Street Projects program would be used.

Ms. Beaulieu said the funds were intended for planning and outreach to queue up projects such as reconnecting communities and leveraging a new federal program designed to do the same.

Ms. Chang said projects would come out of the recent Streets and Freeways Study that was part of ConnectSF and that the managed lanes pipeline would include the extension of carpool lanes from San Mateo County, which were being developed south to Redwood City. She pointed out that there were currently no carpool lanes in San Francisco. It would also potentially include removal of the Geary underpass and services such as express buses to south-City neighborhoods. She added that the sales tax would help leverage newly announced state and federal Reconnecting Communities programs.

A member suggested the EPAC adopt a motion to make recommendations for the expenditure plan programs on a line-by-line basis, regardless of revenue limitations.

Ms. Beaulieu said the EPAC could follow any process that yielded recommendations for Priority 1 and 2 amounts for each category.



A member expressed support for line-by-line recommendations if staff invited agency stakeholders to the EPAC deliberations to answer questions about the potential impacts of funding prioritization changes.

A member suggested that staff ask stakeholder agencies to provide written reactions to the illustrative scenarios for the next EPAC meeting.

Ms. Beaulieu noted that staff from most or all of the stakeholder agencies were present and invited members to ask them questions.

Another member expressed support for line-by-line recommendations. They also asked if expenditure plan levels should be adjusted to reflect the potential new Muni bond issuance.

Ms. Beaulieu said that, per SFMTA's presentation to the November EPAC meeting, the bond measure would leave funding gaps that the sales tax funds would be requested to fill and the bond was already reflected in the draft funding levels

A member expressed the need for more equity analysis showing which groups benefitted from which programs. They urged staff to make equity the starting focus rather than evaluating existing proposals for equity. They said that, while most projects and programs claimed to have equitable benefits, there wasn't really a basis for comparison.

Ms. Beaulieu noted that an equity analysis had been presented at the EPAC's first meeting but acknowledged that a great deal of information had been presented to the EPAC since. She said staff could revisit the issue.

A member suggested including recommendations for programming additional sales tax revenues in the new expenditure plan to address dissatisfaction with funding levels within the limitations of the revenues available from the current tax rate. They noted that San Francisco voters had approved new tax measures in the past.

A member said EPAC's purview didn't include development of an expenditure plan for a new tax but rather to show what could be done with the existing sales tax.

A member said that a successful bid to increase a tax depended on a demonstrated ability to deliver projects that noticeably improved the quality of transit services and street infrastructure. They said Transportation Authority's online map of sales tax funded transportation projects (MyStreetSF) showed, for example, little funding for projects in District 11, especially when compared with high funding levels for regional projects, and said there was a ways to go on equity.

A member agreed that EPAC needed to develop an expenditure plan for the existing tax, but said it seemed reasonable to make recommendations on what else could be done given additional revenues. They said the City's elected officials could use the recommendations to decide whether to push for another tax.

A member agreed, saying that as an advisory committee, the EPAC could determine its own scope.

Ms. Chang commented that San Francisco's countywide plan (SFTP) discussed the need for additional sales tax. She pointed out that the local sales tax for Los Angeles was up to 2 cents and Alameda County's was 1 cent, so San Francisco was falling behind other counties in local funding for transportation.

Chair Jawa said the EPAC needed to prioritize its time as well as sales tax spending,



and pointed out that developing an expenditure plan for a prospective funding source greatly increased the size of the EPAC's task. In the interest of effective use of time, he asked that EPAC members come to the next meeting prepared with recommendations for each line of the new expenditure plan.

During public comment, a member of the public responsible for real estate development for San Francisco State University (SFSU) expressed support for BART Core Capacity. They said BART was important to SFSU students who commuted from outside the City and asked the EPAC to recommend \$200 million in local sales tax funding for that program.

A member of the public who worked with disabled adults said San Francisco's transportation infrastructure did not offer equitable access for disabled adults. They said more and better curb ramps were needed, as well as audible pedestrian signals. They said pedestrian improvements benefitted all San Franciscans.

A member of the public advocated that the EPAC employ the budget czar tool that the Transportation Authority had developed for the Countywide Plan process.

A member of the public said funding for Muni maintenance should be a priority, whereas funding for street trees should not. They said street trees should have dedicated funding from the General Fund or a ballot measure, and pointed out that the street tree program didn't qualify for much funding that could leverage sales tax funds.

Chair Jawa reiterated his request that EPAC members do homework for the next meeting, that for each line members should note where they felt it was most important to increase funding, where they were comfortable decreasing funding, and their priority for Priority 2 funds. He also asked members to contribute questions for agency staff such as what would result from a 10% change in sales tax funding.

Ms. Beaulieu said staff would talk to agency partners and asked EPAC members to email comments to staff by Wednesday January 26.

Ms. Lombardo warned that it would be tricky for agencies to answer questions about potential impacts from changes in funding levels given that most programs cover a wide variety of project types over a 30-year period. She said that generally programs would accomplish less with less funding.

A member asked if EPAC members could work on a consensus prior to the next meeting.

Ms. Lombardo said that EPAC members were subject to the Brown Act and should send their comments to staff, who would compile them.

5. Public Comment

There was no general public comment.

6. Adjournment

The meeting was adjourned at 8:08 p.m.