



Memorandum

TO: Commission

DATE: July 20, 2016

FR: Executive Director

W. I. 1511

RE: Update: San Francisco Transportation Expenditure Plan Approval and Charter Amendment Support

At the July 8th Planning Committee, staff presented MTC Resolution No. 4246 – MTC’s Approval of the San Francisco County Transportation Authority’s (SFCTA) Draft San Francisco Transportation Expenditure Plan. The Committee was also asked to recommend that the Commission take a position of support for the countywide sales tax initiative. The staff presentation noted that there were two initiatives that were being considered for the November ballot, a San Francisco Charter Amendment for Transportation and Homeless Services and a countywide transportation sales tax ‘back-up’ option.

On July 19, 2016, the San Francisco Board of Supervisors elected to go forward with the charter amendment and not the special sales tax. Approval by MTC of the draft sales tax expenditure plan is no longer needed; however, SFCTA has requested that MTC take a position of support on the charter amendment.

The charter amendment would create two funds: 1) Homeless Housing and Services Fund and 2) Transportation Investment Fund. The Transportation Investment Fund would be funded with an annual general fund set-aside, roughly equivalent in amount to the revenue that would be generated through a general half-cent sales tax. If approved, the charter amendment would direct additional funds to critical transit services and transportation improvements.

The expenditure categories and funding allocations outlined in the charter amendment for transportation are identical to those of the sales tax draft expenditure plan. Below is a summary of the expenditure categories that would benefit from the initiative and the percent of total funding that would be allotted to each.

Expenditure Category	Percent of Total Funding
1) Muni Transit Service and Affordability	12.4%
2) Muni Fleet, Facilities and Infrastructure Repair and Maintenance	18.8%
3) Transit Optimization and Expansion	9.4%
4) Regional Transit and Smart System Management	14.1%
5) Vision Zero Safe and Complete Streets	12.4%
6) Street Resurfacing	32.9%

Staff recommends that the Commission approve a support position on the San Francisco Charter Amendment for Transportation and Homeless Services.



Steve Heminger

Attachments:

- Attachment 1: Letter from SFCTA staff requesting MTC support for Charter Amendment
- Attachment 2: Charter Amendment

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July 21, 2016

David Cortese, Chair
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

Subject: Request for MTC support of San Francisco's Proposed Charter Amendment for Homeless Services and Transportation

Dear Chair Cortese:

The Mayor and San Francisco Board of Supervisors (BOS) have been working to ensure that a local transportation revenue measure be placed on the November 2016 ballot that would help address the need for significant increased investment to bring our transportation network into a better state of repair and reliability, to make it safer for all users, and to address rapid growth that has led to significant crowding on Muni, BART and Caltrain and increased congestion. To that end, we had been advancing two separate measures – a charter amendment creating budget set-asides to address homelessness and transportation and a 'back-up' measure comprised of a dedicated transportation sales tax. The transportation expenditure plan for both measures was developed in parallel with the same six categories of expenditures and identical shares of projected revenues.



Plan, Fund, Deliver

The San Francisco County Transportation Authority (SFCTA), as proposed administrator of the transportation sales tax, prepared the draft Expenditure Plan consistent with Public Utilities Code (PUC) Section 131000. Under PUC Section 131053, the Metropolitan Transportation Commission (MTC) is required to review the draft Expenditure Plan unless one of more findings specified in Section 131053 apply. In order to keep the 'back-up' transportation sales tax measure a viable option, MTC staff performed the required review of the draft Expenditure Plan, determined that none of the findings applied and presented the results of the review with a staff recommendation to approve the Transportation Expenditure Plan to the MTC Planning Committee at its July 8, 2014 meeting. The MTC Planning Committee recommended approval of the Expenditure Plan.

We are pleased to report that on July 19, the San Francisco BOS voted to place the Charter Amendment for Homeless Services and Transportation on the November 2016 ballot. A copy of the Charter Amendment is attached to this letter. At the same meeting, the BOS also had the first of two required votes to place a 0.75% general sales tax measure on the November 2016 ballot, which if approved would generate sufficient revenues to match the projected expenditures in the charter amendment, roughly equating to a 0.25% sales tax for homelessness and a 0.5% sales tax for transportation. The charter amendment establishes a baseline amount of funds for homelessness and transportation that will grow with the increase in discretionary funds in the general fund over the 25-year life of the charter amendment. In the first full year of funding, there would be \$50 million for homeless and \$101.6 million for transportation.

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Tilly Chang
EXECUTIVE DIRECTOR

We are most appreciative of MTC staff's efforts to review the Transportation Expenditure Plan and of the Planning Committee's action to approve it. Now that the Charter Amendment is on the ballot, we are withdrawing the transportation sales tax from further consideration. While the charter amendment does not require MTC review or approval, we would very much welcome an MTC action to support the proposed charter amendment. If approved by the voters, the funding that it would provide will help us make significant strides toward the transportation goals outlined in Plan Bay Area (PBA) 2040 and the update that is underway as well as directing much needed funds toward addressing homelessness, including providing permanent exits out of homelessness, a critical component of the equity and affordability related goals of PBA.

As noted above, the Charter Amendment's Transportation Improvement Fund, like the Transportation Expenditure Plan, contains the same six categories of expenditures and identical allocations of revenues as shown in the table below:

Proposed Transportation Improvement Fund	
PROGRAM	PERCENT OF TOTAL FUNDING
1. Muni Transit Service and Affordability	12.4%
2. Muni Fleet, Facilities, and Infrastructure Repair and Maintenance	18.8%
3. Transit Optimization and Expansion	9.4%
4. Regional Transit and Smart System Management	14.1%
5. Vision Zero Safe and Complete Streets	12.4%
6. Street Resurfacing	32.9%
TOTAL	100%

Differences from the Expenditure Plan reviewed by the Planning Committee include:

- Administration – Under the charter amendment, funds for programs #1 and #2 will be administered by the San Francisco Municipal Transportation Agency (SFMTA); for programs #3-5 by the SFCTA and #6 by the San Francisco Department of Public Works
- SFMTA's ability to flex capital (program #2) to operating funds (program #3) in poor economic times to prevent service cuts has been revised from a max of 25% of program #2 to up to 100% of program #2 in any given fiscal year.

- Triggers have been added to allow the BOS and the Mayor to reallocate funds from street resurfacing to the other 5 categories under certain conditions such as if sufficient new funds are secured for street resurfacing through approval of a San Francisco Vehicle License Fee.

All of the outreach performed over the last several months focused on the core transportation expenditure plan which is shared by both measures. I respectfully request that MTC consider adopting a position of support for the Charter Amendment for Transportation and Homeless Services.

Thank you for your consideration,



Tilly Chang
Executive Director

Attachment (1): Charter Amendment for Transportation and Homeless Services

cc: MTC Com. Campos, Halsted
Chair Wiener – SFCTA
Mayor Ed Lee, M. Whitehouse, B. Rosenfield - CCSF
S. Heminger, A. Bockelman, T. Romell – MTC
E. Reiskin, M. Webster – SFMTA
MB, AC, ALF, MEL

1 [Charter Amendment - Homeless Housing and Services Fund and Budget Set-Aside;
2 Transportation Improvement Fund and Budget Set-Aside]

3 **Describing and setting forth a proposal to the voters, at an election to be held on**
4 **November 8, 2016, to amend the Charter of the City and County of San Francisco to:**
5 **create a Homeless Housing and Services Fund and appropriate \$12.5 million to the Fund in**
6 **fiscal year 2016-2017 and \$50 million annually to the Fund, adjusted for changes in**
7 **discretionary City revenues, for the next 24 years; and create a Transportation**
8 **Improvement Fund and appropriate \$25.4 million to the Fund in fiscal year 2016-2017 and**
9 **\$101.6 million annually to the Fund, adjusted for changes in discretionary City revenues,**
10 **for the next 24 years, and authorize the City to issue indebtedness secured by monies**
11 **deposited in the Transportation Improvement Fund.**

12
13 Section 1. The Board of Supervisors hereby submits to the qualified voters of the City
14 and County, at an election to be held on November 8, 2016, a proposal to amend the Charter of
15 the City and County by adding Sections 16.134 and 16.135, to read as follows:

16 NOTE: **Unchanged Charter text and uncodified text** are in plain font.
17 **Additions** are single-underline italics Times New Roman font.
18 **Deletions** are ~~strike-through italics Times New Roman font~~.
19 **Asterisks (* * * *)** indicate the omission of unchanged Charter
20 subsections.

21 **SEC. 16.134. HOMELESS HOUSING AND SERVICES FUND.**

22 (a) Creation of the Fund. There shall be a Homeless Housing and Services Fund. In
23 fiscal year 2016-2017, the City shall appropriate \$12.5 million to the Fund. Beginning in fiscal
24 year 2017-2018 and each year thereafter through fiscal year 2040-2041, the City shall
25 appropriate \$50 million to the Fund, to be adjusted as provided in subsection (b).

(b) Adjustments to the Required Appropriation. Beginning with fiscal year 2018-2019.

1 the City shall each year adjust the appropriation required under subsection (a) by the
2 percentage increase or decrease in aggregate City discretionary revenues, as determined by the
3 Controller, based on calculations consistent from year to year. In determining aggregate City
4 discretionary revenues, the Controller shall only include revenues received by the City that are
5 unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any
6 lawful City purpose.

7 (c) Appropriations Excluded from Discretionary Revenues. Notwithstanding the
8 provisions of Charter Sections 8A.105, 16.107, 16.108, 16.109, 16.110, and 16.123-2, the value
9 of appropriations to the Fund, as calculated in subsections (a) and (b), shall be excluded from
10 the Controller's calculation of aggregate discretionary revenue used to adjust required
11 appropriations baselines and set-asides set in the Charter.

12 (d) Uses of the Fund. Monies in the Fund shall be used to provide services to the
13 homeless, including programs to prevent homelessness, create exits from homelessness, and
14 move homeless individuals into more stable situations. Such programs may be designed to
15 address the needs of specific at-risk populations. Monies in the Fund may be used for both
16 operations of these programs and capital investments required to maintain or expand system
17 infrastructure needs.

18 (e) Term. Except as provided in subsection (f) below, this Section 16.134 shall, by
19 operation of law, become inoperative on July 1, 2041, and on or after such date the City
20 Attorney shall cause this Section 16.134 to be removed from the Charter.

21 (f) Early Termination. At any time before January 1, 2017, the Mayor, after consulting
22 with his or her Budget Director and the Controller, and after taking into account the City's
23 projected revenues and expenditures in the City's financial plans, may terminate implementation
24 of this Section 16.134 by issuing a written notice to the Board of Supervisors and the Controller.
25 The termination shall be irrevocable and apply to this entire Section. Upon the Mayor's

1 submittal of the notice to the Controller and the Board of Supervisors, this Section 16.134 shall,
2 by operation of law, become inoperative, and the City Attorney shall cause this Section to be
3 removed from the Charter.

4
5 **SEC. 16.135. TRANSPORTATION IMPROVEMENT FUND.**

6 (a) Creation of the Fund. There shall be a Transportation Improvement Fund. In fiscal
7 year 2016-2017, the City shall appropriate \$25.4 million to the Fund. Beginning in fiscal
8 year 2017-2018 and each year thereafter through fiscal year 2040-2041, the City shall
9 appropriate \$101.6 million to the Fund, in the amounts specified in subsection (d), to be adjusted
10 as provided in subsection (b).

11 (b) Adjustments to the Required Appropriation. Beginning with fiscal year 2018-2019,
12 the City shall each year adjust the appropriations required under subsections (a) and (d) by the
13 percentage increase or decrease in aggregate City discretionary revenues, as determined by the
14 Controller, based on calculations consistent from year to year. In determining aggregate City
15 discretionary revenues, the Controller shall only include revenues received by the City that are
16 unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any
17 lawful City purpose.

18 (c) Appropriations Excluded from Discretionary Revenues. Notwithstanding the
19 provisions of Charter Sections 8A.105, 16.107, 16.108, 16.109, 16.110, and 16.123-2, the value
20 of appropriations to the Fund, as calculated in subsections (a) and (b), shall be excluded from
21 the Controller's calculation of aggregate discretionary revenue used to adjust required
22 appropriations baselines and set-asides set in the Charter.

23 (d) Uses of the Fund. Monies in the Fund shall be used to improve the transportation
24 network in San Francisco through investments in the following categories and amounts:

1 (1) Muni Transit Service and Affordability. Expenditures in this category 1 shall
2 be used to mitigate identified deficiencies in transit service to low-income and transit-dependent
3 communities and to provide transit service affordability for low- and moderate-income youth,
4 seniors, and people with disabilities. Unspent funds in this category shall be used to supplement
5 the Municipal Transportation Agency's reserves to protect against service cuts in future years.

6 Appropriations for this purpose shall equal 12.4% of appropriations to the Fund
7 in that fiscal year.

8 (2) Muni Fleet, Facilities, and Infrastructure Repair and Improvement.
9 Expenditures in this category 2 shall be used to keep Muni's fleet of buses, historic street cars,
10 trains, and paratransit vehicles in a state of good repair through timely vehicle replacement and
11 rehabilitation, and to expand the fleet through the acquisition of additional vehicles.

12 Expenditures in this category also may be used to repair and upgrade Municipal Transportation
13 Agency facilities, including stations and associated escalators and elevators, and to fix or
14 replace rails, overhead wires, and associated fixed guideway infrastructure for light rail, trolley
15 coaches, historic streetcars, and cable cars.

16 In any fiscal year in which the Municipal Transportation Agency would otherwise
17 be required to adopt service reductions as part of its budget, the Agency shall transfer all or a
18 portion of the annual allocation of funds that would otherwise go to this category to the Transit
19 Service and Affordability category in subsection (d)(1) to offset those service reductions, in an
20 amount not to exceed the cost of maintaining the services.

21 Appropriations for this purpose shall equal 18.8% of appropriations to the Fund
22 in that fiscal year.

23 (3) Transit Optimization and Expansion. Expenditures in this category 3 shall be
24 used to plan, design, and deliver projects to improve the efficiency and enhance the service of the
25 existing transit system, as well as to expand the capacity of the system, and to provide funding

1 for planning, design, education, outreach, evaluation, and capital investment in supportive
2 transportation infrastructure for transit-oriented development.

3 Appropriations for this purpose shall equal 9.4% of appropriations to the Fund in
4 that fiscal year.

5 (4) Regional Transit and Smart System Management. Expenditures in this
6 category 4 shall be used to improve reliability and increase capacity in regional transit systems
7 servicing San Francisco, including BART and Caltrain. Expenditures in this category also may be
8 used to fund long-range regional network planning and design studies and/or capital
9 improvements. Expenditures in this category also may be used to fund technology-enabled
10 system corridor management strategies for regional highways and associated surface arterial
11 approach/distribution streets, and to fund demand management strategies, education, and
12 outreach to promote sustainable travel choices.

13 Appropriations for this purpose shall equal 14.1% of appropriations to the Fund
14 in that fiscal year.

15 (5) Vision Zero Safe and Complete Streets. Expenditures in this category 5 shall
16 be used to fund infrastructure improvements that promote users' safety and complete streets, and
17 to fund safety education, outreach, and evaluation. Safety upgrades, including those primarily
18 for bicycle and pedestrian traffic, may be paired with streetscape enhancements. Expenditures
19 in this category also may be used to keep traffic infrastructure and signals in a state of good
20 repair through replacement and upgrade of deteriorated or obsolete signal hardware, to bring
21 advanced technology to the traffic signal system allowing real-time traffic management, and
22 transit and emergency vehicle signal priority.

23 Appropriations for this purpose shall equal 12.4% of appropriations to the Fund
24 in that fiscal year.

1 (6) Street resurfacing. Expenditures in this category 6 may be used to maintain
2 City streets through timely repair and resurfacing programs and preventative maintenance.

3 Appropriations for this purpose shall equal 32.9% of appropriations to the Fund
4 in that fiscal year.

5 (e) Administration of the Fund. In addition to the requirements set forth in this
6 Section 16.135, all expenditures from the Fund shall be allocated to public agencies and shall be
7 subject to the budget and fiscal provisions of the Charter.

8 (1) Appropriations in categories (1) and (2) in subsection (d) shall be allocated
9 to the Municipal Transportation Agency (MTA), or its successor agency, for the purposes
10 specified.

11 (2) The Controller shall transfer allocations in categories (3), (4), and (5) to the
12 County Transportation Authority (CTA), or its successor agency, for the purposes specified.

13 (3) Appropriations in category (6) shall be allocated to the Department of Public
14 Works, or its successor agency, for the purposes specified.

15 (4) In any fiscal year following the adoption by the voters of a vehicle license fee
16 increase, if the City appropriates or the CTA allocates from any other legally available sources
17 an amount for street resurfacing equal to the amount that would otherwise be allocated under
18 subsection (d)(6) for that year, the City shall transfer 10% of the allocation in subsection (d)(6)
19 to the allocation in subsection (d)(4), 30% to the allocation in subsection (d)(1), and 20% each
20 to the allocations in subsections (d)(2), (d)(3), and (d)(5).

21 (5) In any fiscal year in which new revenues become available for street
22 resurfacing in the City, and the City appropriates or the CTA allocates an amount for street
23 resurfacing equal to the amount that would otherwise be allocated under subsection (d)(6) for
24 that year, the City shall transfer 10% of the allocation in subsection (d)(6) to the allocation in
25 subsection (d)(4), 30% to the allocation in subsection (d)(1), and 20% each to the allocations in

1 subsections (d)(2), (d)(3), and (d)(5). For purposes of this subsection (e)(5), the Controller shall
2 measure new revenues by comparing non-General Fund revenues projected to be received by the
3 City and the CTA for this purpose in the upcoming fiscal year to those received by the City and
4 the CTA in fiscal year 2015-2016, adjusted for inflation.

5 (6) In fiscal year 2027-2028, the Board of Supervisors may, by ordinance passed
6 by a two-thirds' vote and with the approval of the Mayor, redirect for the remaining term of the
7 Fund the allocation in subsection (d)(6), as follows: 10% to the allocation in subsection (d)(4),
8 30% to the allocation in subsection (d)(1), and 20% each to the allocations in subsections (d)(2),
9 (d)(3), and (d)(5). The Board of Supervisors and the Mayor may not reverse their decision to
10 redirect the allocation pursuant to this subsection (e)(6).


11 (7) The Controller shall audit the Fund and expenditures from the Fund every
12 five years, or more often in his or her discretion.

13 (f) Revenue Bond Authority. In order to carry out the purposes of this Section 16.135,
14 the Board may from time to time authorize the issuance of lease revenue bonds under Charter
15 Section 9.107 or lease financing arrangements under Charter Sections 9.108 and 8A.102,
16 secured by monies deposited into the Fund, for the purpose of improving the transportation
17 network in San Francisco as provided in categories (1), (2), and (6) in subsection (d) above. The
18 Controller is authorized to issue lease revenue bonds or other lease financing arrangements as
19 authorized by the CTA, secured by monies deposited into the Fund, for the purpose of improving
20 the transportation network in San Francisco as provided in categories (3), (4), and (5) in
21 subsection (d) above.

22 (g) Term. Except as provided in subsection (h) below, this Section 16.135 shall, by
23 operation of law, become inoperative on July 1, 2041, and on or after such date the City
24 Attorney shall cause this Section 16.135 to be removed from the Charter.

1 (h) Early Termination. At any time before January 1, 2017, the Mayor, after consulting
 2 with his or her Budget Director and the Controller, and after taking into account the City's
 3 projected revenues and expenditures in the City's financial plans, may terminate implementation
 4 of this Section 16.135 by issuing a written notice to the Board of Supervisors and the Controller.
 5 The termination shall be irrevocable and apply to this entire Section. Upon the Mayor's
 6 submittal of the notice to the Controller and the Board of Supervisors, this Section 16.135 shall,
 7 by operation of law, become inoperative, and the City Attorney shall cause this Section to be
 8 removed from the Charter.

9
 10
 11 APPROVED AS TO FORM:
 DENNIS J. HERRERA, City Attorney

12
 13 By: 
 14 THOMAS J. OWEN
 Deputy City Attorney

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METROPOLITAN
TRANSPORTATION
COMMISSION

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Planning Committee

DATE: July 1, 2016

FR: Executive Director

W.I. 1511

RE: MTC Resolution No. 4246 - MTC's Approval of the San Francisco County Transportation Authority's Draft San Francisco Transportation Expenditure Plan (SFTEP or Expenditure Plan)

Background

Most counties pursue enactment of their countywide half-cent sales taxes under Public Utilities Code (PUC) Section 180000, which requires that "Members of the board of supervisors serving on an authority shall comprise less than a majority of the authority". Because the San Francisco Board of Supervisors constitutes the totality of the San Francisco County Transportation Authority (SFCTA), SFCTA cannot pursue enactment under this statute. PUC Code Section 131000 is an alternative statutory option that is specific to the Bay Area and is known as the Bay Area County Traffic and Transportation Funding Act. While there is no requirement as to the composition of the authority, Section 131052 requires that the recommended expenditure plan be subject to a public hearing and then review by MTC, prior to submittal to the board of supervisors for adoption.

MTC's role in reviewing the SFCTA's Draft Expenditure Plan is also defined by the PUC Code. Section 131053 states that MTC is to approve the Draft Expenditure Plan unless one or more of the following findings apply:

1. There would be a significant negative regional impact as a result of the proposed projects.
2. There are insufficient funds available to implement the proposed projects.
3. Conflicts exist within the County transportation expenditure plan.
4. The estimates of the proceeds from the proposed retail transactions and use tax are not reasonable.

Schedule

The SFCTA held a public hearing, as required by law, on June 28, 2016 and is scheduled to adopt the Draft Expenditure Plan on July 12, 2016. After MTC review, the Draft Expenditure Plan will be presented to the San Francisco Board of Supervisors for approval on August 2, 2016. In order to place the Expenditure Plan on the November 2016 election ballot, the Board of Supervisors must act by early August to meet the deadline for the November ballot.

Revenue Estimates for the Draft Expenditure Plan

The recommended tax is a 25-year, one half-cent sales tax that would start collection April 1, 2017. Revenues collected from the new one half-cent sales tax would be in addition to those collected from the existing 30-year half-cent sales tax (Proposition K) that will expire in 2033.

The revenue estimates are developed by multiplying a base-year revenue number by an annual average growth rate for a twenty-five year period. The initial base year revenue represents generations earned through the existing half-cent sales tax in FY 2015-16. The average annual growth rate is based on historical sales tax growth in San Francisco from FY 1991-92 to FY 2015-16. The SFCTA Draft Expenditure Plan revenue estimates are summarized below:

Base-Year Generations (Millions)	Annual Average Growth Rate	Projected Revenue (Millions YOE \$s)	Projected Revenue (Millions 2016 \$s)
\$103.3	3.7%	\$4,447	\$3,161

The sales tax growth assumptions used to prepare the estimates are reasonable and are consistent with MTC revenue projections recently developed for the Regional Transportation Plan (RTP), *Plan Bay Area 2040*.

The Draft Expenditure Plan

The Draft Expenditure Plan allocates the half-cent sales-tax revenue to six categories as shown in the table below:

Transit Service and Affordability	10%
Muni Fleet, Facilities and Infrastructure Repair	20%
Transit Optimization and Expansion	10%
Regional Transit and Smart System Management	15%
Vision Zero Safer and Complete Streets	10%
Street Resurfacing	35%
Total	100%

Unlike the Proposition K expenditure plan, the proposed measure’s Draft Expenditure Plan does not call out specific major capital projects. Rather, the proposed measure defines program categories and provides examples of eligible projects for each category. One feature of the second category, “Muni Fleet, Facilities and Infrastructure Repair and Maintenance”, is the ability to shift funds (up to 25% in a given year) to the first category “Transit Service and Affordability”

in order to prevent service cuts to Communities of Concern, in the event of an economic downturn.

Consistent with the region's "Fix it First" goals, the proposed sales tax would contribute approximately \$1.7 billion towards capital maintenance and replacement needs to improve the state of repair for existing streets and the public transit system in San Francisco. Another \$790 million would be directed towards transit capacity expansion and service enhancements to accommodate existing and future demand. Example projects include bus rapid transit projects and the Caltrain Downtown Extension, as well as possible contributions for BART expansion vehicles. Additional expenditures from the proposed measure will support safety projects for bicyclists and pedestrians, as well as transit access and affordability.

The Draft Expenditure Plan is consistent with MTC's current RTP, *Plan Bay Area*, and is expected to remain consistent with the upcoming RTP, *Plan Bay Area 2040*, in that all major Draft Expenditure Plan programs are compatible with RTP goals and priorities.

Summary of Public Outreach Process

SFCTA's outreach for the Draft Expenditure Plan includes collaboration with stakeholder groups, technical advisory committees, policy steering committees, and public agencies including SFMTA, BART, Caltrain, MTC, the Transbay Joint Powers Authority, and Caltrans. The Draft Expenditure Plan was presented to the SFCTA Plans and Programs Committee and the SFCTA Citizens Advisory Committee on June 21st and June 22nd, respectively. Presentation to the SFCTA Board on June 28th was also noticed as a public hearing. On June 29th, SFCTA held a Transportation Revenue Measure Telephone Town Hall to further engage members of the public on the Draft Expenditure Plan.

MTC's Findings

MTC must approve the draft plan unless it makes one or more adverse findings, as set forth in Section 131053 of the Public Utilities Code. Staff evaluation of each potential finding is summarized as follows:

1. *Section 131053 (a) There would be a significant negative regional impact as a result of the proposed projects.*

MTC Finding: None of the projects in the Draft Expenditure Plan have a negative regional impact. Major programs are consistent with the policies and funding conditions of the RTP.

2. *Section 131053 (b) There are insufficient funds available to implement the proposed projects.*

MTC Finding: The revenue estimates prepared for the Draft Expenditure Plan are adequate to deliver multiple projects within each of the Plan's proposed program categories and to make significant advances on the Plan's stated goals.

3. *Section 131053 (c) Conflicts exist within the County transportation expenditure plan.*

MTC Finding: There are no apparent conflicts within the SFCTA's Draft Expenditure Plan.

4. *Section 131053 (d) The estimate of the proceeds from the proposed retail transactions and use tax are not reasonable.*

MTC Finding: The estimates of the proceeds from the sales tax are reasonable.

This measure would provide vital local funding for high priority local and regional transportation projects and programs. There are no alternate funding sources available at the regional, state or federal level in the near term that offer funding levels close to the amounts available under this measure. Accordingly, staff recommends approval and support of San Francisco's November 2016 ballot measure.

Recommendation

Staff recommends that the Committee 1) refer MTC Resolution No. 4246 to the Commission for approval and 2) approve a support position on the sales tax measure.



Steve Heminger

Attachments:

- Attachment A: MTC Resolution No. 4246

SH:tr

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Date: July 27, 2016
W.I.: 1511
Referred by: Planning Committee

ABSTRACT

Resolution No. 4246

This resolution approves the San Francisco County Transportation Authority's Draft San Francisco Transportation Expenditure Plan presented to the Planning Committee on July 8, 2016 pursuant to Public Utilities Code §131000 *et seq.*, listing \$3.16 billion in transportation projects and programs to be funded in part from revenues derived from a proposed one-half cent sales tax increase imposed over a twenty-five year period.

Further discussion of this action is contained in the MTC Executive Director's memorandum dated July 1, 2016.

Date: July 27, 2016
W.I.: 1511
Referred by: Planning Committee

RE: MTC Approval of the Draft San Francisco Transportation Expenditure Plan

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4246

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, pursuant to the Bay Area County Traffic and Transportation Funding Act (Public Utilities Code §131000 *et sq.*), certain counties in the MTC region are authorized to develop a county transportation expenditure plan and to propose the imposition of a countywide sales tax to fund said plan; and

WHEREAS, the San Francisco County Transportation Authority has prepared a Draft Expenditure Plan that includes transportation projects and programs to be funded with a twenty-five year half cent increase to the county sales tax; and

WHEREAS, the San Francisco County Transportation Authority's Draft Expenditure Plan dated June 30, 2016 ("the Plan") attached hereto and incorporated herein as Attachment A to this resolution the Plan, was reviewed by the Planning Committee on July 8, 2016 along with MTC's staff analysis of the Plan;

WHEREAS, pursuant to Public Utilities Code § 131053, MTC shall approve the Plan unless one or more of the following allowed findings is made: a) there would be a significant negative regional impact as a result of the proposed projects; b) there are insufficient funds available to implement the proposed projects; c) there are conflicts within the county transportation expenditure plan; and/or d) the estimates of proceeds from any proposed retail transactions and use tax are not reasonable; now, therefore, be it

RESOLVED, that MTC makes no adverse finding to the Plan; and, be it further

RESOLVED, that MTC approves the Plan;

RESOLVED, that MTC's Executive Director shall forward a copy of this resolution to the San Francisco County Transportation Authority;

METROPOLITAN TRANSPORTATION COMMISSION

Dave Cortese, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, on July 27, 2016.

Attachment A to MTC Resolution No. 4246

Date: July 27, 2016
W.I.: 1511
Referred by: Planning Committee

Attachment A
Resolution No. 4246

Draft San Francisco Transportation Expenditure Plan
June 30, 2016

FILE NO.

ORDINANCE NO.

Initiative Ordinance - Business and Tax Regulations Code - Half-Cent Sales Tax Increase for Transportation]

1 **Ordinance amending the Business and Tax Regulations Code to impose a transactions**
 2 **(sales) and use tax at the rate of one-half of one percent (0.5%) for 25 years, to be**
 3 **imposed by the San Francisco County Transportation Authority and administered by**
 4 **the State Board of Equalization; designate the Transportation Authority as the**
 5 **independent agency to oversee implementation of the San Francisco Transportation**
 6 **Expenditure Plan; authorize the issuance of bonds or other obligations to finance the**
 7 **projects identified in the Expenditure Plan; and establish an appropriations limit; and**
 8 **directing submission of the tax for voter approval at the November 8, 2016 general**
 9 **municipal election.**

10 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.
 11 **Additions to Codes** are in *single-underline italics Times New Roman font*.
 12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
 13 **Board amendment additions** are in double-underlined Arial font.
 14 **Board amendment deletions** are in ~~strikethrough Arial font~~.
 15 **Asterisks (* * * *)** indicate the omission of unchanged Code
 16 subsections or parts of tables.

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

18 Section 1. The Board of Supervisors hereby submits the following ordinance to the
 19 voters of the City and County of San Francisco, at the general municipal election to be held on
 20 November 8, 2016.

21 Section 2. The Business and Tax Regulations Code is hereby amended by adding
 22 Article 14-A, consisting of Sections 1430 through 1446, to read as follows:
 23

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SEC. 1430. TITLE.

1 This Article 14-A shall be known as the San Francisco Transportation Expenditure Plan
2 Ordinance. The San Francisco County Transportation Authority hereinafter shall be called
3 "Authority." This Article shall be applicable in the City and County of San Francisco, which shall be
4 referred to herein as "District" or "City."

SEC. 1431. OPERATIVE DATE.

7 "Operative Date" means the first day of the first calendar quarter commencing more than 120
8 days after the effective date of this Article 14-A.

SEC. 1432. PURPOSES.

11 This Article 14-A is adopted to achieve the following, among other purposes, and directs that
12 the provisions hereof be interpreted in order to accomplish those purposes:

13 (a) To impose a retail transactions and use tax in accordance with the provisions of
14 Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section
15 131000 et seq. of the Public Utilities Code, which authorize the City to adopt this tax ordinance which
16 shall be operative if a two-thirds majority of the electors voting on the measure vote to approve the
17 imposition of the tax at an election called for that purpose.

18 (b) To adopt a retail transactions and use tax ordinance that incorporates provisions
19 identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions
20 are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the
21 Revenue and Taxation Code.

22 (c) To adopt a retail transactions and use tax ordinance that imposes a tax and
23 provides a measure therefor that can be administered and collected by the State Board of Equalization
24 in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from,

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1 the existing statutory and administrative procedures followed by the State Board of Equalization in
2 administering and collecting the California State Sales and Use Taxes.

3 (d) To adopt a retail transactions and use tax ordinance that can be administered in
4 a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of
5 Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use
6 taxes, and at the same time, minimize the burden of recordkeeping upon persons subject to taxation
7 under the provisions of this Article 14-A.

8 (e) To adopt an appropriations limit, as required by Article XIII B of the California
9 Constitution, of \$500,000,000.

10 **SEC. 1433. CONTRACT WITH STATE.**

11 Prior to the operative date, the Authority shall contract with the State Board of Equalization to
12 perform all functions incident to the administration and operation of this Article 14-A; provided, that if
13 the Authority shall not have contracted with the State Board of Equalization prior to the operative date,
14 it shall nevertheless so contract and in such a case the operative date shall be the first day of the first
15 calendar quarter following the execution of such a contract.

16
17 **SEC. 1434. TRANSACTIONS TAX RATE.**

18 For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all
19 retailers in the District at the rate of 0.5% of the gross receipts of any retailer from the sale of all
20 tangible personal property sold at retail in said District on and after the operative date of this Article
21 14-A. This tax is additional to any other existing or future sales and use tax imposed under the
22 authority of Revenue and Taxation Code Division 2, Parts 1.6 or 1.7.

SEC. 1435. PLACE OF SALE.

1 For the purposes of this Article 14-A, all retail sales are consummated at the place of business
2 of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an
3 out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross
4 receipts from such sales shall include delivery charges, when such charges are subject to the state sales
5 and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent
6 place of business in the State or has more than one place of business, the place or places at which the
7 retail sales are consummated shall be determined under rules and regulations to be prescribed and
8 adopted by the State Board of Equalization.

9
10 **SEC. 1436. USE TAX RATE.**

11 An excise tax is hereby imposed on the storage, use, or other consumption in the District of
12 tangible personal property purchased from any retailer on and after the operative date of this Article
13 14-A for storage, use, or other consumption in said District at the rate of 0.5% of the sales price of the
14 property. This tax is additional to any other existing or future sales and use tax imposed under the
15 authority of Revenue and Taxation Code Division 2, Parts 1.6 or 1.7. The sales price shall include
16 delivery charges when such charges are subject to state sales or use tax regardless of the place to
17 which delivery is made.

18
19 **SEC. 1437. ADOPTION OF PROVISIONS OF STATE LAW.**

20 Except as otherwise provided in this Article 14-A and except insofar as they are inconsistent
21 with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of
22 Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby
23 adopted and made a part of this Article 14-A as though fully set forth herein.

SEC. 1438. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

(a) Wherever the State of California is named or referred to as the taxing agency, the name of this Authority shall be substituted therefor. However, the substitution shall not be made when:

(1) The word "State" is used as a part of the title of the State Controller, State Treasurer, Victim Compensation and Government Claims Board, State Board of Equalization, State Treasury, or the Constitution of the State of California;

(2) The result of that substitution would require action to be taken by or against this Authority or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Article 14-A;

(3) In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

(A) Provide an exemption from this tax with respect to certain sales, storage, use, or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use, or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or

(B) Impose this tax with respect to certain sales, storage, use, or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.

(4) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797, or 6828 of the Revenue and Taxation Code.

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BOARD OF SUPERVISORS

1 **(b) The word "District" shall be substituted for the word "State" in the phrase**
2 **"retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in**
3 **Section 6203 of the Revenue and Taxation Code.**

4 **SEC. 1439. PERMIT NOT REQUIRED.**

5 **If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation**
6 **Code, an additional transactor's permit shall not be required by this Article 14-A.**

7
8 **SEC. 1440. EXEMPTIONS AND EXCLUSIONS.**

9 **(a) There shall be excluded from the measure of the transactions tax and the use tax**
10 **the amount of any sales tax or use tax imposed by the State of California or by any city, city and county,**
11 **or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any**
12 **state-administered transactions or use tax.**

13 **(b) There are exempted from the computation of the amount of transactions tax the**
14 **gross receipts from:**

15 **(1) Sales of tangible personal property, other than fuel or petroleum**
16 **products, to operators of aircraft to be used or consumed principally outside the County in which the**
17 **sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or**
18 **property under the authority of the laws of this State, the United States, or any foreign government.**

19 **(2) Sales of property to be used outside the District which is shipped to a**
20 **point outside the District, pursuant to the contract of sale, by delivery to such point by the retailer or**
21 **his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the**
22 **purposes of this subsection (b)(2), delivery to a point outside the District shall be satisfied:**

23 **(A) With respect to vehicles (other than commercial vehicles) subject**
24 **to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle**

Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and
1 undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle
2 Code by registration to an out-of-District address and by a declaration under penalty of perjury, signed
3 by the buyer, stating that such address is, in fact, his or her principal place of residence; and

4 (B) With respect to commercial vehicles, by registration to a place of
5 business out-of-District and declaration under penalty of perjury, signed by the buyer, that the vehicle
6 will be operated from that address.

7 (3) The sale of tangible personal property if the seller is obligated to furnish
8 the property for a fixed price pursuant to a contract entered into prior to the operative date of this
9 Article 14-A.

10 (4) A lease of tangible personal property which is a continuing sale of such
11 property, for any period of time for which the lessor is obligated to lease the property for an amount
12 fixed by the lease prior to the operative date of this Article 14-A.

13 (5) For the purposes of subsections (b)(3) and (b)(4) of this Section 1440, the
14 sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract
15 or lease for any period of time for which any party to the contract or lease has the unconditional right
16 to terminate the contract or lease upon notice, whether or not such right is exercised.

17 (c) There are exempted from the use tax imposed by this Article 14-A, the storage,
18 use, or other consumption in this District of tangible personal property:

19 (1) The gross receipts from the sale of which have been subject to a
20 transactions tax under any state-administered transactions and use tax.

21 (2) Other than fuel or petroleum products purchased by operators of aircraft
22 and used or consumed by such operators directly and exclusively in the use of such aircraft as common
23 carriers of persons or property for hire or compensation under a certificate of public convenience and
24 necessity issued pursuant to the laws of this State, the United States, or any foreign government. This

exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code.

(3) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this Article 14-A.

(4) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this Article 14-A.

(5) For the purposes of subsections (c)(3) and (c)(4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(6) Except as provided in subsection (c)(7), a retailer engaged in business in the District shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the District or participates within the District in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the district or through any representative, agent, canvasser, solicitor, subsidiary, or person in the District under the authority of the retailer.

(7) "A retailer engaged in business in the District" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax

1 from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the
2 District.

3 (d) Any person subject to use tax under this Article 14-A may credit against that tax
4 any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable
5 for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect
6 to the sale to the person of the property the storage, use, or other consumption of which is subject to the
7 use tax.

8 **SEC. 1441. AMENDMENTS.**

9 All amendments subsequent to the effective date of this Article 14-A to Part 1 of Division 2 of
10 the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part
11 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and
12 Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this
13 Article 14-A, provided however, that no such amendment shall operate so as to affect the rate of tax
14 imposed by this Article 14-A.

15
16 **SEC. 1442. ENJOINING COLLECTION FORBIDDEN.**

17 No injunction or writ of mandate or other legal or equitable process shall issue in any suit,
18 action, or proceeding in any court against the State or the Authority, or against any officer of the State
19 or the Authority, to prevent or enjoin the collection under this Article 14-A, or Part 1.6 of Division 2 of
20 the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

21
22 //

23 //

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1 **SEC. 1443. ADOPTION AND ADMINISTRATION OF SAN FRANCISCO TRANSPORTATION**
2 **EXPENDITURE PLAN; EXPENDITURE OF PROCEEDS.**

3 The Authority shall administer the San Francisco Transportation Expenditure Plan, as defined
4 in Section 1447 of this Article 14-A, in accordance with Division 12.5 of the California Public Utilities
5 Code and other applicable law. Proceeds of the tax imposed by this Article 14-A shall be spent only to
6 implement the project components set forth in the Expenditure Plan, or as required or permitted by
7 law.

8 **SEC. 1444. AUTHORIZATION TO ISSUE BONDS.**

9 The Authority is hereby authorized to issue bonds as may be provided for in the adopted
10 Expenditure Plan and in compliance with applicable law ("Limited Tax Bonds" or "Bonds"). The
11 total outstanding aggregate amount of Bonds shall not exceed \$2,000,000,000, and shall be payable
12 solely from the proceeds of the tax imposed under this Article 14-A.

13
14 **SEC. 1445. SEVERABILITY.**

15 If any provision of this Article 14-A or the application thereof to any person or circumstance is
16 held invalid, the remainder of the Article 14-A and the application of such provision to other persons or
17 circumstances shall not be affected thereby.

18
19 **SEC. 1446. TERMINATION DATE.**

20 The authority to levy the tax imposed by this Article 14-A shall expire 25 years from the
21 Operative Date.

22
23 Section 3. Pursuant to Public Utilities Code § 131108, the Board of Supervisors hereby
24 directs the Department of Elections to include in the sample ballot mailed to the voters the full

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1 proposition, as set forth in this ordinance, and to include in the voter information handbook the
2 entire adopted San Francisco Transportation Expenditure Plan, set forth in this Section 3 of
3 this ordinance.

4 **SAN FRANCISCO TRANSPORTATION EXPENDITURE PLAN**

5 Recommended [MONTH DAY, YEAR]

6 San Francisco County Transportation Authority

7 1. **INTRODUCTION**

8 A. **SUMMARY**

9 The San Francisco Transportation Expenditure Plan (SFTEP or Expenditure Plan)
10 identifies transportation improvements to be funded from a new half-cent transportation sales
11 tax. The projects and programs included in the Expenditure Plan are designed to be
12 implemented over the next 25 years. Provisions are also made for amendments to the
13 SFTEP. The SFTEP includes investments in six major categories: Transit Service and
14 Affordability; Muni Fleet, Facilities and Infrastructure Repair and Improvement; Transit
15 Optimization and Expansion; Regional Transit and Smart System Management; Vision Zero
16 Safer and Complete Streets; and Street Resurfacing.

17 B. **CONTEXT**

18 In May 2016, the San Francisco Board of Supervisors (BOS) asked the San Francisco
19 County Transportation Authority (SFCTA) working in partnership with the Mayor's Office and
20 the San Francisco Municipal Transportation Agency (SFMTA), which is administering the
21 Transportation 2030 program, to lead development of a SFTEP to specify the use of revenues
22 from a potential new half-cent sales tax for transportation for potential consideration for the
23 November 2016 ballot. Further, the BOS called for the SFTEP to build and expand on the
24 recommendations of the San Francisco Transportation Plan (SFTP, also known as the

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Countywide Transportation Plan) and the Transportation 2030 (T2030) Report, including
1 priorities that emerged after T2030, including strategies to support equity, service
2 improvements and traffic safety.

3 In 2013, the SFCTA adopted the most recent update of the Countywide Transportation
4 Plan, which establishes the 30-year vision for San Francisco's transportation system. As
5 documented in the SFTP, San Francisco's needs for transportation funding far exceed
6 expected revenue from federal, state, regional and local sources. The SFTP, through its
7 investment scenarios and policy recommendations proposed ways to invest the dollars we
8 expect to have to most effectively make progress towards San Francisco's goals, but analysis
9 showed that this progress is limited unless new revenues are identified. Therefore, the SFTP
10 recommended a two-pronged revenue strategy: positioning San Francisco to compete well for
11 new regional, state and federal sources, and seeking new locally-controlled sources.

12 Building on the SFTP analysis and recommendations, the Mayor's T2030 Task Force
13 investigated what San Francisco could do to fix the transportation network and prepare it for
14 the future; confirming that anticipated revenues were inadequate to meet those needs. The
15 T2030 Report recommended a series of local funding sources (including two general
16 obligation bonds, a sales tax, and a vehicle license fee) that, if approved by voters, would
17 provide about \$3 billion to complete a suite of critical transportation infrastructure projects by
18 2030. San Francisco voters approved the first of the T2030 recommended measures in
19 November 2014 by approving \$500 million general obligation bond, which will fund a range of
20 projects that will reduce Muni travel time, make Muni less crowded and more reliable, and
21 enhance safety on San Francisco's streets. At the same election, San Francisco voters
22 approved Proposition B, which requires the city to adjust funding for transportation each year
23 based on population growth, and these funds are helping to improve transit and make our
24 streets safer for all.

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1 While San Francisco is making real improvements in transit reliability, building safer
2 streets, and improving the pavement condition of the street network, the transportation system
3 is still in a need of significant investment to bring it into a state of good repair and to sustain it
4 at such a level, and there is an urgent need to invest in near and long-term projects that
5 relieve severe overcrowding on our local and regional transit systems such as Muni, BART
6 and Caltrain to better serve current residents, employees and visitors, as well as an urgent
7 need for the resources to efficiently expand service to fully utilize these capital resources and
8 to ensure equitable provision of transit service and infrastructure investment to our
9 community. These investments can be complemented with efforts and improvements to
10 promote equitable transit-oriented development. Lastly, there remains a need for stable
11 augmentation of funding to continue to invest in street resurfacing, safety improvements, and
12 the pedestrian and bicycle networks.

13 The SFTEP for the use of Prop TBD funds was developed by the SFCTA in close
14 coordination with the SFMTA, with technical assistance and input from other city agencies,
15 regional transit operators serving San Francisco, the Metropolitan Transportation
16 Commission, and others serving on the SFCTA Technical Working Group. The Expenditure
17 Plan was recommended by the SFCTA Board on [MONTH DAY, YEAR].

18 By providing the required local match, Prop TBD is anticipated to leverage about \$12-
19 billion in federal, state, regional and other local funding for transportation projects in San
20 Francisco.

21 The SFTEP is a list of transportation projects and programs that will be given priority
22 for Prop TBD funding. As such the SFTEP shall be amended into the Capital Improvement
23 Program of the Congestion Management Program, developed pursuant to section 65089 of
24 the California Government Code. These projects and programs are intended to help

1 implement the long-range vision for the development and improvement of San Francisco's
2 transportation system, as articulated in the SFTP and its updates.

3 The SFTP, San Francisco's Countywide Transportation Plan is a living document,
4 updated on a regular basis with input from San Francisco agencies, regional transit operators,
5 and regional and state transportation agencies, the public and other interested stakeholders to
6 identify and address changing needs and regional trends, and align them with available
7 funding.

7 C. GOALS

8 The purpose of the SFTEP is to implement the priorities of the Countywide
9 Transportation Plan and the Transportation 2030 Report through investment in a set of
10 projects and programs that include planning, maintenance and rehabilitation of, and
11 improvements to the city's multi-modal transportation system. Goals of the plan include:

- 12 • Maintain existing assets in a state-of-good repair;
- 13 • Improve travel time and reliability;
- 14 • Reduce costs and geographic and socio-economic disparities;
- 15 • Serve planned growth; and
- 16 • Improve safety and accessibility of the system.

17
18 In addition to the above goals, development of the SFTEP was guided by the following
19 four SFTEP Principles and two Funding Principles.

21 **SFTEP Principles**

- 22 • Build on the SFTP (2013) and the T2030 Report.
- 23 • Embrace City and agency initiatives passed since T2030, including strategies to
24 support equity, affordability and traffic safety.

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- Address progress and changes to project/program information.
- Increase focus on core capacity, system resiliency and equity given rapid growth and affordability pressures.

Funding Principles

- Provide a bridge between 2017 and future revenue measures
 - Amended Prop K Expenditure Plan (as early as November 2023)
 - Vehicle License Fee (recommended by T2030, as early as 2018)
 - General Obligation Bond (recommend by T2030, estimated 2024)
 - New bridge toll (Regional Measure 3, estimated as early as 2018)
- Consider funding eligibility, particularly for those projects and programs that are not eligible for other key funding sources (e.g. Muni light rail vehicles and BART cars are not eligible to be funded by general obligation bonds).

D. STRUCTURE

The SFTEP is organized into six sections. Section 1: Introduction provides background on the Plan's purpose and goals. Section 2: Plan Summary provides the Plan's investment detail by category. Section 3: General Provisions provides further context on the Plan's policies and administration. Section 4: Description of Programs contains detailed descriptions of the programs and the types of items that are eligible for funding under each of them. Section 5: Implementation Provisions describes the process for prioritizing and allocating funds following adoption of the Plan. Section 6: Amendment Process, deals with the mechanisms for amending the Expenditure Plan.

2. PLAN SUMMARY

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Table 1 summarizes the half-cent sales tax revenue allocations by program in constant 2016 dollars. The SFTEP is fiscally constrained to the total funding expected to be available for each category. If revenues are higher or lower, the amount of funding available to each category shall be consistent with the program percentages over the life of the Expenditure Plan period.

Adoption of an ordinance to establish an additional one-half of one-percent sales tax is necessary in order to fund the programs listed in Table 1. The tax shall be continued for the period of implementation of the SFTEP, but not to exceed 25 years.

Table 1: San Francisco Transportation Expenditure Plan Summary 2016 \$Millions

Program	Total Need¹	Total Expected Funding²	Total Prop TBD Funding³	% of Prop TBD Funding⁴
1. Transit Service and Affordability	\$705	\$4	\$316	10%
2. Muni Fleet, Facilities and Infrastructure Repair and Maintenance	\$6,091	\$5,295	\$632	20%
3. Transit Optimization and Expansion	\$7,275	\$1,615	\$316	10%
4. Regional Transit and Smart System Management	\$576	\$47	\$474	15%
5. Vision Zero Safer and Complete Streets	\$2,036	\$1,637	\$316	10%
6. Street Resurfacing²	\$1,475	\$198	\$1,106	35%

TOTAL	\$18,158	\$8,797	\$3,161	100%

Notes:

1. Total Need is based on project submissions to Plan Bay Area 2040 prepared by project sponsors in coordination with the SFCTA, the Metropolitan Transportation Commission's (MTC's) State of Good Repair needs assessment for Plan Bay Area 2040, and the SFMTA Capital Plan. Total need for the Transit Service and Affordability program does not include SFMTA's existing operating budget but includes unfunded service expansion and growth in costs (e.g. for Muni fare programs). Total need for the Regional Transit and Smart System Management program only includes San Francisco's local contribution for additional BART cars (\$300 million), Caltrain electrification (\$20 million), and conversion of the remainder of Caltrain's vehicle fleet to electric-multiple units and/or additional cars (\$30 million); as well as other eligible projects for this program. The amounts in this column are provided in fulfillment of Sections 131051 (a)(1), (b) of the California Public Utilities Code.

2. Total Expected Funding is based on a forecast of expected revenues from existing federal, state, regional and local sources based on MTC's Plan Bay Area 2040 draft revenue forecasts, SFCTA, and San Francisco Department of Public Works' revenue forecasts for the Street Resurfacing program. The amounts in this column are provided in fulfillment of Sections 131051 (a)(1), (c) of the California Public Utilities Code.

3. The amounts shown in the Total Prop TBD column are based on a forecast of \$3.161 billion (2016 \$'s) in new sales tax revenues over the 25 year life of the SFTEP. The amounts in this column are provided in fulfillment of Section 131051 (a)(1), (d) of the California Public Utilities Code.

4. Street resurfacing revenues are assumed starting at about \$38 million (2016 \$'s) annually at the inception of the Expenditure Plan period to help ensure that the city reaches and maintains a Pavement Condition Index score of 70, meaning that a majority of city streets will be in good condition. In any fiscal year following the adoption by the voters of a vehicle license fee increase, if an appropriation is made to street resurfacing from any other legally available sources in an amount equal to the amount that would otherwise be allocated from Prop TBD to the Street Resurfacing program for that year, the Street Resurfacing program may be decreased and the allocation redistributed. The increment of freed up Street Resurfacing funds may be distributed to the remaining five categories in the same relative proportion as shown in Table 1.

3. DESCRIPTION OF PROGRAMS

This section contains detailed descriptions of the programs in the SFTEP, and the types of items that are eligible for funding under each of them.

A. PERCENTAGE DISTRIBUTION OF PROP TBD REVENUES TO PROGRAMS

The percentage distribution of Prop K TBD funds and estimated Total Prop TBD (2016 \$s) for each program corresponds to those amounts shown in Section 2, Table 1. See Section 3.B. below for language related to a changed distribution of funds which would be triggered if new dedicated funds for Street Resurfacing are secured. The program descriptions would not change. This language is also included in note 4 to Table 1.

1. Transit Service and Affordability.....10% (\$316M)

Expenditures in this program could be used to ensure SFMTA's ability to continue to support Free Muni for Low Income Youth, Senior and Disabled Riders Programs; to help implement recommendations from the Muni Equity Strategy (updated on a two-year basis); to fund late night transportation services for night and swing shift workers; and to provide transit service for at-risk populations such as paratransit, mobility management and lifeline programs. Expenditures in this program could also help supplement SFMTA's Rainy Day Reserve to provide protections against service cuts in future years.

2. Muni Fleet, Facilities and Infrastructure Repair and Improvements.....20% (\$632M)

Expenditures in this program shall prioritize measures to mitigate identified deficiencies in transit service to low-income and transit-dependent communities. Expenditures in this program will leverage federal and state funds to help keep Muni's fleet of buses, historic street cars, trains, and paratransit vehicles in a state-of-good repair through timely vehicle replacement and rehabilitation to ensure that the transit system is reliable, and to expand the fleet through additional vehicles and larger vehicles to reduce crowding on the most popular routes and meet future demand.

Expenditures in this program also will be used for SFMTA facilities, including stations and associated escalators and elevators, which are critical to support the SFMTA's ability to: provide reliable transit service and safe, comfortable and coordinated access to transit; maintain street infrastructure; and store, protect, and maintain its diverse transit fleet.

Further, expenditures in this program will improve reliability and safety on Muni through the replacement and rehabilitation of rails, overhead wires and associated fixed guideway infrastructure for light rail, trolley coaches, historic streetcars, and cable cars.

In any fiscal year in which the SFMTA would otherwise be required to adopt service reductions as part of its budget, the SFMTA may transfer up to 25% of the annual percentage

allocation of funds that would otherwise go to this program to the Transit Service and
1 Affordability program to offset those service reductions, in an amount not to exceed the cost of
2 maintaining the services.

3 **3. Transit Optimization and Expansion.....10% (\$316M)**

4 Expenditures in this program will include smaller capital investments to improve the
5 efficiency and enhance the service of the existing transit system as well as large transit
6 expansion projects needed to meet current demand and accommodate future growth.

7 Expenditures in this program would help plan, design and deliver enhancement and
8 expansion projects. Expenditures in this program may also include planning, design and
9 capital funding for supportive transportation infrastructure for transit-oriented development.

10 Examples of eligible projects include but are not limited to: Muni Forward, bus rapid
11 transit projects on major corridors (e.g. Geary and Geneva), Better Market Street, rail capacity
12 improvements such as those recommended by the SFMTA Rail Capacity Strategy and the
13 region’s Core Capacity Transit Study, major regional projects (e.g. second Transbay crossing
14 and Caltrain Downtown Extension), ferry infrastructure and vessels and future subway
15 projects (e.g. T-Third rail extension to Fisherman’s Wharf, Geneva Avenue rail service, Geary
16 Avenue Light Rail Transit, Upper Market to Mission Bay/SOMA Light Rail Transit, Muni
17 Subway Expansion, under-grounding existing rail lines) prioritized by the Long Range
18 Transportation Planning Program, the SFTP and its updates, all of which will be developed in
19 collaboration with local and regional agencies

20 **4. Regional Transit and Smart System Management.....15% (\$474M)**

21 To improve reliability and reduce overcrowding, as well as to encourage continued use
22 of transit by new residents and employees, regional transit capacity and system resiliency
23 must grow. The priority for expenditures in this program will be to fund San Francisco’s
24 contribution to BART expansion vehicles (up to \$300 million) and to support the electrification

25 Supervisors Wiener; Avalos

of Caltrain (\$16 million to complete the current funding commitment). If less local funds are
1 needed, expenditures in this program could also fund long-range regional network planning
2 and design studies and/or capital improvements such as crossover tracks, passing tracks,
3 turnbacks and station modernization improvements that increase core system reliability and
4 capacity.

5 Expenditures in this program will also enable Smart System Management by funding
6 technology-enabled system corridor management strategies for US 101, I-280 and I-80 (and
7 associated surface arterial approach/distribution streets) to increase reliability for buses and
8 high-occupancy vehicles through carpool/managed lanes and traveler information systems;
9 and by funding a broad countywide toolkit of transportation demand management (TDM)
10 strategies designed to promote sustainable travel choices such as carpooling, ride-sharing,
11 transit/HOV use and active transportation modes through education campaigns, traveler
12 incentives and fare/pricing strategies, policies and capital investments. Expenditures in this
13 program may also fund evaluation of TDM strategies funded by this program.

14 **5. Vision Zero Safer and Complete Streets.....10% (\$316M)**

15 Expenditures in this program will fund improvements primarily on the high-injury
16 network that advance safety and enhance street users' experience, including implementation
17 of the bike strategy, upgraded traffic signals with pedestrian countdown signals, and audible
18 signals to improve accessibility and safety, and improve pedestrian safety through data-driven
19 improvements. Safety upgrades may be paired with streetscape enhancements, such as
20 landscaping on curb extensions at bus stops. Examples of work eligible in this program range
21 from corridor-wide improvements, to stand-alone pedestrian improvements at individual high-
22 injury intersections and/or freeway ramp/local street connections. Expenditures in this
23 program may also fund Vision Zero public education and evaluation.

Expenditures in this program also will optimize movement on San Francisco streets by keeping traffic infrastructure and signals in a state of good repair through replacement and upgrade of deteriorated or obsolete signal hardware; by bringing advanced technology to the traffic signal system with tools that allow real-time traffic management, transit and emergency vehicle signal priority, and expedite maintenance; and by adding pedestrian countdown and audible signals as part of signal upgrades.

6. Street Resurfacing.....35% (\$1,106M)

Expenditures in this program will help ensure the city reaches and maintains a Pavement Condition Index (PCI) score of 70, meaning that the majority of city streets will be in good condition. Keeping street surfaces in good repair has safety and financial benefits for people traveling by all modes of transportation citywide. Conversely, deteriorated roadways have a negative impact on all users and the more roads deteriorate, the more costly they become to repair.

Total.....100% (\$3,161M)

B. TRIGGER FOR A REVISED PERCENTAGE DISTRIBUTION OF PROP TBD REVENUES TO PROGRAMS

Street resurfacing revenues are assumed starting at about \$38 million (2016 \$'s) annually at the inception of the Expenditure Plan period to help ensure that the city reaches and maintains a Pavement Condition Index score of 70, meaning that a majority of city streets will be in good condition. In any fiscal year following the adoption by the voters of a vehicle license fee increase, if an appropriation is made to street resurfacing from any other legally available sources in an amount equal to the amount that would otherwise be allocated from Prop TBD to the Street Resurfacing program for that year, the Street Resurfacing program may be decreased and the allocation redistributed. The increment of freed up Street

Resurfacing funds may be distributed to the remaining five categories in the same relative proportion as shown in Table 1.

4. GENERAL PROVISIONS

A. SALES TAX REVENUES

The operative date of the SFTEP shall be established pursuant to Section 131105 of the California Public Utilities Code. The one-half percent local sales tax dedicated to transportation improvements (approved in November 2016 as Proposition TBD) shall be continued for the duration of the SFTEP, but not to exceed 25 years.

Revenues are estimated over the 25-year period of the SFTEP. The conservative projection puts the total revenue level at \$3.161 billion (2016 dollars) and assumes a modest growth rate. This projection builds in recessions and recoveries based on historical trends and economic conditions as well as tax policy.

B. RESTRICTION OF FUNDS

Sales tax revenues shall be used solely for the projects and purposes set forth in the SFTEP and its amendments and for the administration thereof. Sales tax revenues shall be spent on capital projects rather than to fund operations and maintenance of existing transportation services, unless otherwise expressly specified in the Plan Description. In accordance with enabling legislation and adopted principles, sales tax revenues generated pursuant to this plan shall be subject to the following restrictions:

i. NO SUBSTITUTION

a. In accordance with the legislative intent expressed in California Public Utilities Code Section 131100 sales tax proceeds shall not replace funds previously provided by property tax revenues for public transportation. As a condition for allocation of funds by the

1 SFCTA, the recipient department or agency shall certify to the SFCTA that the funds will not
2 be substituted for property tax funds which are currently utilized to fund existing local
3 transportation programs.

4 b. Proceeds from the sale or liquidation of capital assets funded with sales
5 tax revenues shall be returned to the SFCTA in proportion to the contribution of sales tax
6 revenues to the total original cost of the asset, for re-allocation to eligible expenses within the
7 categories from which funds were expended for the original investment.

8 ii. **NO EXPENDITURES OUTSIDE SAN FRANCISCO**

9 No sales tax funds shall be spent outside the limits of the City and County of San
10 Francisco, except for cases that satisfy all of the following conditions, and subject to a
11 possible need for amendment of state law:

12 a. **Quantifiable Benefit:** The project, service, or programmatic category is
13 included in the Expenditure Plan, and planning or other studies, developed in order to enable
14 its implementation, demonstrate that there will be a quantifiable benefit to the City and
15 County's transportation program from the expenditure of funds outside the City and County. A
16 quantifiable benefit is defined as a measurable increase in the effectiveness (e.g. cost
17 effectiveness, reliability, transit connectivity, travel time, crowding, capacity, equity) of a
18 project or group of transportation projects and or services at least partially funded with sales
19 tax funds, located along the corridor or in the immediate geographic area of the City and
20 County where the project in question is proposed to occur.

21 b. **Expenses Matched By Other Counties:** The proposed expense is
22 matched by funding from the county or counties where the expenditure of sales tax funds is
23 proposed to be made.

Should transportation projects or services contemplated in the plan require the participation of other counties for any phase of project planning or implementation, the SFCTA shall work cooperatively with the Mayor's Office and affected county or counties to ensure coordination and successful project implementation.

C. BONDING AUTHORITY

The SFCTA shall be authorized to issue, from time to time, limited tax bonds pursuant to the provisions of California Public Utilities Code Sections 131109 et seq. in a total outstanding aggregate amount not to exceed \$2.00 billion, payable from the sales tax revenues generated by the local sales and use tax adopted by Prop TBD. The SFCTA's bonding capacity shall be separate and distinct from that of the City and County of San Francisco.

D. ADMINISTRATION BY THE SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

The SFCTA shall allocate, administer and oversee the expenditure of the Prop TBD sales tax funds.

E. ELIGIBLE RECIPIENTS OF FUNDS

Only public agencies are eligible to receive allocation of sales tax funds.

F. SUPPORT OF ADJACENT COUNTIES

It is deemed unnecessary to seek the support of adjacent counties by requesting them to develop their own Transportation Expenditure Plans because San Mateo, Alameda, Contra Costa and Marin Counties have already adopted Transportation Expenditure Plans.

G. ENVIRONMENTAL REVIEW

Environmental reporting, review and approval procedures as provided for under the National Environmental Policy Act (NEPA), and/or the California Environmental Quality Act

(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 sales tax funds.

H. ACCOUNTABILITY AND TRANSPARENCY

i. FINANCIAL AUDITS: The SFCTA shall ensure a post audit of its financial transactions and records at least annually by an independent certified public accountant.

ii. ANNUAL REPORT: Pursuant to California Public Utilities Code Section 131303, the SFCTA shall prepare and adopt an annual report by January 1 of each year on the progress to achieve the objectives of completion of the projects in the SFTEP. The public annual report shall summarize revenues collected; expenditures by program, costs related to financing, if applicable; administrative costs; and accomplishments and benefits realized by the program.

iii. REQUIREMENTS FOR FUND RECIPIENTS: All recipients of sales tax funds allocated to Expenditure Plan programs will be required to complete certain requirements as established by the SFCTA including reporting, completing audits, and complying with attribution requirements.

iv. CITIZENS OVERSIGHT COMMITTEE: The SFCTA's Citizens Advisory Committee shall serve as the Citizens Oversight Committee and will provide independent and public oversight of all expenditures of Prop TBD sales tax funds by SFCTA or recipient agencies. The committee shall assist with defining criteria and priorities for implementing the Expenditure Plan consistent with the intention of Prop TBD; review the allocation of sales tax funds; monitor the SFCTA's programs; and review annual audits.

5. IMPLEMENTATION PROVISIONS

A. STRATEGIC PLAN

1 This Expenditure Plan identifies eligible expenditures for each of the six programs
2 listed in Table 1 in Section 3. Prior to allocation of any sales tax funds, the SFCTA shall
3 prepare, in close coordination with all other affected planning and/or implementation agencies,
4 a Strategic Plan for the use of the sales tax revenues, for review and adoption by the SFCTA
5 Board. The Strategic Plan shall include a 5-year prioritized program of projects (see sub-
6 section C of Section 5) for each of the following programs: Muni Fleet, Facilities and
7 Infrastructure Repair and Improvement; Transit Optimization and Expansion; Regional Transit
8 and Smart System Management; and Vision Zero Safer and Complete Streets.

9 As part of the Strategic Plan development process, the SFCTA shall adopt, issue and
10 update detailed guidelines for the development of prioritized programs of projects.

11 **B. CATEGORIES EXEMPT FROM PRIORITIZATION PROCESS**

12 The Transit Service and Affordability and Street Resurfacing categories are exempt
13 from the 5-year prioritization process. In the Strategic Plan, funds shall be programmed to
14 these categories annually based on the percentage share of annual program revenues shown
15 in sub-section A of Section 3 or as modified by sub-section B of Section 3. Funds will be
16 allocated annually as a lump sum to the San Francisco Municipal Transportation Agency
17 (SFMTA) (or its successor) for the first of the aforementioned programs and to San Francisco
18 Department of Public Works (SFDPW) (or its successor) for the last program. Allocations
19 shall be accompanied by a list of projects that the recipient agency intends to fund with the
20 sales tax revenues. After the first year's allocation, all subsequent fiscal year allocations also
21 must be accompanied by an annual report of expenditures prepared by the recipient agency
22 to be presented to the SFCTA Citizens Advisory Committee and relevant Board committee.

23 Funds not expended within five years of allocation by the SFCTA Board will
24 automatically be de-obligated by the SFCTA and reprogrammed to the same program in a
25 future year or years. Failure to comply with reporting and auditing requirements may result in

1 the SFCTA withholding annual allocations until such time as the recipient conforms to this
2 requirement.

3 For programs exempt from the 5-year prioritization process, if SFMTA or SFDPW wish
4 to advance funds for programming and allocation more quickly than on a pay-go basis, the
5 agency must develop a 5-year prioritized program of projects for review and adoption by the
6 SFCTA Board as described in sub-section C below and a corresponding Strategic Plan
7 amendment to support the advancement of funds.

8 **C. PRIORITIZATION PROCESS**

9 For programs where more than one agency or department may be an eligible recipient
10 of Prop TBD funds, the SFCTA Board shall designate a lead agency to coordinate
11 development of the 5-year prioritized programs of projects and prior to each of their
12 subsequent updates, for each program.

13 Prior to allocation of any sales tax funds, the lead agency shall prepare, in close
14 consultation with all other affected planning and implementation agencies, the SFCTA's
15 Technical Working Group, and the SFCTA, a 5-year prioritized program of projects including
16 budget, scope and schedule; consistent with the Strategic Plan for use of the Prop TBD funds,
17 for review and adoption by the SFCTA Board. Program goals shall be consistent with the
18 current SFTP and with the City's General Plan. Prior to adoption by the SFCTA Board, the
19 lead agency and SFCTA staff will present the draft 5-year prioritized programs of project to
20 the City's Capital Planning Committee for review and input.

21 The program of projects shall at a minimum address, the following factors:

22 i. Project readiness, including schedule for completion of environmental and
23 design phases; well-documented preliminary cost estimates, and documented community
24 support as appropriate;

1 ii. Compatibility with existing and planned land uses, and with adopted standards
2 for urban design and for the provision of pedestrian amenities; and supportiveness of planned
3 growth in transit-friendly housing, employment and services.

4 iii. A prioritization mechanism to rank projects within the program, addressing, for
5 each proposed project:

6 a. Relative level of need or urgency

7 b. Cost effectiveness

8 c. A fair geographic distribution that takes into account the various needs of San
9 Francisco's neighborhoods

10 iv. Funding plan, including sources other than Prop TBD

11 The lead agency shall conduct appropriate public outreach to ensure an inclusive
12 planning process for the development of the program of projects, as well as general plan
13 referral or referral to any City Department or Commission as required.

14 The lead agency shall also identify appropriate performance measures to ensure that
15 progress is made in meeting the goals and objectives of the program. These performance
16 measures shall be developed in collaboration with the SFCTA and shall be consistent with the
17 SFCTA's Congestion Management Program.

18 The lead agency shall be eligible for planning funds from this category for the purpose
19 of completing the development of the program of projects.

20 Lead agencies will also be encouraged to explore alternative and non-traditional
21 methods for project and service delivery where they offer opportunities for increased cost-
22 effectiveness, desirable allocations of risk, and/or shortened project delivery timelines.

23 6. AMENDMENT PROCESS

24 The SFCTA Board may, by a 2/3 vote, recommend adoption of an amended
25 Expenditure Plan any time after fifteen years after the effective date of adoption of the SFTEP.

1 The SFCTA Board shall appoint an Expenditure Plan Advisory Committee to provide input on
2 an amended Expenditure Plan. The amendment process shall follow the provisions of
3 Division 12.5 of the California Public Utilities Code, except that the Expenditure Plan shall
4 require the approval by the Mayor of the City and County of San Francisco.

5 Section 4. Pursuant to Article XIII C of the Constitution of the State of California and
6 Section 7285 of the California Revenue and Taxation Code, this ordinance shall be submitted
7 to the qualified electors of the City and County of San Francisco at the November 8, 2016
8 general municipal election.

9 Section 5. This ordinance shall be effective at the close of the polls of the November
10 8, 2016 general election.

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13 APPROVED AS TO FORM:
14 DENNIS J. HERRERA, City Attorney

15 By:

16 Carole F. Ruwart
17 Deputy City Attorney

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25 Supervisors Wiener; Avalos

BOARD OF SUPERVISORS