

File No. 210453

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Appropriations Committee

Date May 19, 2021

Board of Supervisors Meeting

Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong

Date May 14, 2021

Completed by: Linda Wong

Date _____

1 [Appropriation - COVID Contingency Reserve - Municipal Transportation Agency - Free
2 Muni Pilot Program - ~~\$9,600,000~~ \$12,500,000 for - FY 2020-2021]

3 **Ordinance appropriating ~~\$9,600,000~~ \$12,500,000 from the COVID Contingency**
4 **Reserve to the San Francisco Municipal Transportation Agency to support a Free**
5 **Muni Pilot Program in July, August, and September 2021 in Fiscal Year (FY) 2020-**
6 **2021.**

7
8 Note: Additions are single-underline italics Times New Roman;
9 deletions are ~~strikethrough italics Times New Roman~~.
10 Board amendment additions are double underlined.
11 Board amendment deletions are ~~strikethrough normal~~.

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

13
14 Section 1. The sources of funding outlined below are herein appropriated to reflect the
15 projected sources of funding for Fiscal Year 2020-2021.

16
17 **SOURCES Appropriation**

Fund /	Project & Activity /	Account	Description	Amount
Department ID	Authority			
10020 GF Continuing	10036796-0001 /	598033	COVID	\$9,600,000
Authority Ctrl / 230018	21556	COVID	Contingency	<u>\$12,500,000</u>
GEN General City	COVID Response	Contingency	Reserve	
Responsibility	and Economic Loss	Reserve		
	Reserve			

	Fund /	Project & Activity /	Account	Description	Amount
	Department ID	Authority			
					\$9,600,000
	Total SOURCES Appropriation				<u>\$12,500,000</u>

Section 2. The uses of funding outlined below are herein appropriated to support a Free Muni Pilot Program in July, August, and September 2021 in Fiscal Year 2020-2021.

USES Appropriation

	Fund /	Project & Activity /	Account	Description	Amount
	Department ID	Authority			
	10020/ 230018 GF	XXXXXXXXXX –	591XXX	Transfer out to	\$9,600,000
	Continuing Authority	XXXX/ XXXXX		the San	<u>\$12,500,000</u>
	Ctrl/ GEN General City	XXXXXXXXXX		Francisco	
	Responsibility	XXXXXXXXXX		Municipal	
		XXXXXXX		Transportation	
				Agency	
	Total USES Appropriation				<u>9,600,000</u>
					<u>\$12,500,000</u>

Section 3. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this ordinance as necessary to conform with Generally Accepted Accounting Principles and other laws.

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

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

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By: /s/
JON GIVNER
Deputy City Attorney

By: /s/
BEN ROSENFELD
Controller

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

May 14, 2021

TO: Budget and Appropriations Committee

FROM: Budget and Legislative Analyst



SUBJECT: May 19, 2021 Budget and Appropriations Committee Meeting

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1	21-0453 Appropriation - COVID Contingency Reserve - Municipal Transportation Agency - Free Muni Pilot Program - \$12,500,000 - FY2020-2021	1

<p>Item 1 File 21-0453 <i>Continued from May 12, 2021</i> <i>Budget and Appropriation</i> <i>Committee</i></p>	<p>Department: Municipal Transportation Agency</p>
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance would appropriate \$12.5 million from COVID Response and Economic Loss Reserve to the General City Responsibility to fund a free Muni pilot program July 2021 – September 2021.

Key Points

- The proposed free Muni pilot program is in response to the substantial decrease in use of Muni services during the pandemic. The purpose of the proposed appropriation would be to fund a Free Muni pilot from July 2021 to September 2021, during which fares would not be collected on Muni.
- According to SFMTA staff, the Agency projects \$9.3 million in fixed-route fare revenue for the first quarter of FY 2021-22 (July 2021 through September 2021), though fixed-route fare collection may be as high as \$10.7 million for that period, based on the recent uptick in ridership during March 2021.

Fiscal Impact

- As noted above, the proposed ordinance would appropriate \$12.5 million from COVID Response and Economic Loss Reserve to the General City Responsibility to be transferred to SFMTA to fund a Free Muni pilot.

Policy Consideration

- The COVID Response and Economic Loss Reserve has a fund balance of \$505.1 million. If the proposed ordinance is approved, the reserve would have a fund balance of \$492.6 million.
- A Muni fare reduction would require a budget amendment that is approved by the SFMTA Board of Directors, after which it would need to be approved by the Board of Supervisors.
- Federal Americans with Disabilities Act (ADA) regulations require that certain paratransit services also be free during a free Muni pilot, including SF Access, Group Van, and Intercounty paratransit. Based on the SFMTA’s projected ridership of those three programs for June 2021, the estimated cost of free Paratransit during the July 2021 – September 2021 pilot period would be approximately \$1.8 million This includes an assumed 50 percent increase in SF Access use, and a 25 percent mode shift from Paratransit Taxi, which would not be free during the pilot under ADA rules, to SF Access, which, as noted above, would be free under a free fare pilot.

Recommendation

- Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

BACKGROUND

Use of Muni transit services has decreased substantially during the pandemic. According to an April 20, 2021 staff presentation to the Municipal Transportation Agency (SFMTA) Board of Directors, average weekday ridership declined from approximately 704,000 in February 2019 to 200,000 in March 2021, causing a corresponding decrease in fare revenue. According to SFMTA staff, the Agency projects \$9.3 million in fixed-route fare revenue for the first quarter of FY 2021-22 (July 2021 through September 2021), though fixed-route fare collection may be as high as \$10.7 million for that period, based on the recent uptick in ridership during March 2021.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$12.5 million from the COVID Response and Economic Loss Reserve to the General City Responsibility to fund a free Muni pilot program July 2021 – September 2021. According to the sponsor’s office, the purpose of the appropriation is to backfill the decrease in fare revenue during July 2021 through September 2021 resulting from a free Muni pilot program, during which fares would not be collected on Muni.

FISCAL IMPACT

As noted above, the proposed ordinance would appropriate \$12.5 million from the COVID Loss and Economic Response Reserve to the General City Responsibility to fund a free Muni pilot program July 2021 – September 2021.

POLICY CONSIDERATION**The COVID Response and Economic Loss Reserve**

Section 32 of the Annual Appropriation Ordinance for FY 2020-21 and FY 2021-22 established the COVID Response and Economic Loss Reserve of \$507 million, funded by the General Fund. During the current fiscal year, the Board of Supervisors approved an appropriation of \$1.9 million to support food and restaurant businesses in Chinatown (File 21-0014), leaving a balance of approximately \$505.1 million for this reserve. If the proposed ordinance is approved, the reserve would have a fund balance \$492.6 million.

The proposed ordinance would provide for a General Fund transfer to SFMTA in excess of the amount required by the City Charter.

Implementation Considerations

Section 8A.108 of the City Charter states that any Muni fare changes require approval by the Board of Supervisors through an amendment to the SFMTA budget. To accomplish a fare change, SFMTA staff would need to submit a budget amendment for approval by the SFMTA Board of Directors, to be considered at a public hearing of that body. If the fare change is approved by the SFMTA Board of Directors, it would then be submitted to the Board of Supervisors for consideration, who, under Section 8A.106 of the City Charter may approve or disapprove of the SFMTA budget. If the Board of Supervisors takes no action, the SFMTA budget amendment is deemed approved after thirty days.

The SFMTA recently amended its budget to eliminate Muni fares for passengers traveling to get vaccinated against COVID-19 between March 16, 2021 and September 16, 2021. SFMTA communicated the associated budget amendment to the Board of Supervisors on March 17, 2021 and the budget amendment became effective thirty days later, as the Board of Supervisors took no related action.

Paratransit

According to Mr. Samuel Thomas, SFMTA Manager of Analysis and Controls, if the SFMTA implements a free Muni pilot, federal Americans with Disabilities Act (ADA) regulations require the Agency to also make ADA paratransit van services free as well, including during a fare change pilot. If the SFMTA were not able to meet the ADA service requirements, federal funding could be put at risk and SFMTA would risk liability for not meeting ADA service requirements. The paratransit services that would also have to be free are the SF Access service, Group Van service, and Intercounty service.

Based on the SFMTA's projected ridership of those three programs for June 2021, the estimated cost of free Paratransit during the July 2021 – September 2021 pilot period would be approximately \$1.8 million. This includes an assumed 50 percent increase in SF Access use, and a 25 percent mode shift from Paratransit Taxi, which would not be free during the pilot under ADA rules, to SF Access, which, as noted above, would be free under a free fare pilot.

RECOMMENDATION

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

****May 7, 2021**

TO: Budget and Appropriations Committee

FROM: Budget and Legislative Analyst



SUBJECT: May 12, 2021 Budget and Appropriations Committee Meeting

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1	21-0453 Appropriation - COVID Contingency Reserve - Municipal Transportation Agency - Free Muni Pilot Program - \$9,300,000 - FY2020-2021	1

<p>Item 1 File 21-0453</p>	<p>Department: Municipal Transportation Agency</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed ordinance would appropriate \$9.3 million from COVID Response and Economic Loss Reserve to the General City Responsibility to fund a free Muni pilot program July 2021 – September 2021. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The proposed free Muni pilot program is in response to the substantial decrease in use of Muni services during the pandemic. The purpose of the proposed appropriation would be to fund a Free Muni pilot from July 2021 to September 2021, during which fares would not be collected on Muni. • According to SFMTA staff, the Agency projects \$9.3 million in fixed-route fare revenue for the first quarter of FY 2021-22 (July 2021 through September 2021), though fixed-route fare collection may be as high as \$10.7 million for that period, based on the recent uptick in ridership during March 2021. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • As noted above, the proposed ordinance would appropriate \$9.3 million from COVID Response and Economic Loss Reserve to the General City Responsibility to be transferred to SFMTA to fund a Free Muni pilot. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> • The COVID Response and Economic Loss Reserve has a fund balance of \$505.1 million. If the proposed ordinance is approved, the reserve would have a fund balance of \$495.8 million. • A Muni fare reduction would require a budget amendment that is approved by the SFMTA Board of Directors, after which it would need to be approved by the Board of Supervisors. • Federal Americans with Disabilities Act (ADA) regulations require that certain paratransit services also be free during a free Muni pilot, including SF Access, Group Van, and Intercounty paratransit. The proposed appropriation would not cover those costs, which are estimated to be \$191,229 in lost revenue plus an additional \$1.8 million in service delivery costs. The estimate assumes increased use of SF Access, which would be free, as well as decreased use of Paratransit Taxi, which is a similar service but would not be required to be free under the Federal ADA rules. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approval of the proposed ordinance is a policy matter for the Board of Supervisors. 	

MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

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POLICY CONSIDERATION

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Based on the SFMTA's projected ridership of those three programs for June 2021, the estimated cost of free Paratransit during the July 2021 – September 2021 pilot period would be \$2,061,834 (\$191,229 in lost fare revenue and \$1,845,979 in additional van service costs). This includes an assumed 50% increase in SF Access use, and a 25% mode shift from Paratransit Taxi, which would not be free during the pilot under ADA rules, to SF Access, which, as noted above, would be free under a free fare pilot. These additional costs would not be covered by the proposed ordinance.

RECOMMENDATION

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

President, District 10
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6516
Fax No. 554-7674
TDD/TTY No. 544-6546

Shamann Walton

PRESIDENTIAL ACTION

Date: 4/29/2021

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

210453

Preston

(Primary Sponsor)

Title.

Appropriation - COVID Contingency Reserve - Municipal Transportation Agency - Free Muni Pilot Program - \$9,300,000 - FY2020-2021

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

(Date)

(Committee)

Meeting

Start Time:

End Time:

Temporary Assignment: Partial Full Meeting


Shamann Walton, President
Board of Supervisors

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only