



RESOLUTION APPROVING A VEHICLE REGISTRATION FEE EXPENDITURE PLAN (“EXPENDITURE PLAN”), MAKING REQUIRED FINDINGS, SUBMITTING TO THE VOTERS AT THE GENERAL ELECTION SCHEDULED FOR NOVEMBER 2, 2010, AN ORDINANCE AMENDING THE SAN FRANCISCO BUSINESS AND TAX REGULATIONS CODE BY ADDING ARTICLE 23 TO (1) ADOPT A \$10 INCREASE IN THE ANNUAL VEHICLE REGISTRATION FEE FOR EACH MOTOR VEHICLE REGISTERED IN THE CITY AND COUNTY OF SAN FRANCISCO, TO FUND CONGESTION AND POLLUTION MITIGATION PROGRAMS AND PROJECTS, (2) AUTHORIZE THE SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY (“AUTHORITY”) TO EXPEND FEE REVENUE UNDER THE EXPENDITURE PLAN, (3) AUTHORIZE THE AUTHORITY TO CONTRACT WITH THE CALIFORNIA DEPARTMENT OF MOTOR VEHICLES FOR COLLECTION AND DISTRIBUTION OF THE FEE REVENUE, AND (4) AUTHORIZE THE AUTHORITY TO TAKE ALL STEPS NECESSARY TO ADMINISTER THE EXPENDITURE PLAN AND ALL PROGRAMS AND PROJECTS FUNDED BY THE FEE REVENUE; AND APPROPRIATING UP TO \$400,000 IN PROPOSITION K FUNDS TO COVER THE COSTS OF PLACING THE MEASURE ON THE BALLOT.

WHEREAS, In October 2009, the Governor signed into law Senate Bill 83 (Hancock) (“SB83”), which authorizes a countywide transportation planning agency to place a ballot measure before the voters of the county to authorize an annual fee increase of up to \$10 on each motor vehicle registered within that county, to fund transportation-related projects and programs that have a relationship or benefit to the persons paying the fee and that mitigate motor vehicle congestion and pollution in the county; and

WHEREAS, SB83 defines a countywide transportation planning agency to include a congestion management agency (“CMA”); and



WHEREAS, The San Francisco County Transportation Authority (“Authority”) is the CMA for the City and County of San Francisco; and

WHEREAS, Under SB83, to place a vehicle registration fee measure before the voters, the Authority Board of Commissioners (“Board”) must adopt a ballot measure resolution by majority vote, and make specific findings; and

WHEREAS, SB83 requires the Board to adopt an expenditure plan allocating the proceeds from the vehicle registration fee increase, if adopted by the voters, to transportation-related projects and programs that have a relationship or benefit to the persons paying the fee. The projects and programs may include those that (1) provide matching funds for funding made available for transportation projects and programs from state general obligation bonds, (2) create or sustain congestion mitigation projects and programs such as improved transit services through the use of technology and bicycle and pedestrian improvements, local street and road rehabilitation, and improved signal coordination and traveler information systems; and (3) create or sustain pollution mitigation projects and programs; and

WHEREAS, Under SB83, the Authority may not use more than 5 percent of the fee revenues for administrative costs associated with the funded projects and programs; and

WHEREAS, If the voters adopt the vehicle registration fee increase, the California Department of Motor Vehicles (“DMV”) will collect the fee upon the registration or renewal of a motor vehicle registered in San Francisco, except for vehicles that are expressly exempted under the Vehicle Code from paying registration fees. The Authority would pay the DMV’s initial setup and programming costs through a direct contract with the DMV, and could use the fee revenue to cover those costs. The setup and programming costs would not count against the 5 percent limit on using fee proceeds for administrative costs; and

WHEREAS, If approved by the voters, the fee increase would apply to any original vehicle registration and renewal registration occurring on or after six months following adoption of the measure by the voters; and

WHEREAS, In December 2009, by its Resolution No. 10-27, the Authority Board approved a schedule and process to develop an expenditure plan consistent with the requirements of SB83 for proceeds generated from a maximum \$10 increase in the annual vehicle registration fee for vehicles



registered in San Francisco, in anticipation of submitting a ballot measure adopting up to a maximum \$10 increase in the annual vehicle registration fee to the San Francisco voters in the November 2010 general election; and

WHEREAS, The timeline set by the Board and the relatively small amount of funds anticipated from the fee increase (about \$5 million annually) called for a very focused and streamlined approach to developing the expenditure plan; and

WHEREAS, The Authority's process included monthly updates to the Board's Plans and Programs Committee and Citizens Advisory Committee (CAC) at noticed public meetings, and establishing a stakeholder advisory panel and a sub-committee of the CAC to provide input, as well as regular communications with the Authority's Technical Working Group; and

WHEREAS, Incorporating input from the Plans and Programs Committee, the CAC and its sub-committee, the stakeholder advisory panel, Technical Working Group, and others, the Authority developed a set of guiding principles to inform development of the expenditure plan, that among other considerations reflected the relatively small revenue generation potential of the fee increase, as well as the intent and requirements of SB83; and

WHEREAS, The guiding principles for preparing the expenditure plan included limiting the expenditure plan to a very small number of programmatic categories, and within those categories focusing on smaller, high-impact projects that will provide tangible benefits in the short-term; stretching limited revenues as far as possible by complimenting or enhancing projects that receive Proposition K and other funds; providing a fair geographic distribution that takes into account the various needs of San Francisco's neighborhoods; and ensuring accountability and transparency in programming and delivery; and

WHEREAS, Based on the guiding principles and input from the various stakeholders, Authority staff developed a "SB83 Additional Vehicle Registration Fee Expenditure Plan" ("Expenditure Plan") that includes three programmatic categories and sets the percentage of fee revenues the Authority would expend on each category, as follows: Street Repair and Reconstruction (50% of fee revenue), Pedestrian Safety (25% of fee revenue), and Transit Reliability and Mobility Improvements (25% of fee revenue). The Expenditure Plan also permits the Authority to use up to 5 percent of the fee revenue to administer projects and programs funded by the fee, and to use fee revenues to reimburse it for costs incurred through a contract with the DMV for setup and



programming to collect and distribute the fee. A copy of the Expenditure Plan is attached hereto and incorporated by reference as if fully set forth herein; and

WHEREAS, The Expenditure Plan directs proceeds from the vehicle registration fee increase toward transportation projects and programs that leverage and/or complement the Proposition K program, helping to achieve the leveraging assumptions in the Expenditure Plan; and

WHEREAS, At its June 9, 2010 meeting, the Citizens Advisory Committee unanimously approved a motion of support to recommend adoption of the Expenditure Plan; and

WHEREAS, At its July 13, 2010 meeting, the Plans and Programs Committee forwarded the item to the Authority Board without recommendation to allow Commissioners to further consider the SB 83 Vehicle Registration Fee measure in the context of other local revenue measures proposed for the November 2010 ballot; and

WHEREAS, The Authority retained a consultant that analyzed the Expenditure Plan and found that the programs and projects in the Expenditure Plan had a relationship or benefit to the persons paying the fee. For example: Street Repair and Reconstruction - San Francisco's registered vehicle owners benefit directly from better-maintained streets through reduced vehicle maintenance costs and enhanced driving experience; Pedestrian Safety- Vehicle use is a significant cause of pedestrian injuries and fatalities, and projects that improve pedestrian safety mitigate that impact; Transit Reliability and Mobility Improvements - Congestion caused by private vehicle use impedes transit speed and reliability throughout San Francisco, and measures to improve transit reliability and mobility mitigate the impact of that congestion. A copy of the consultant's "SB83 Vehicle Registration Fee Benefit-Relationship Analysis" report, dated June 2, 2010, is incorporated by reference as if fully set forth herein. Based on the consultant's analysis and findings, the Authority has determined and finds that the projects and programs to be funded by the annual \$10 fee increase have a relationship or benefit to the persons who will be paying the fee; and

WHEREAS, The Authority evaluated the projects and programs in the Expenditure Plan and has determined and finds that they are consistent with the regional transportation plan ("RTP") (also known as *Transportation 2035*), most directly supporting RTP objectives as follows: Street Repair and Reconstruction - Saves consumers repair costs due to poor road conditions; Pedestrian Safety - Reduces injuries and fatalities for all modes; and Transit Reliability and Mobility Improvements - Creates new and safer ways to get around within San Francisco communities by



fostering walking and biking and connecting communities to transit. The analysis regarding the Expenditure Plan's consistency with the RTP is included in the memorandum prepared by Authority staff that accompanies this Resolution, dated June 11, 2010, and is incorporated by reference as if fully set forth herein; and

WHEREAS, The Authority has also reviewed the proposed projects and programs and has determined and finds that they are consistent with the Countywide Transportation Plan; and

WHEREAS, Consistent with adopted Authority policy for the programming of funds for transportation projects, if it adopts the Expenditure Plan, the Board needs to amend the Capital Improvement Program of the Congestion Management Program to incorporate the Expenditure Plan projects and programs; and

WHEREAS, The proposed vehicle registration fee increase and the Expenditure Plan do not constitute a "project" as defined by the California Environmental Quality Act because they simply create a government funding mechanism that does not involve a commitment to any specific project, which may result in a potentially significant physical impact on the environment; and

WHEREAS, The costs of placing the measure authorizing imposition of the annual \$10 vehicle registration fee increase on the ballot, including payments to the San Francisco Department of Elections and payments for the printing of the portions of the ballot pamphlet relating to the fee is estimated at an amount not to exceed \$400,000. If the voters approve the vehicle registration fee increase measure, the Authority may pay these costs from the proceeds of the fee. Those costs shall not be counted towards the 5 percent limit on administrative costs, and at its discretion, the Authority may amortize those costs over a period of years; and

WHEREAS, Appropriation of Proposition K funds to pay for the cost of placing the vehicle registration fee increase measure on the ballot requires concurrent amendment of the 2009 Prop K Strategic Plan to increase the amount of Proposition K funds available for the Authority's Prop K planning, programming and project delivery oversight efforts by \$400,000 in Fiscal Year 2010/11 (i.e., these funds would come off the top rather than from any specific Expenditure Plan line); now therefore be it

RESOLVED, The Authority hereby approves and adopts the Expenditure Plan, and directs the Executive Director to submit the Expenditure Plan to the San Francisco Department of



Elections to include as part of the legal text for this measure published in the voter information pamphlet; and be it further

RESOLVED, That the election on this measure shall be held and conducted according to the laws governing elections on local ballot measures in the City and County of San Francisco, as set forth in the Charter of the City and the San Francisco Municipal Elections Code; and be it further

RESOLVED, The Authority hereby finds, as described above and in the consultant's "SB83 Vehicle Registration Fee Benefit-Relationship Analysis" report, dated June 2, 2010, that the projects and programs to be funded by the \$10 vehicle registration fee increase have a relationship or benefit to the persons who will be paying the fee; and be it further

RESOLVED, The Authority hereby finds, as described above and in the memorandum prepared by Authority staff dated June 11, 2010, that the projects and programs to be funded by the fee increase are consistent with the RTP; and be it further

RESOLVED, The Authority finds that the projects and programs to be funded by the fee are consistent with the Countywide Transportation Plan; and be it further

RESOLVED, That the Capital Improvement Program of the Congestion Management Program is hereby amended to incorporate the Expenditure Plan; and be it further

RESOLVED, That the Authority hereby amends the Prop K Strategic Plan and appropriates \$400,000 in Proposition K sales tax funds to cover the costs of placing the measure authorizing adoption of a \$10 increase in the annual vehicle registration fee on the ballot, including payments to the San Francisco Department of Elections and payments for the printing of the portions of the ballot pamphlet relating to the fee, and be it further

RESOLVED, That the Authority may use the proceeds of the vehicle registration fee increase, if adopted by the voters, to pay for the costs incurred in placing the measure on the ballot, and those costs shall not be counted towards the 5 percent limit on administrative costs under the SB83 and the Expenditure Plan. In its discretion, the Authority may amortize these costs over a period of years; and be it further

RESOLVED, The Authority hereby submits an ordinance amending the San Francisco Business and Tax Regulations Code by adding Article 23 to adopt a \$10 increase in the annual vehicle registration fee for vehicles registered in the City and County of San Francisco, to the



electorate at the general election on November 2, 2010, as follows:

Note: Additions *are single-underline italics Times New Roman*;

Deletions are ~~*strikethrough italics Times New Roman*~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The San Francisco Business and Tax Regulations Code is hereby amended by adding Article 23, as follows:

SECTION 2301. TITLE.

This ordinance shall be known as the "Vehicle Registration Fee Ordinance."

SECTION 2302. DEFINITIONS.

For the purpose of this Vehicle Registration Fee Ordinance, the following words shall have the meanings set forth below.

- (a) *"Authority." The San Francisco County Transportation Authority.*
- (b) *"Board." The Authority Board of Commissioners.*
- (c) *"Expenditure Plan." The "SB83 Additional Vehicle Registration Fee Expenditure Plan," approved by the Board on June 29, 2010, to set the transportation projects and programs funded over the next 30 years with the revenues of the fee increase, as well as other allowable costs on which the Authority may spend the proceeds of the \$10 vehicle registration fee increase authorized by Section 2305. The Expenditure Plan specifies eligibility and other conditions and criteria under which the proceeds of the fee increase are available, and provides for the adoption of future Expenditure Plan updates.*

SECTION 2303. PURPOSE.

The City and County of San Francisco has very significant unfunded transportation needs and this \$10 vehicle registration fee increase would provide a stable source of funding to meet some of those needs. The fee is expected to generate approximately \$5 million annually that the Authority would use to fund projects and programs under the Expenditure Plan that mitigate congestion and pollution caused by motor vehicles in San Francisco. These projects and programs could include repairing local streets and roads, improving Muni's reliability, pedestrian safety improvements, smart traffic signal technology to prioritize transit and manage traffic incidents, and programs that



encourage people to use more sustainable forms of transportation, e.g. transit, bicycle, carpool or on foot. All of the projects and programs must have a relationship or benefit to the persons paying the fee. The Expenditure Plan contains guiding principles intended to, among other objectives, focus on funding smaller, high-impact projects that will quickly provide tangible benefits; provide a fair geographic distribution that takes into account the various needs of San Francisco's neighborhoods; and ensure accountability and transparency in programming and delivery.

SECTION 2304. EFFECTIVE DATE.

The Vehicle Registration Fee Ordinance shall be effective at the close of the polls in the City and County of San Francisco on the day of the election scheduled for November 2, 2010.

SECTION 2305. INCREASE OF \$10 IN THE ANNUAL MOTOR VEHICLE REGISTRATION FEE. *Beginning six months after the Effective Date, the motor vehicle registration fee for all motor vehicles registered in the City and County of San Francisco is increased by \$10 each year, for each original vehicle registration and each vehicle registration renewal.*

SECTION 2306. RESPONSIBILITIES AND POWERS OF THE AUTHORITY.

The Authority shall have all of the powers set forth in California Government Code Section 65089.20, all of the powers set forth in the Expenditure Plan, and all powers incidental or necessary to imposing and collecting the fee increase authorized under Section 2305, administering the fee proceeds, the Expenditure Plan, and the projects and programs under that Expenditure Plan, and delivering the transportation improvements in the Expenditure Plan.

SECTION 2307. CONTRACT WITH DEPARTMENT OF MOTOR VEHICLES.

Consistent with California Vehicle Code Section 9250.4, the Authority shall request and contract with the California Department of Motor Vehicles for the Department of Motor Vehicles to collect and distribute to the Authority the fee imposed under Section 2305, upon the original registration or renewal of registration of all motor vehicles registered in the City and County of San Francisco.

SECTION 2308. USE OF PROCEEDS.

(a) The Authority shall use the proceeds of the fees under Section 2305 solely for the projects, programs and purposes set forth in the Expenditure Plan. Pursuant to California Government Code section 65089.20 and as specified in the Expenditure Plan, the Authority shall use not more than five percent of the fee proceeds for administrative costs associated with the programs and projects, including amending the Expenditure Plan.



SECTION 2309. SEVERABILITY.

If any of the provisions of this ordinance or the application of those provisions to persons or circumstances shall be held invalid, the remainder of those sections or the application of those provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Attachment: SB83 Additional Vehicle Registration Fee Expenditure Plan



The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 20th day of July 2010, by the following votes:

Ayes: Commissioners Alioto-Pier, Campos, Chu, Daly, Dufty, Elsbernd, Maxwell and Mirkarimi (8)

Nays: Commissioners Avalos, Chiu and Mar (3)

Ross Mirkarimi 7/20/10

Ross Mirkarimi
Chairperson

Date

ATTEST:

José Luis Moscovich

José Luis Moscovich
Executive Director

7/20/10

Date

SB 83 Additional Vehicle Registration Fee Expenditure Plan (July 15, 2010)

1. INTRODUCTION

A. SUMMARY

In late October, the Governor signed into law SB 83 (Hancock), which authorizes congestion management agencies (CMAs) to impose an annual vehicle registration fee increase of up to \$10 on motor vehicles registered within their respective counties. The funds would have to be used for programs and projects having a relationship to or benefiting the people paying the fee, and they would have to be consistent with the regional transportation plan.

This Expenditure Plan identifies transportation improvements to be funded from a new \$10 increase in the vehicle registration fee for vehicles registered in San Francisco. The projects and programs included in the Expenditure Plan are designed to be implemented over the next 30 years. This Expenditure Plan includes provisions for future updates to the Expenditure Plan beyond the initial 30-year period. The Expenditure Plan includes investments in three categories:

- Street Repair and Reconstruction
- Pedestrian Safety
- Transit Reliability and Mobility Improvements

B. DEVELOPMENT OF EXPENDITURE PLAN

This Expenditure Plan was developed through a multi-faceted stakeholder outreach process by the San Francisco County Transportation Authority (“Authority”) that included monthly discussions at the Authority’s Plans and Programs Committee and Citizens Advisory Committee (“CAC”) and reports to the Authority Board of Commissioners (“Board”). A subcommittee of the CAC and a stakeholder advisory panel provided more detailed input into the development of the Expenditure Plan, as did the Authority’s staff-level Technical Working Group and other stakeholders through direct contact with Authority staff. The roster of CAC and stakeholder advisory panel members is included in Attachment 1. The Board approved the Expenditure Plan on July 20, 2010.

The Expenditure Plan is a list of transportation projects and programs that will be given priority for vehicle registration fee funding. As such, the Expenditure Plan shall be amended into the Capital Improvement Program of the Congestion Management Program, developed pursuant to section 65089 of the California Government Code. These projects and programs are intended to help implement the long-range vision for the development and improvement of San Francisco’s transportation system, as articulated in the San Francisco Long Range Countywide Transportation Plan.

The Countywide Transportation Plan is the City’s blueprint to guide the development of transportation funding priorities and policy. The major objectives of the Countywide Transportation Plan are to enhance mobility and access throughout the City, improve safety for all transportation system users, support the City’s economic development and the vitality of our neighborhoods, sustain environmental quality, and promote equity and efficiency in transportation investments. The Countywide Transportation Plan is a living document, updated on a regular basis to identify and address changing needs and regional trends, and align them with available funding.

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C. GUIDING PRINCIPLES

The following principles were used to help guide development of the Expenditure Plan:

- All programs and projects must provide a documentable benefit or relationship to those paying the fee.
- Don't spread the limited revenues too thin or too thick: limit the Expenditure Plan to a very small number of programmatic categories, and within the categories focus on smaller, high-impact projects that will provide tangible benefits in the short-term.
- Stretch limited revenues as far as possible by complementing or enhancing projects that receive Prop K and other funds (e.g. support leveraging of revenues)
- Fill gaps in fund eligibility by supporting projects that are ineligible, have very limited eligibility, or compete poorly to receive Prop K or other discretionary funds.
- Provide a fair geographic distribution that takes into account the various needs of San Francisco's neighborhoods.
- Ensure accountability and transparency in programming and delivery.

D. STRUCTURE

The Expenditure Plan is organized into seven sections. Section 1: Introduction provides background on the Expenditure Plan's purpose and how it was developed. Section 2: General Provisions provides further context on the Expenditure Plans' policies and administration. Section 3: Plan Summary contains detailed descriptions of the three programmatic categories included in the Expenditure Plan, and the types of items that are eligible for funding under each of them. Section 4: Benefit-Relationship Finding addresses the requirement in SB83 that there be a finding of benefit or relationship between the projects and programs in the Expenditure Plan and those persons paying the fee. Section 5: Consistency with Regional Transportation Plan addressed the requirement in SB83 that the projects and programs in the Expenditure Plan are consistent with the regional transportation plan. Section 6: Implementation Provisions describes the process for prioritizing and allocating funds following adoption of the Expenditure Plan. Section 7: Update Process describes the mechanisms for developing updates to the Expenditure Plan beyond the initial 30-year period.

2. GENERAL PROVISIONS

A. Vehicle Registration Fee Revenues

The Expenditure Plan is fiscally constrained to the total funding expected to be available if the voters approve the \$10 vehicle registration fee increase.

Total revenues are estimated over the next 30-year period at approximately \$150.0 million (escalated dollars or year of expenditure (YOE) dollars), or approximately \$5.0 million annually.

B. Administration by the San Francisco County Transportation Authority

The Authority, which currently serves as the Congestion Management Agency for the City and County of San Francisco, shall allocate, administer and oversee the expenditure of the vehicle registration fee revenues.

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C. Annual Report

The Authority shall draft a public annual report that summarizes revenues collected; expenditures by programmatic category, including distribution of funds within each program and costs related to bonding, if applicable; administrative costs; and accomplishments and benefits realized by the program.

D. Use of Proceeds

The Authority shall use the proceeds of the fee solely for the projects and programs and purposes set forth in the Expenditure Plan. The Authority shall not provide funds in advance, but shall reimburse a sponsor for eligible expenditures incurred on approved projects and programs. Pursuant to California Government Code section 65089.20, not more than five percent of the fee proceeds shall be used for administrative costs associated with the programs and projects, including the amendment of the Expenditure Plan.

Pursuant to California Vehicle Code section 9250.4, the Authority may pay the initial setup and programming costs identified by the California Department of Motor Vehicles to collect the fee from the fee proceeds. Any direct contract payment from the Authority to the Department of Motor Vehicles shall be repaid, with no restriction on the funds, to the Authority as part of the initial fee revenue available for distribution. These setup and programming costs shall not be counted against the five percent administrative cost limit specified in California Government Code section 65089.20(d) and this Expenditure Plan.

The costs of placing the measure authorizing the vehicle registration fee increase on the ballot, including payments to the San Francisco Department of Elections and payments for the printing of the portions of the ballot pamphlet relating to the fee increase measure, up to a maximum of \$400,000 advanced by the Authority, shall be paid from the proceeds of this fee, and shall not be counted towards the 5% limit on administrative costs. In its discretion, the Authority may amortize these costs over a period of years.

E. Restriction of Funds

Vehicle registration fee revenues shall be spent on capital projects rather than to fund operations and maintenance of existing transportation services, unless otherwise explicitly specified in the Expenditure Plan. Vehicle registration fee revenues generated pursuant to this plan shall be subject to the following restrictions:

i. No Substitution

Vehicle registration fee revenues shall be used to supplement and under no circumstance replace existing revenues used for transportation purposes. Proceeds from the sale or liquidation of capital assets funded with vehicle registration fee revenues shall be returned to the Authority (in proportion to the contribution of vehicle registration fee revenues to the total original cost of the asset), for re-allocation to eligible expenses within the categories from which funds were expended for the original investment.

ii. No Expenditures Outside San Francisco

No vehicle registration fee revenues shall be spent outside the limits of the City and County of San Francisco, except for projects that demonstrate there will be a quantifiable benefit to the City and County's transportation program from the expenditure of funds beyond the

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City and County line. Should transportation projects or services contemplated in the plan require the participation of multiple counties for any phase of project development or implementation, the Authority shall work cooperatively with the affected county or counties to ensure successful project implementation.

F. Environmental Review

The proposed vehicle registration fee increase and the Expenditure Plan do not constitute a "project" as defined by the California Environmental Quality Act (CEQA) because they simply create a government funding mechanism that does not involve a commitment to any specific project, which may result in a potentially significant physical impact on the environment.

Environmental reporting, review and approval procedures as provided for under the National Environmental Policy Act (NEPA), and/or CEQA, and other applicable laws shall be carried out as a prerequisite to the implementation of any project to be funded partially or entirely with vehicle registration fee revenues.

G. Eligible Recipients of Funds

Only public agencies are eligible to receive allocations of vehicle registration fee revenues.

H. Option to Bond

The Authority may issue bonds or collaborate with other entities to issue bonds to expedite delivery of projects and programs under this Expenditure Plan. Any bonds will be paid with the proceeds of the fee and the costs associated with bonding will be borne only by the programs in the Expenditure Plan utilizing the bond proceeds.

I. Severability of Expenditure Plan Projects and Programs

All projects and programs included in the Expenditure Plan and included in the related Benefit-Relationship Finding are discrete and severable. If any individual project or program is deemed ineligible to receive vehicle registration fee revenues, the Authority may reallocate the revenues for that project or program to eligible projects and programs according to the Expenditure Plan category distribution formula.

3. PLAN SUMMARY

This Expenditure Plan identifies eligible expenditures for three programmatic categories. Programmatic categories are set up to address allocation of funds to multi-year programs for a given purpose, such as the maintenance of local streets and roads, for which not all specific project locations can be anticipated or identified at the time of adoption of the Expenditure Plan. Over the life of the Expenditure Plan, the percentage allocation of vehicle registration fee revenues to each category is as follows: Street Repair and Reconstruction – 50%, Pedestrian Safety– 25%, and Transit Reliability and Mobility Improvements – 25%.

A. STREET REPAIR AND RECONSTRUCTION

Repair and reconstruction of city streets to prevent deterioration of the roadway system, based on an industry-standard pavement management system designed to inform cost effective roadway maintenance. Priority given to streets located on San Francisco's bicycle and transit networks and to

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projects that include complete streets elements such as curb ramps, bicycle infrastructure, pedestrian improvements, and traffic calming. Includes design and construction. Total Revenues: \$75 million.

B. PEDESTRIAN SAFETY

Improvements to the safety and usability of city streets for pedestrians. Priority given to projects that shorten crossing distances, minimize conflicts with other modes, and reduce pedestrian hazards. May include crosswalk improvements, sidewalk widening and bulbouts, sidewalk repair, repair or upgrade of stairways connecting to transit stops, pedestrian countdown signals, pedestrian lighting, and traffic calming. Includes design and construction. Total Revenues: \$37.5 million.

C. TRANSIT RELIABILITY AND MOBILITY IMPROVEMENTS

Improvements that promote transportation system connectivity, reliability, and accessibility. Priority given to projects on corridors with high transit ridership and those that support proposed rapid transit. May include transit station and stop improvements, transit stop consolidation and relocation, transit signal priority, traffic signal upgrades, travel information improvements, wayfinding signs, innovative parking management pilots and projects, and transportation demand management. Includes design and construction. Total Revenues: \$37.5 million.

4. BENEFIT-RELATIONSHIP FINDING

SB 83 requires that the ballot measure resolution shall contain a finding of fact that the projects and programs to be funded by the fee increase have a relationship or benefit to the persons who will be paying the fee. This finding specifically considered the benefit each Expenditure Plan category would provide to vehicle owners, or how projects in the category would mitigate an impact caused by the vehicle owners. The following is a summary of the benefits and relationships of the projects and programs to be funded by the fee and the persons who will be paying the fee for each Expenditure Plan category.

- Street Repair and Reconstruction: Street pavement deteriorates over time due to vehicle use, and vehicle owners benefit directly from better-maintained streets through reduced maintenance costs and enhanced driving experience. Vehicle use is also a significant cause of pedestrian and bicyclist injuries. Complete streets elements incorporated into street repair and reconstruction projects improve safety, mitigating vehicles' impact on pedestrians and cyclists.
- Pedestrian Safety: Vehicle use is a significant cause of pedestrian injuries, and projects that improve pedestrian safety mitigate that impact.
- Transit Reliability and Mobility Improvements: Congestion caused by private vehicle use impedes transit speed and reliability throughout San Francisco. Measures to improve transit reliability and mobility mitigate the impact of that congestion.

5. CONSISTENCY WITH REGIONAL TRANSPORTATION PLAN

SB83 requires that the ballot measure resolution shall contain a finding of fact that the projects and programs to be funded by the fee increase are consistent with the regional transportation plan (RTP) adopted pursuant to Section 65080. The Authority has found that these projects and programs are

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consistent with the Metropolitan Transportation Commission's RTP (also known as *Transportation 2035 Plan*).

6. IMPLEMENTATION PROVISIONS

Prior to allocation of any vehicle registration fee funds, the Authority shall prepare, in close consultation with all other affected planning and implementation agencies, a Strategic Plan for the use of the vehicle registration fee revenues, for review and adoption by the Authority Board. The Strategic Plan shall include a detailed 5-year prioritized program of projects to be funded from each of the Expenditure Plan categories. The program goals shall be consistent with the Countywide Transportation Plan and with the City's General Plan.

The Strategic Plan's 5-year prioritized program of projects shall, at a minimum, address the following factors:

- A. Project readiness, including schedule for completion of environmental and design phases; well-documented preliminary cost estimates, and documented community support as appropriate. Priority shall be given to projects that can implement the funded phase(s) within twelve months of allocation.
- B. Compatibility with existing and planned land uses, and with adopted standards for urban design and for the provision of pedestrian amenities; and supportiveness of planned growth in transit-friendly housing, employment and services.
- C. A prioritization mechanism to rank projects within each category, addressing, for each proposed project:
 - Relative level of need or urgency
 - Cost Effectiveness
 - Number of beneficiaries (e.g. modes of travel that would benefit)
 - Level of community support
 - Leveraging of other funds
 - A fair geographic distribution that takes into account the various needs of San Francisco's neighborhoods.
- D. Funding plan, including sources other than the vehicle registration fee.

The Authority shall conduct appropriate public outreach to ensure an inclusive planning process for the development of the Strategic Plan, as well as general plan referral or referral to any City Department or Commission if required.

The Authority and project sponsors shall also identify appropriate performance measures, milestone targets, and a timeline for achieving them, to ensure that progress is made in meeting the goals and objectives of the program. These performance measures shall be consistent with the Authority's Congestion Management Program requirements.

As part of the Strategic Plan development process, the Authority shall adopt, issue, and update detailed guidelines for the development of programs of projects, as well as for the development of project scopes, schedules and budgets.

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7. EXPENDITURE PLAN UPDATE PROCESS

The Authority Board may adopt an updated Expenditure Plan anytime after 15 years from the initial receipt of vehicle registration fee revenues.

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Attachment 1

SB 83 Citizens Advisory Subcommittee and Stakeholder Advisory Panel Rosters

Citizens Advisory Committee

Jul Lynn Parsons, Chair*
Peter Tannen, Vice Chair*
Brian Larkin
Jacqueline Sachs*
Wendy Tran
Michael Ma
Chris Jones
Robert Switzer*
Glenn Davis
Fran Martin
Rosie West

* Denotes member of the CAC SB 83 Subcommittee

Stakeholder Advisory Panel

Jean Fraser
Gillian Gillett
Jim Haas
John Holtzclaw
Jim Lazarus
Gabriel Metcalf
Andy Thornley