

San Francisco Transportation Task Force 2045

October 23, 2017 Meeting



Today's Meeting Objectives & Agenda

Agenda

Time	Agenda Item
10 mins	Welcome, task force updates
60 mins	Revenue Scenarios
15 mins	Expenditure Plan Feedback & Scenarios
5 mins	Public comment, next steps



Welcome from the Chairs + Introductions

- The goal of today's agenda is to help the task force identify a priority revenue source or sources for 2018.
- We'll touch on 2019 and beyond – sources that could form a package in the longer time frame.
- The expenditure plan survey gave a sense of task force support and we'll seek more feedback.
- We've posted on SFtransportation2045.com the responses to the most frequent questions from the September TTF meeting. If you have unresolved questions, you can submit them to: sftransportation2045@sfgov.org



Revenue Scenarios



A Package of Revenue Sources

- The TTF's primary goal is to identify a priority revenue source(s) to go forward for 2018.
- Secondly, we aim to assemble a package of 4-5 revenue sources that could address a substantial portion of transportation needs in 2019 and beyond.
- The TTF has reviewed information showing approximately \$22 billion in unfunded needs covering the 27-year period ending in 2045.



A Package of Revenue Sources

- How much of the approximately \$22 billion in unfunded need should the TTF seek to fill with a recommended package of **local** revenue measures?

Proposed Target Range:

- 25% of the unfunded need = \$200 million / year to
 - 30% of the unfunded need = \$240 million / year
- We will continue to advocate for discretionary federal, state, and regional sources to help close the gap



Revenue Sources and Criteria

Task Force Members have been provided with:

- Summary matrix of all revenue sources (below, left)
- Evaluation matrix of all sources (below, right)
- Fact sheets for most sources (posted on SFtransportation2045.com)

**T2045 Revenue Sources:
Considerations and Definitions**

	REVENUE CONSIDERATIONS				PROCESS CONSIDERATIONS			POLICY		
	1. Could Generate Significant Revenue	2. Reliability	3. Growth Potential	4. Flexible	5. Ease of Establishment	6. Dedicated to Transportation	7. Ease of Administration	8. Equitable - Impact on Low Income Households	9. Ability to Support Policy Objectives	
Vehicle-related										
A	Gas Tax, San Francisco	Moderate	Moderate	Low	Moderate	High	Yes	High	Moderate	Moderate
B	Parking Fees, City Facilities	Low	Moderate	Moderate	High	High	Yes	High	Moderate	Moderate
C	Parking Tax	Low	Moderate	Low	Moderate	High	Can be	High	Moderate	Moderate
D	Vehicle License Fee (VLF) - San Francisco (SB 1492)	Low-High	High	High	High	High	No	High	Moderate	High
E	Vehicle Registration Fee (VRF) - SB 1183, Bicycle Infrastructure	Low	High	Low	Low	High	Yes	High	Moderate	Moderate
Property-related										
F	Parcel Tax	Low-High	High	Low	High	High	Can be	High	Low	Low
G	Real Property Transfer Tax	Low	Low	High	High	High	Can be	High	Moderate	Low
H	Transportation Sustainability Fee (TSF) - Increase	Low	Low	Moderate	Moderate	High	Yes	High	High	Moderate
Paid by Individuals and Businesses										
I	Carbon Tax	Low	High	Moderate	High	High	Can be	High	Low	Low
J	Gross Receipts Tax	Low	Moderate	High	High	High	Can be	High	Moderate	Low

**T2045 Revenue Sources:
Details Matrix**

Please note that this reflects the latest information collected by staff and is subject to change.

Local Revenue Source	Description	Assumptions for Range	Potential Annual Revenue Range (millions \$2015)	In 2045 possible?	Collection Mechanism	Who pays?	Options to scale / possible exemptions	Notes on equity impacts	State Authorization Required?	Local Initiative Process	voter Approval?	Expenditure Restrictions
Vehicle-related												
A	Gas Tax, San Francisco (SB 1492)	0.2 cent - 20 cent	\$28-\$47	Yes	Fee paid at the pump	Residents, businesses, and visitors	None	Vehicle ownership is concentrated in outer neighborhoods of SF, with higher gas mileage tend to be newer and more expensive	Yes	0.25 majority of BOS	0.25 majority	Transportation related projects (e.g. transit, bike, and walking) only (including selling bonds)
B	Parking Fees, City Facilities	0-100 increase across all SFMTA facilities	\$3.6-\$10.8	Yes	Increase in the price of parking	Residents, businesses, and visitors	Could include exemptions	Vehicle ownership is concentrated in outer neighborhoods of SF. Lower income households tend to own fewer vehicles.	Yes	50% of BOS	None required	None
C	Parking Tax	A fee on privately-owned parking lots. Estimate is based on City Parking fee collections. San Francisco currently has a 20% parking tax on all off-street parking spaces in the City.	\$1.5-\$3.5	Yes	Monthly surcharge	Others using parking lots	None	SF already has the highest parking tax rate of any CA city. The next highest is Oakland at \$1.50. Most cities with a parking tax have a rate of 20%. This is a declining revenue stream.	Yes	100% vote of BOS	None required	100% of current parking fee revenues goes to transportation projects (e.g. transit, bike, and walking) only (including selling bonds)
D	Vehicle License Fee (VLF) - San Francisco (SB 1492)	An authorized by Senate Bill 1492 (2015), establish a VLF of 1.0%, which along with the state's 40% VLF would increase total VLF for motor vehicles registered in the historic 2% limit for general fund purposes. Estimate based on 2013 collections.	\$2-\$7.5	Yes	Annual license fee	Residents and businesses	Fee is based on vehicle weight	Vehicle ownership is concentrated in outer neighborhoods of SF.	Yes	0.25 vote of BOS	100% majority	None
E	Vehicle Registration Fee (VRF) - SB 1183, Bicycle Infrastructure	An additional \$1 VRF to be dedicated to bicycle infrastructure purposes and associated maintenance. (City, counties or regional agencies may impose and collect this fee. Estimate based on current VRF revenues, legislative authority expires December 31, 2026.	\$2	Yes	Annual registration fee	Residents and businesses	None	Vehicle ownership is concentrated in outer neighborhoods of SF.	Yes	100% vote of BOS	0.25 majority	Required to be paid on title and trail use maintenance (2)
Property-related												
F	Parcel Tax	A flat-rate parcel tax, paid annually, on all 280,000+ San Francisco parcels	\$30-\$240 million	Yes	Annual tax	Residents and businesses	Could include exemptions	Parcel taxes are typically a flat fee per parcel, which is regressive due to the fact that parcels of lower-valued properties pay the same amount as parcels of higher-valued properties.	Yes	100% vote of BOS	0.25 majority	None
G	Real Property Transfer Tax	A fee on the sale of real property. Estimate is based on high-end fee collections during the most recent economic cycle.	\$1-\$10.5	Yes	Fee paid at time of transaction	Residents and businesses	None	This is the City's most stable revenue source that can sometimes be used to target investments of greater than 10%. Because of the variable rate of tax, it historically has been used for the same investments rather than for other investments.	Yes	100% vote of BOS	100% for general tax, 0.25 for transit and bike	None
H	Transportation Sustainability Fee (TSF) - Increase	An increase to the TSF imposed on new development in San Francisco. Based on a 2010 proposal to increase the fee to \$2 on large commercial projects developed from 100-500 sq foot square foot to \$2.00. The	\$1-\$3 million	Yes	Fee on development	Current structure target	Could impact the market for development in		Yes	100% vote of BOS	Must be	



The Revenue Summary Matrix

- The **summary matrix** presents the revenue considerations discussed in August for every source, with **"high"**, **"moderate"**, or **"low"** assessments for each consideration
- The definitions & thresholds (high/moderate/low) for each are on the back of the page

T2045 Revenue Sources:
Considerations and Definitions

	REVENUE CONSIDERATIONS				PROCESS CONSIDERATIONS			POLICY	
	1. Could Generate Significant Revenue	2. Reliability	3. Growth Potential	4. Flexible	5. Ease of Establishment	6. Dedicated to Transportation	7. Ease of Administration	8. Equitable - Impact on Low Income Households	9. Ability to Support Policy Objectives
Vehicle-related									
A Gas Tax, San Francisco	Moderate	Moderate	Low	Moderate	High	Yes	High	Moderate	Moderate
B Parking Fees, City Facilities	Low	Moderate	Moderate	High	High	Yes	High	Moderate	Moderate
C Parking Tax	Low	Moderate	Low	Moderate	High	Can be	High	Moderate	Moderate
D Vehicle License Fee (VLF) - San Francisco (SB 1492)	Low-High	High	High	High	High	No	High	Moderate	High
E Vehicle Registration Fee (VRF) - SB 1183, Bicycle Infrastructure	Low	High	Low	Low	High	Yes	High	Moderate	Moderate
Property-related									
F Parcel Tax	Low-High	High	Low	High	High	Can be	High	Low	Low
G Real Property Transfer Tax	Low	Low	High	High	High	Can be	High	Moderate	Low
H Transportation Sustainability Fee (TSF) - Increase	Low	Low	Moderate	Moderate	High	Yes	High	High	Moderate
Paid by Individuals and Businesses									
I Carbon Tax	Low	High	Moderate	High	High	Can be	High	Low	Low
J Gross Receipts Tax	Low	Moderate	High	High	High	Can be	High	Moderate	Low
K Gross Receipts Tax: Commercial Property Rent Tax Increase	Low-High	Moderate	High	High	High	Can be	High	High	Moderate
L Gross Receipts Tax: Gig Economy	Low-High	TBD	TBD	High	High	Can be	High	High	Moderate
M Payroll Tax	Low	Moderate	High	High	High	Can be	High	Low	Low
N Sales Tax	High	High	High	High	High	Can be	High	Low	Low
Entertainment / Leisure									
O Large Event Ticket Surcharge	Low-Moderate	High	Low	High	Moderate	Can be	Moderate	Low	Low
P Sports Franchise Tax	TBD	TBD	TBD	Moderate	TBD	Can be	Moderate	High	Moderate
Q Transient Occupancy Tax (Hotel Tax)	Low	Moderate	High	High	High	Can be	High	High	Low
Post-2018									
R Assessment Districts - Mello Roos, Community Facilities District	TBD	Low	Low	Moderate	High	Yes	High	Moderate	Moderate
S Congestion Pricing	High	High	Low-Moderate	Moderate	Low	Yes	Moderate	Moderate	High
T General Obligation (GO) Bond	High	High	Moderate	Moderate	High	Yes	High	Low	Low
U High-Polluting Vehicle Tax	TBD	TBD	Low	TBD	Low	Yes	Low	Moderate	High
V Income Tax - Corporate	TBD	Low	TBD	TBD	Low	Can be	Low	Year	Low
W Income Tax - Personal	High	TBD	High	High	Low	Can be	Low	High	Low
X Property Tax - Commercial	TBD	High	TBD	TBD	Low	TBD	TBD	High	Moderate
Y Residential Parking Permit Fees	TBD	TBD	TBD	TBD	Low	TBD	TBD	TBD	Moderate
Z Robot Tax	TBD	TBD	TBD	TBD	Low	TBD	TBD	TBD	TBD
AA Transportation Network Companies (TNC) Fee	Low-High	TBD	TBD	High	Low	Yes	Low	Moderate	Moderate
BB Vehicle License Fee (VLF) on 2nd Vehicles	Low-Moderate	High	High	High	Low	Yes	High	Moderate	High
CC Vehicle Miles Traveled (VMT) Fee	Moderate-High	High	Low-Moderate	High	Low	Yes	Low	Moderate	High



The Revenue Evaluation Matrix

- The **evaluation matrix** provides the underlying information. There are definitions of each source, assumptions, and details for each criterion;
- We'll explain each of the columns in this matrix now.

Local Revenue Source	Description	Assumptions for range	Potential Annual Revenue Range (millions \$2017)	Is 2018 possible?	Collection Mechanism	Who is impacted?		Notes on equity impacts	What would it take to implement locally?			Expenditure restrictions	
						Who pays?	Options to scale / provide exemptions		State Authorization Required?	Local Initiation Process	Voter Approval?		
Vehicle-related													
A	Gas Tax, San Francisco (10 cent)	A new gas tax in San Francisco required to be spent on transportation projects and programs. Based on fuel consumption level projections from the state Board of Equalization.	10 cent - 25 cent	\$19-\$47	Yes	Tax paid at the pump	Residents, businesses, and visitors		Vehicle ownership is concentrated in outer neighborhoods of SF; vehicles with higher gas mileage tend to be newer and more expensive	No	2/3 majority of BOS	2/3 majority	Transportation capital projects only (not including rolling stock)
B	Parking Fees, City Facilities	An increase in the fees on parking in the City's facilities (garages) to increase revenues.	5-15% increase across all SFMTA facilities	\$3.6-\$10.8	Yes	Increase in the price of parking	Residents, businesses, and visitors	Could include exemptions	Vehicle ownership is concentrated in outer neighborhoods of SF. Lower income households tend to own fewer vehicles.	No	SFMTA can set fees administratively	None required	None
C	Parking Tax	A tax on privately-owned parking lots. Estimate is based on City's Parking Tax collections. San Francisco currently has a 25% parking tax on all off-street parking spaces in the City.	0.5% to 1%	\$1.5-\$3	Yes	Monthly remittance	Drivers using parking lots		San Francisco already has the highest parking tax rate of any CA city. The next highest is Oakland at 18.5%. Most cities with a parking tax have a rate of 10%. This is a declining revenue stream.	No	50% vote of BOS	50% for general tax, 2/3 for dedicated tax	80% of current parking tax revenues goes to MTA, while 20% goes to the General Fund.
D	Vehicle License Fee (VLF) - San Francisco (SB 1492)	As authorized by Senate Bill 1492 (Leno), establish a SF VLF of 1.35%, which along with the state's .65% VLF would restore total VLF for motor vehicles registered in SF to the historic 2% level for general fund purposes. Estimate based on 2015 projections.	0.25% to 1.35%	\$12-\$73	Yes	Annual license fee	Residents and businesses	Fee is based on vehicle value	Vehicle ownership is concentrated in outer neighborhoods of SF	No	2/3 vote of BOS	50% majority	None



The Revenue Evaluation Matrix

Fields in Evaluation Matrix

- Revenue Source
- Description
- Assumptions for range
- Potential annual range
- 2018 Possible?
- Collection mechanism

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The Revenue Evaluation Matrix

- Who is impacted?
 - Who pays?
 - Options to scale/provide exemptions
 - Notes on equity impacts

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The Revenue Evaluation Matrix

- What would it take to implement locally?
 - State authorization required?
 - Local initiation process
 - Voter approval?
- Expenditure Restrictions

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Prioritizing Revenue Source(s)

- Form a group of three at your table
- Each person will take three minutes to articulate their preferences on revenue options to the other two
- We'll notify you when 30 seconds remain and when it is time to switch and listen to the next person
- We'll wrap up with a few minutes for open discussion in your group of three
- Please listen actively to your fellow task force members!



Prioritizing Revenue Source(s)

- Each task force member should have received five colored sticky dots at check-in.
- Come up to the posters at the front and “vote” with your five dots for the measure(s) you prefer
- At least one vote must be for a measure that can go forward in 2018. You can allocate the other four dots as you wish.
- Don’t cover other dots. We need to see & count!
- The exercise should help us all see which measures have broadest support among task force members.



Prioritizing Revenue Source(s)

- Are there clear winners?
- Do one or more of the preferred measures get us enough funding?
- What are the strengths of the highest-voted measures?
- What are the weaknesses of the highest-voted measures?
- What adjustments would bring more support?



Prioritizing Revenue Source(s)

- **City staff will use the results from today's work to develop revenue "package" proposals for further discussion at the November meeting**
- **Depending on the numbers of members attending today's meeting, we may also survey you electronically on revenue preferences**



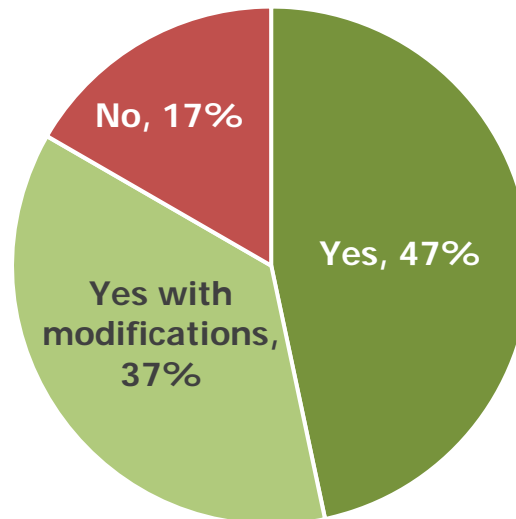
Expenditure Plan Survey Feedback



Highlights from Survey on Expenditure Plan Priorities

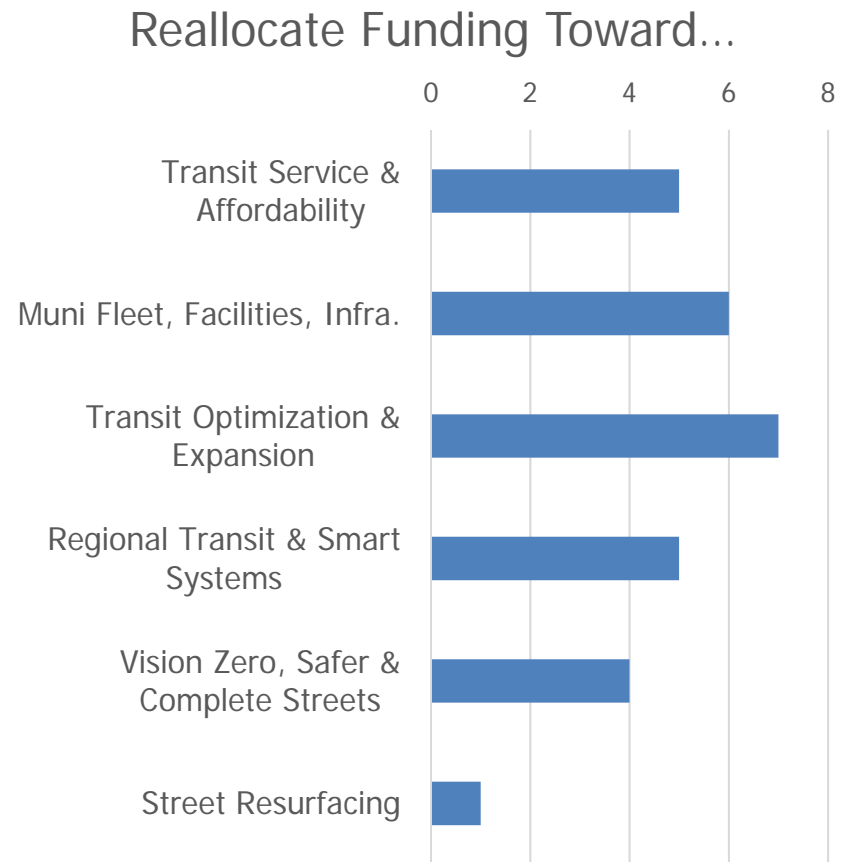
- **83% of responders generally supports Prop J allocations as is or with slight modifications**

"Do you generally support using the Prop J allocations on a new revenue measure in 2018?"



Highlights from Survey on Expenditure Plan Priorities

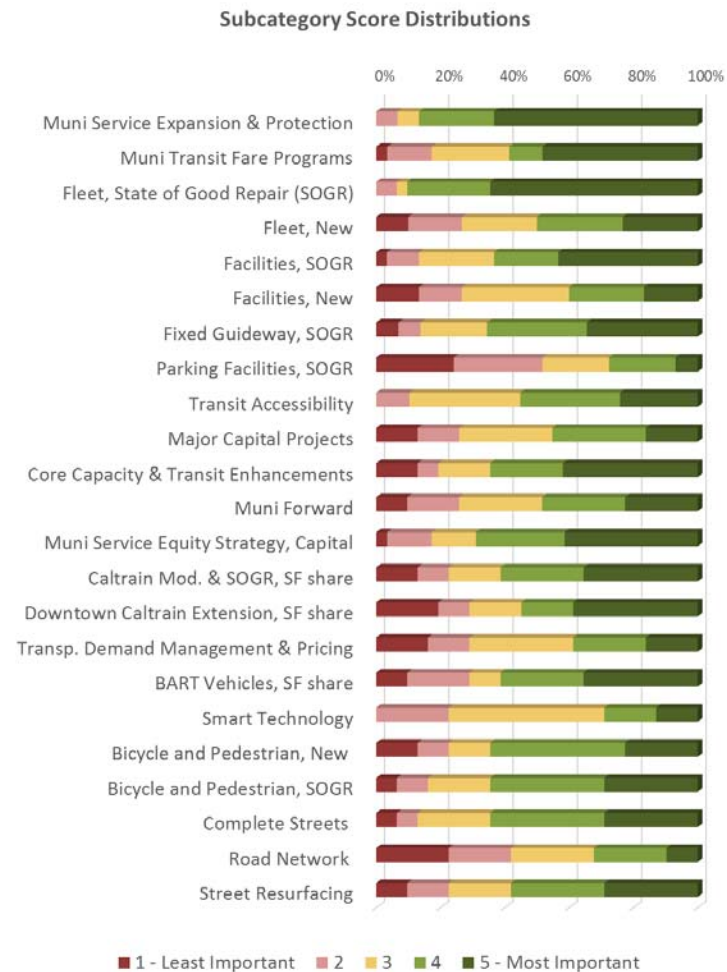
Most suggested modifications reduced street resurfacing allocation; the chart at right shows where survey respondents preferred to redirect those funds



Relative Importance of Subcategories to Survey Respondents

Relative importance of subcategories varied from highest “Fleet, State of Good Repair” (average 4.5 out of 5) to lowest “Parking Facilities, State of Good Repair” (average 2.6 out of 5).

For more survey results, refer to the one-pager with the survey results, also posted on sftransportation2045.com



Expenditure Plan Scenarios for November

- The survey shows the range of task force thinking, but we need more of you to weigh in
- For November, one or more expenditure plan scenarios will be developed that will; 1) use the Prop. J framework, 2) allocate funding percentages with adjustments reflecting task force thinking
- Please reach out directly to Sunny, Andres, or sftransportation2045@sfgov.org to help us include goals, priorities, or other aspects critical to public support in the expenditure scenarios



Public Comment



Next Steps

Meeting Schedule (3rd Monday of each month @ 4 pm)

- **November 20th** – refinements to revenue measures and expenditure plans
- **December 18th** – proposals for revenue measures and expenditure plans



Thank you!

Please send comments and feedback to
SFtransportation2045@sfgov.org

<http://SFtransportation2045.com>

