

Potential Half-Cent Transportation Sales Tax DRAFT Principles, Public Engagement Strategy

May 24, 2016 [revised June 1, 2016]
Transportation Authority board



Expenditure Plan Principles



- ▶ **Build on San Francisco Transportation Plan (SFTP) and the Transportation 2030 Report (T2030)**
- ▶ **Embrace City and agency initiatives passed since T2030, including strategies to support equity, affordability and traffic safety**
- ▶ **Address progress and changes to project/program information**
- ▶ **Increased focus on core capacity, system resiliency and equity given rapid growth and affordability pressures**

Expenditure Plan Principles



- ▶ **Build on San Francisco Transportation Plan (SFTP) and the Transportation 2030 Report (T2030) including:**
 - ▶ **Maintain existing assets in a state-of-good repair;**
 - ▶ **Improve travel time and reliability;**
 - ▶ **Reduce costs and geographic and socio-economic disparities;**
 - ▶ **Serve planned growth; and**
 - ▶ **Improve safety and accessibility of the system.**
- ▶ **Embrace City and agency initiatives passed since T2030, including strategies to support equity, affordability and traffic safety**
 - ▶ **Muni Equity Strategy**
 - ▶ **Vision Zero**
 - ▶ **Free Muni for Low Income Youth, Seniors and Disabled Programs**

Expenditure Plan Principles, cont.



- ▶ **Address progress and changes to project/program information, including:**
 - ▶ Update cost and funding information
 - ▶ Update information from regional transit operators, including City's shared obligation for Caltrain and BART
- ▶ **Increased focus on core capacity, system resiliency and equity given rapid growth and affordability pressures**
 - ▶ Address regional and local transit expansion priorities (e.g. Muni/BART cars), transportation system management
 - ▶ Extend Expenditure Plan to 25 years (vs. 15 for T2030) to provide more revenues to address needs and better align with SFTP and Plan Bay Area timelines



- ▶ **Provide a bridge between 2017 and future revenue measures**
 - ▶ Updated and extended Prop K Expenditure Plan , as early as November 2023
 - ▶ Vehicle License Fee (recommended by T2030, as early as 2018)
 - ▶ 2024 GO Bond (recommend by T2030)
 - ▶ New bridge toll (RM3, 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. LRV and BART car replacement are not G.O. Bond eligible)**

DRAFT Sales Tax Projections



- ▶ **Assume a ½ cent sales tax**
 - ▶ **Current – 8.75% (includes state .25% increment set to expire December 2016*); Potential (as of April 2017) – 9.0%**
- ▶ **Revenue estimates**
 - ▶ **\$100 million per year**
 - ▶ **\$2.5 billion over 25 years**
- ▶ **Leveraging, if like Prop K ...**
 - ▶ **4 to 6 times each dollar spent - \$10 - \$15 billion**

* In 2012, California voters approved Prop 30, establishing a temporary .25% state sales tax rate increase which is set to expire on December 31, 2016.

Comparison - SF to Bay Area Counties



Sales Tax Rates as of April 1, 2017

Bay Area Counties	Max City Tax Rate	Max Sales Tax If New Measures Approved
Contra Costa	9.75%	10.25%
Alameda	9.75%	9.75%
San Mateo	9.25%	9.25%
Santa Clara	8.75%	9.25%
Marin	9.0%	9.0%
San Francisco	8.5%	9.0%
Sonoma	9.0%	9.0%
Solano	8.875%	8.875%
Napa	7.75%	7.75%

Notes: Rates above reflect expected expiration on December 31, 2016 of a temporary .25% state sales tax rate increase which was approved by California voters in 2012.

Red indicates counties with potential/new revenue measures on the June 2016 or November 2016 ballot. Red amounts show new rates if potential /new revenue measures are approved.

Comparison – SF to Bay Area Cities



Sales Tax Rates as of April 1, 2017

Neighboring Cities	Sales Tax Rate	Sales Tax If Measures Approved
El Cerrito	9.75%	10.25%
Hayward	9.75%	9.75%
Richmond	9.25%	9.75%
San Leandro	9.75%	9.75%
Alameda	9.25%	9.25%
Berkeley	9.25%	9.25%
Concord	8.75%	9.25%
Fremont	9.25%	9.25%
Oakland	9.25%	9.25%
San Jose	8.5%	9.25%
Mountain View	8.5%	9.0%
Palo Alto	8.5%	9.0%
San Francisco	8.5%	9.0%
San Mateo	9.0%	9.0%
Santa Clara	8.5%	9.0%
Daly City	8.75%	8.75%
Redwood City	8.75%	8.75%
Walnut Creek	8.25%	8.75%

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Public Engagement Approach



▶ Key messages:

- ▶ We have significant funding needs to reach our goals and should continue to implement the T2030 funding recommendations (i.e., seek a half-cent sales tax)
 - ▶ We should address items that the transportation bond didn't fund (street resurfacing, significant transit expansion, BART/Muni vehicles) and new policy initiatives (Vision Zero, Equity/Affordability)
 - ▶ We want to share our proposal and to hear from you
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- ▶ Tight timeline will require leveraging work already done;
 - ▶ tapping into existing opportunities and
 - ▶ being innovative.

Public Engagement Approach



Key Dates

- ▶ **06/07/16** – Initial Draft Expenditure Plan and Ordinance introduced at BOS
- ▶ **06/22/16** – SFCTA Citizens Advisory Committee - Action
- ▶ **06/28/16** – SFCTA Board – Action
- ▶ **07/12/16** - Placeholder SFCTA Board – Action
- ▶ **07/13/16** – BOS Budget & Finance Meeting – Hearing, introduce amendments
- ▶ **07/26/16** – BOS first vote on sales tax ordinance and Expenditure Plan
- ▶ **08/02/16** – BOS second vote on sales tax ordinance and Expenditure Plan
- ▶ **08/05/16** – Deadline to submit ordinance to Director of Elections
- ▶ **11/08/16** – General election (2/3 majority to pass)

Public Engagement Approach

Potential Strategies (Not all possible near-term)



- ▶ **Board, Commission and Committee meetings**
 - ▶ **SFCTA Plans & Programs Committee, Citizens Advisory Committee, Board**
 - ▶ **SFMTA Board and Community Advisory Committee**
 - ▶ **Planning, SF Environment, Small Business Commission, etc.**
- ▶ **Supervisors' offices (newsletters, town halls, etc.)**
- ▶ **Transportation Agency Input – SFCTA Technical Working Group**
- ▶ **Neighborhood & Civic Organizations, e.g. Vision Zero Coalition, SPUR, Chamber, Neighborhood Associations**
- ▶ **Being innovative – telephone town halls, mobile application surveys, webinars, social media**
- ▶ **Reaching Communities of Concern – Multilingual conversations with community based organizations, Transportation Justice Coalition**

End of Presentation

Thank you

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