

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Tom Paulino, Liaison to the Board of Supervisors, Mayor's Office
Anne Pearson, Deputy City Attorney, Office of the City Attorney
John Arntz, Director, Department of Elections
LeeAnn Pelham, Executive Director, Ethics Commission
Jose Cisneros, Treasurer, Office of the Treasurer and Tax Collector
Rich Hillis, Director, Planning Department
Tilly Chang, Executive Director, San Francisco County Transportation Authority
Jeffrey Tumlin, Executive Director, Municipal Transportation Agency
Carla Short, Interim Director, Department of Public Works
Elaine Forbes, Executive Director, Port Department
Tyrone Jue, Interim Director, Department of the Environment
Nila Gonzales, Executive Director, Transbay Joint Powers Authority

FROM: Brent Jalipa, Assistant Clerk, Budget and Finance Committee

DATE: May 16, 2022

SUBJECT: INITIATIVE ORDINANCE INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following Initiative Ordinance, introduced by Supervisor Rafael Mandelman, for the November 8, 2022, Election. This matter is being referred to you in accordance with Rules of Order 2.22.4:

File No. 220536

Ordinance approving a new 2022 Transportation Expenditure Plan for the County Transportation Authority and submitting to the voters at an election to be held on November 8, 2022, an Ordinance amending the Business and Tax Regulations Code to continue in effect the existing local transactions and use tax at the existing rate of 0.5% for 30 years to fund transportation improvements under the 2022 Transportation Expenditure Plan; increasing the Transportation Authority's appropriations limit by the amount collected under the transactions and use tax for four years from November 8, 2022; authorizing the Transportation Authority to issue limited tax bonds secured by transactions and use tax revenues; affirming the Transportation Authority's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Andres Power, Mayor's Office
Patrick Ford, Ethics Commission
Michael Canning, Ethics Commission
Amanda Kahn Fried, Office of the Treasurer and Tax Collector
Tina Tam, Planning Department
Corey Teague, Planning Department
Lisa Gibson, Planning Department
Devayani Jain, Planning Department
AnMarie Rodgers, Planning Department
Dan Sider, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Angela Tsao, San Francisco County Transportation Authority
Jen Shader, San Francisco County Transportation Authority
Cynthia Fong, San Francisco County Transportation Authority
Janet Martinsen, Municipal Transportation Agency
Kate Breen, Municipal Transportation Agency
Joel Ramos, Municipal Transportation Agency
David Steinberg, Public Works
Bryan Dahl, Public Works
Lena Liu, Public Works
Boris Delepine, Port Department
Joseph Sweiss, Department of the Environment
Charles Sheehan, Department of the Environment
Lily Madjus Wu, Transbay Joint Powers Authority

1 [Initiative Ordinance - Business and Tax Regulations Code - Sales Tax for Transportation
2 Authority]

3 **Ordinance approving a new 2022 Transportation Expenditure Plan for the County**
4 **Transportation Authority and submitting to the voters at an election to be held on**
5 **November 8, 2022, an Ordinance amending the Business and Tax Regulations Code to**
6 **continue in effect the existing local transactions and use tax at the existing rate of 0.5%**
7 **for 30 years to fund transportation improvements under the 2022 Transportation**
8 **Expenditure Plan; increasing the Transportation Authority’s appropriations limit by the**
9 **amount collected under the transactions and use tax for four years from**
10 **November 8, 2022; authorizing the Transportation Authority to issue limited tax bonds**
11 **secured by transactions and use tax revenues; affirming the Transportation Authority’s**
12 **determination under the California Environmental Quality Act; and making findings of**
13 **consistency with the General Plan, and the eight priority policies of Planning Code,**
14 **Section 101.1.**

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

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

23 Section 1. History and Background.

24 (a) Pursuant to California Public Utilities Code (“Public Utilities Code”) Section 131000
25 *et seq.*, and as approved by the voters at the November 7, 1989 election as Proposition B, the
San Francisco County Transportation Authority (“Authority”) imposed a local retail

1 transactions and use tax (“tax”) of 0.5% for 20 years, with the revenues of the tax to be spent
2 on projects specified in the Transportation Expenditure Plan adopted by the Authority and the
3 issuance of up to \$742,000,000 in limited tax bonds by the Authority. At the November 4,
4 2003 election, the voters approved Proposition K, which adopted a New Transportation
5 Expenditure Plan that superseded Proposition B’s Transportation Expenditure Plan and
6 authorized the Authority to issue up to an aggregate amount of \$1,880,000,000 of limited tax
7 bonds, funded by continuing the tax at the same 0.5% rate, subject to approval of future
8 updates of the New Transportation Expenditure Plan pursuant to Public Utilities Code
9 Section 131056.

10 (b) As provided in Public Utilities Code Section 131056, the Authority has prepared a
11 new county transportation expenditure plan (“2022 Transportation Expenditure Plan”), which
12 will supersede the New Transportation Expenditure Plan adopted as part of Proposition K in
13 November 2003. The 2022 Transportation Expenditure Plan provides for funding of
14 transportation projects for 30 years, and has been recommended by the Expenditure Plan
15 Advisory Committee established by the Authority, approved by the Metropolitan
16 Transportation Commission, and endorsed by the Authority. The Authority has recommended
17 that the Board of Supervisors submit to the voters for approval by a two-thirds majority at the
18 November 8, 2022 election the 2022 Transportation Expenditure Plan, the continuation of the
19 Authority’s existing 0.5% tax to fund the 2022 Transportation Expenditure Plan, and the
20 authority to issue limited tax bonds in an aggregate principal amount not to exceed
21 \$1,910,000,000.

22 (c) This ordinance should be interpreted to achieve the following purposes:

23 (1) To continue the Authority in effect as currently constituted to impose the tax,
24 administer the 2022 Transportation Expenditure Plan, and issue the authorized limited tax
25 bonds at the Authority’s discretion.

1 (2) To continue in effect the existing tax at the existing 0.5% rate to fund the
2 2022 Transportation Expenditure Plan for 30 years from the operative date of the
3 amendments to Business and Tax Regulations Code Article 14 approved by the voters at the
4 November 8, 2022 election in accordance with the provisions of Part 1.6 (commencing with
5 Section 7251) of Division 2 of the California Revenue and Taxation Code and Division 12.5
6 (commencing with Section 131000) of the California Public Utilities Code.

7 (3) To implement the 2022 Transportation Expenditure Plan, which supersedes
8 the existing New Transportation Expenditure Plan adopted as Proposition K in
9 November 2003. The 2022 Transportation Expenditure Plan sets forth the transportation
10 projects, programs, and other improvements to be funded with the revenues from the tax, and
11 specifies eligibility and other conditions and criteria under which such revenues shall be made
12 available for expenditure.

13 (4) To authorize the issuance from time to time of limited tax bonds not to
14 exceed an aggregate principal amount of \$1,910,000,000 to finance the projects specified in
15 the 2022 Transportation Expenditure Plan.

16 (5) To increase the appropriations limit for the Authority pursuant to California
17 Constitution Article XIII B.

18
19 Section 2. Article 14 of the Business and Tax Regulations Code is hereby amended by
20 revising Sections 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1408, 1409, 1410, 1411, 1412,
21 1413, 1414, 1415, 1416, 1417, 1418, and 1419, and by adding Section 1420, to read as
22 follows:

1 **SEC. 1401. TITLE; TAX RATE; USE OF PROCEEDS.**

2 ~~*This ordinance*~~*(a) The tax imposed by this Article 14 shall be known as the “San Francisco*
3 *County Transportation Authority ~~Reauthorization Ordinance~~Tax,” and may be referred to herein as*
4 *the “Tax.” which continues in effect the existing local transactions and use tax (commonly referred to*
5 *as the “sales and use tax”) approved by the voters as Proposition B at the November 7, 1989 election*
6 *and authorizes implementation of a New Transportation Expenditure Plan for the use of the additional*
7 *revenues.*

8 ~~*(b) The Tax is a local retail transactions and use tax of 0.5%, as provided in Sections 1406*~~
9 ~~*and 1408 of this Article 14.*~~

10 ~~*(c) The proceeds from the Tax shall be spent solely for the purposes set forth in Section 1414 of*~~
11 ~~*this Article 14.*~~

12
13 **SEC. 1402. DEFINITIONS.**

14 For the purposes of this ~~ordinance~~*Article 14, the following words shall have the meanings*
15 ~~*ascribed to them by this Section.*~~ ~~*(a) “Authority:” means The existing San Francisco County*~~
16 ~~*Transportation Authority., and*~~ ~~*(b) “District:” means The City and County of San Francisco.*~~

17 ~~*(c) “Effective date.” The date of adoption of this ordinance which shall take effect at the close*~~
18 ~~*of the polls on the day of the election scheduled for November 4, 2003 at which the proposition is*~~
19 ~~*adopted by a two-thirds vote of the electors voting on the measure.*~~

20 ~~*(d) “Operative date.” The date that this ordinance becomes operative, which shall be the first*~~
21 ~~*day of the first calendar quarter commencing more than 120 days after adoption of this ordinance at*~~
22 ~~*the election scheduled for November 4, 2003, pursuant to Public Utilities Code Section 131105(a).*~~

1 **SEC. 1403. PURPOSE.**

2 ~~Pursuant to Division 12.5 of the Public Utilities Code, the San Francisco County~~
3 ~~Transportation Authority, upon the unanimous recommendation of the Expenditure Plan Advisory~~
4 ~~Committee established by the Authority, has recommended that the Board of Supervisors submit to the~~
5 ~~voters of the City and County of San Francisco for their approval an ordinance which would, if so~~
6 ~~approved, continue in effect the existing local transactions and use tax of one-half of one percent~~
7 ~~approved by the voters as Proposition B at the November 7, 1989 election; authorize implementation of~~
8 ~~a New Transportation Expenditure Plan setting forth the projects to be funded over the next 30 years~~
9 ~~with revenues from the continuation of the tax; continue in effect the San Francisco County~~
10 ~~Transportation Authority; and authorize the San Francisco County Transportation Authority to issue~~
11 ~~limited tax bonds in a total outstanding aggregate amount not to exceed \$1,880,000,000. Hence, this~~
12 ~~ordinance should be interpreted so as to achieve the purposes set forth herein:~~

13 ~~(a) To continue in effect the San Francisco County Transportation Authority.~~

14 ~~(b) To continue in effect the existing one-half of one percent transactions and use tax in~~
15 ~~accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the~~
16 ~~California Revenue and Taxation Code and Sections 131100 et seq. of the California Public Utilities~~
17 ~~Code, which directs the County Board of Supervisors to adopt the tax ordinance for voter approval,~~
18 ~~exercising the taxing power granted to the San Francisco County Transportation Authority in Public~~
19 ~~Utilities Code Section 131102 on behalf of said Authority.~~

20 ~~(c) To implement a New Transportation Expenditure Plan which supersedes the existing~~
21 ~~Transportation Expenditure Plan adopted in 1989, sets forth the transportation projects, programs and~~
22 ~~other improvements to be funded over the next 30 years with the revenues resulting from the~~
23 ~~continuation of the tax, specifies eligibility and other conditions and criteria under which such~~
24 ~~revenues shall be made available, and makes provisions for the adoption of future expenditure plan~~
25 ~~updates.~~

1 This Article 14 is intended to achieve the following, among other purposes, and directs that the
2 provisions of this Article be interpreted to accomplish these purposes:

3 ~~(d)~~(a) To incorporate provisions identical to those of the Sales and Use Tax Law of the
4 State of California insofar as those provisions are not inconsistent with the requirements and
5 limitations contained in Part 1.6 (commencing with Section 7251) of Division 2 of the California
6 Revenue and Taxation Code.

7 ~~(e)~~(b) To impose a transactions and use tax in accordance with the provisions of Part 1.6
8 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code and
9 Division 12.5 (commencing with section 131000) of the California Public Utilities Code and provide a
10 measure therefor that can be administered and collected by the ~~State Board of~~
11 ~~Equalization~~California Department of Tax and Fee Administration in a manner that adapts itself as
12 fully as practicable to, and requires the least possible deviation from, the existing statutory
13 and administrative procedures followed by the ~~State Board of Equalization~~California Department
14 of Tax and Fee Administration in administering and collecting the California State Sales and Use
15 Tax.

16 ~~(f)~~(c) To authorize administration of a transactions and use tax in a manner that will, to
17 the highest degree possible consistent with the provisions of Part 1.6 (commencing with
18 Section 7251) of Division 2 of the California Revenue and Taxation Code, minimize the cost of
19 collecting the ~~transactions and use taxes~~Tax and at the same time minimize the burden of
20 recordkeeping upon persons subject to taxation under the provisions of this
21 ~~ordinance~~Article 14.

22 ~~(g) To improve or cause the improvement, construction, maintenance, operation, development~~
23 ~~of and/or planning for, transportation projects facilities and/or programs contained in the New~~
24 ~~Transportation Expenditure Plan recommended by the Expenditure Plan Advisory Committee and~~
25 ~~adopted by the Board of Supervisors of the City and County of San Francisco, which plan is~~

1 ~~incorporated here by this reference as though fully set forth herein, and as that Plan may be amended~~
2 ~~from time to time pursuant to applicable law.~~

3 ~~(h) To continue this tax pursuant to the authority granted by Section 131102 of the Public~~
4 ~~Utilities Code, permanently and subject to approval of future updates of the New Expenditure Plan~~
5 ~~pursuant to Section 131056 of the Public Utilities Code.~~

6 ~~(i) To authorize the issuance from time to time of limited tax bonds not to exceed a total~~
7 ~~outstanding aggregate amount of \$1,880,000,000 to finance the projects specified in the Plan.~~

8 ~~(j) To establish an expenditure limit for the Authority pursuant to California Constitution~~
9 ~~Article XIII B.~~

10
11 **SEC. 1404. ~~CONTINUATION OF~~ ADMINISTRATION BY AUTHORITY.**

12 Upon voter approval of ~~this ordinance~~ the 2022 Transportation Expenditure Plan and the
13 amendments to this Article 14 passed by the voters at the November 8, 2022 election, the Authority
14 shall continue in effect as ~~currently~~ constituted immediately prior to that voter approval except as
15 otherwise provided by law. The Authority shall have all of the powers set forth in Division 12.5
16 (commencing with Section 1311000) of the California Public Utilities Code, all of the powers
17 set forth in the ~~New~~ 2022 Transportation Expenditure Plan, and all powers incidental or
18 necessary to imposing and collecting the ~~€~~ Tax and administering the ~~€~~ Tax proceeds and the
19 2022 Transportation Expenditure Plan, and causing and overseeing the delivery of the
20 transportation improvements therein contained. ~~The Authority may allocate and reallocate the tax~~
21 ~~proceeds to meet project cash flow needs consistent with the provisions of the Plan. In the event a~~
22 ~~project is infeasible, the Authority shall reallocate the tax proceeds for that project to other projects in~~
23 ~~accordance with the provisions of the Plan.~~

1 **SEC. 1405. CONTRACT WITH STATE.**

2 Prior to ~~the operative date~~April 1, 2023, the Authority shall contract with the ~~State Board of~~
3 ~~Equalization~~California Department of Tax and Fee Administration to perform all functions incident
4 to the administration and operation of the Tax, in which case the operative date of the
5 2022 Transportation Expenditure Plan and the amendments to this Article 14 passed by the voters at
6 the November 8, 2022 election shall be April 1, 2023~~transactions and use tax authorized by this~~
7 ~~ordinance~~; provided that, if the Authority ~~shall not have~~has not contracted with the ~~State Board of~~
8 ~~Equalization~~California Department of Tax and Fee Administration prior to ~~the operative~~
9 ~~date~~April 1, 2023, it shall nevertheless so contract and in such a case the operative date of the
10 2022 Transportation Expenditure Plan and the amendments to this Article 14 passed by the voters at
11 the November 8, 2022 election shall be the first day of the first calendar quarter following the
12 execution of such a contract.

13
14 **SEC. 1406. TRANSACTIONS TAX AND RATE OF 0.5%~~ONE-HALF OF ONE PERCENT.~~**

15 For the privilege of selling tangible personal property at retail, the ~~existing~~Tax is hereby
16 ~~continued to be~~ imposed upon all retailers in this District at the rate of 0.5%~~one-half of one percent~~
17 of the gross receipts of any retailer from the sale of all tangible personal property sold at retail
18 in this District on and after ~~the operative date~~April 1, 1990.

19
20 **SEC. 1407. PLACE OF SALE.**

21 For the purposes of this ~~ordinance~~Article 14, all retail sales are consummated at the
22 place of business of the retailer unless the tangible personal property sold is delivered by the
23 retailer or ~~his~~the retailer's agent to an out-of-state destination or to a common carrier for
24 delivery to an out-of-state destination. The gross receipts from such sales shall include
25 delivery charges, when such charges are subject to the state sales and use tax, regardless of

1 the place to which delivery is made. In the event a retailer has no permanent place of
2 business in the state or has more than one place of business, the place or places at which the
3 retail sales are consummated shall be determined under rules and regulations to be
4 prescribed and adopted by the ~~State Board of Equalization~~ California Department of Tax and Fee
5 Administration.

6
7 **SEC. 1408. USE TAX AND RATE OF 0.5%~~ONE-HALF OF ONE PERCENT~~.**

8 The ~~existing excise~~ Tax is hereby ~~continued to be~~ imposed on the storage, use, or other
9 consumption in this District of tangible personal property purchases d from any retailer on and
10 after ~~the operative date~~ April 1, 1990 for storage, use, or other consumption in this District at the
11 rate of 0.5%~~one-half of one percent~~ of the sales price of the property. The sales price shall
12 include delivery when such charges are subject to state sales or use tax regardless of the
13 place to which delivery is made.

14
15 **SEC. 1409. ADOPTION OF PROVISIONS OF STATE LAW.**

16 Except as otherwise provided in this Article 14 ordinance and except insofar as they are
17 inconsistent with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the
18 California Revenue and Taxation Code, all of the provisions of Part 1 (commencing with
19 Section 6001) of Division 2 of the California Revenue and Taxation Code (~~commencing with~~
20 ~~Section 6001~~) are hereby adopted and made a part of this Article 14 ordinance as though fully
21 set forth herein.

1 **SEC. 1410. LIMITATIONS ON ADOPTION OF PROVISIONS OF STATE LAW AND**
2 **COLLECTION OF USE TAXES.**

3 (a) In adopting the provisions of Part 1 (commencing with Section 6001) of Division 2 of
4 the California Revenue and Taxation Code, wherever the State of California is named or
5 referred to as the taxing agency, the name of the Authority shall be substituted therefor. The
6 substitution, however, shall not be made: ~~when~~

7 (1) When the word "State" is used as part of the title of the State Controller, the
8 State Treasurer, ~~the State Board of Control, the State Board of Equalization,~~ the State Treasury, or
9 the Constitution of the State of California;

10 (2) When the result of that substitution would require action to be taken by or
11 against the Authority or any agency, officer, or employee thereof rather than by or against the
12 ~~State Board of Equalization~~ California Department of Tax and Fee Administration, in performing the
13 functions incident to the administration or operation of this ~~ordinance~~ Article 14;

14 (3) the substitution shall not be made in those sections, including, but not
15 necessarily limited to, sections referring to the exterior boundaries of the State of California,
16 where the result of the substitution would be to:

17 (A) pProvide an exemption from this ~~tax~~ Tax with respect to certain sales,
18 storage, use, or other consumption of tangible personal property which would not otherwise
19 be exempt from this ~~tax~~ Tax while such sales, storage, use, or other consumption remains
20 subject to tax by the ~~s~~ State under the provisions of ~~that code~~ Part 1 (commencing with
21 Section 6001) of Division 2 of the Revenue and Taxation Code; or

22 (B) Impose this Tax with respect to certain sales, storage, use, or other
23 consumption of tangible personal property which would not be subject to tax by the State under the
24 provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code;

1 ~~(4) the substitution shall not be made i~~In Sections 6701, 6702, (except in the last
2 sentence thereof), 6711, 6715, 6737, 6797, or 6828 of the California Revenue and Taxation
3 Code.

4 ~~(b) The name of the word~~ “District” shall be substituted for the word “state” in the phrase
5 “retailer engaged in business in this state” in Section 6203 and in the definition of that phrase
6 in Section 6203. “A retailer engaged in business in the District” shall also include any retailer that,
7 in the preceding calendar year or the current calendar year, has total combined sales of tangible
8 personal property in this State or for delivery in the State by the retailer and all persons related to the
9 retailer that exceed \$500,000. For purposes of this subsection (b), a person is related to another
10 person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United
11 States Code and the regulations thereunder.

12
13 **SEC. 1411. PERMIT NOT REQUIRED.**

14 If a seller’s permit has been issued to a retailer under ~~Section 6067 of the California~~
15 Revenue and Taxation Code Section 6067, an additional transactor’s permit shall not be
16 required by this ~~ordinance~~ Article 14.

17
18 **SEC. 1412. EXEMPTIONS, EXCLUSIONS, AND CREDITS.**

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

23 (b) There are exempted from the computation of the amount of transactions ~~the~~ the gross
24 receipts when they are from:

1 (1) Sales of tangible personal property other than fuel or petroleum products to
2 operators of aircraft to be used or consumed principally outside the ~~City and County of San~~
3 ~~Francisco~~ county in which the sale is made and directly and exclusively in the use of such aircraft
4 as common carriers of persons or property under the authority of the laws of this ~~s~~State, the
5 United States, or any foreign government.

6 (2) Sales of property to be used outside the District which is shipped to a point
7 outside the District, pursuant to the contract of sale, by delivery to such point by the retailer or
8 ~~his~~ the retailer's agent, or by delivery by the retailer to a carrier for shipment to a consignee at
9 such point. For the purposes of this ~~paragraph~~ subsection (b)(2), delivery to a point outside the
10 District shall be satisfied:

11 (iA) with respect to vehicles (other than commercial vehicles) subject to
12 registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the
13 California Vehicle Code, aircraft licensed in compliance with Section 21411 of the California
14 Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5
15 (commencing with Section ~~9850~~9840) of the California Vehicle Code by registration to an
16 out-of-District address and by a declaration under penalty of perjury, signed by the buyer,
17 stating that such address is, in fact, ~~his~~ the buyer's principal place of residence.

18 (iiB) with respect to commercial vehicles, by registration to a place of
19 business out-of-District, and a declaration under penalty of perjury, signed by the buyer, that
20 the vehicle will be operated from that address.

21 (3) the sale of tangible personal property if the seller is obligated to furnish the
22 property for a fixed price pursuant to a contract entered into prior to ~~the operative date of this~~
23 ~~ordinance~~ April 1, 1990.

1 (4) a lease of tangible personal property which is a continuing sale of such
2 property, for any period of time for which the lessor is obligated to lease the property for an
3 amount fixed by the lease prior to ~~the operative date of this ordinance~~ April 1, 1990.

4 (5) for the purposes of subsections (43) and (54) ~~of this subsection (b)~~, the sale or
5 lease of tangible personal property shall be deemed not to be obligated pursuant to a contract
6 or lease for any period of time for which any party to the contract or lease has the
7 unconditional right to terminate the contract upon notice, whether or not such right is
8 exercised.

9 (c) There ~~isare~~ isare exempted from the use ~~of~~ of Tax imposed by this ~~ordinance~~ Article 14, the
10 storage, use, or other consumption in this District of tangible personal property:

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

13 (2) ~~other than fuel or petroleum products,~~ other than fuel or petroleum products, purchased by operators of aircraft and
14 used or consumed by such operators directly and exclusively in the use of such aircraft as
15 common carriers of persons or property for hire ~~efor~~ for compensation under a certificate of public
16 convenience and necessity issued pursuant to the laws of this ~~s~~ s State, the United States, or
17 any foreign government. This exemption is in addition to the exemptions provided in
18 Sections 6366 and 6366.1 of the California Revenue and Taxation Code ~~of the State of~~
19 California.

20 (3) if the purchaser is obligated to purchase the property for a fixed price
21 pursuant to a contract entered into prior to ~~the operative date of this ordinance~~ April 1, 1990.

22 (4) ~~orif~~ orif the possession of, or the exercise of any right or power over, the tangible
23 personal property arises under a lease which is a continuing purchase of such property for any
24 period of time for which the lessee is obligated to lease the property for an amount fixed by a
25 lease prior to ~~the operative date of this ordinance~~ April 1, 1990.

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

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

13 (7) "A retailer engaged in business in the District" shall also include any retailer
14 of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing
15 with Section 4000) of Division 3 of the California Vehicle Code, aircraft licensed in compliance
16 with Section 21411 of the California Public Utilities Code, or undocumented vessels registered
17 under ~~Chapter 2 of~~ Division 3.5 (commencing with Section ~~98509840~~) of the California Vehicle
18 Code. That retailer shall be required to collect use ~~tax~~ Tax from any purchaser who registers or
19 licenses the vehicle, vessel, or aircraft at an address in the District.

20 (d) Any person subject to use ~~tax~~ Tax under this ~~ordinance~~ Article 14 may credit against
21 that ~~tax~~ Tax any transactions tax or reimbursement for transactions tax paid to a district imposing,
22 or retailer ~~imposing~~ liable for, a transactions tax pursuant to Part 1.6 (commencing with
23 Section 7251) and Part 1.7 (commencing with Section 7280) of Division 2 of the California Revenue
24 and Taxation Code with respect to the sale to the person of the property, the storage, use, or
25 other consumption of which is subject to the use ~~tax~~ Tax.

1 **SEC. 1413. AUTHORIZATION AND LIMITATION ON ISSUANCE OF BONDS.**

2 The Authority is hereby authorized to issue from time to time limited tax bonds pursuant
3 to ~~the provisions of~~ California Public Utilities Code Sections 131109 et seq. in ~~an total~~
4 ~~outstanding~~ aggregate principal amount not to exceed ~~\$1,880,00,000~~\$1,910,000,000.

5
6 **SEC. 1414. USE OF PROCEEDS.**

7 (a) The proceeds of the ~~Taxes~~ imposed by this Article 14 prior to the operative date of the
8 amendments to this Article 14 passed by the voters at the November 8, 2022 election ~~ordinance~~ shall be
9 used solely for the projects and purposes set forth in the New Transportation Expenditure
10 Plan approved by the voters as part of Proposition K at the November 4, 2003 election and its updates
11 and for the administration thereof.

12 (b) The proceeds of the Taxes imposed by this Article 14 on or after the operative date of the
13 amendments to this Article 14 passed by the voters at the November 8, 2022 election shall be used
14 solely for the following purposes:

15 (1) The projects and purposes set forth in the 2022 Transportation Expenditure Plan
16 referenced in subsection (c) of this Section 1414, and any updates or revisions to such Plan
17 expenditures or other expenditures allowed or permitted by Division 12.5 (commencing with Section
18 131000) of the California Public Utilities Code as those provisions existed on November 8, 2022, and
19 Articles XIII A and XIII C of the California Constitution;

20 (2) To pay interest and principal on the bonds authorized and issued under
21 Section 1413 of this Article 14; and

22 (3) To pay the cost of administration of the Tax.

23 (c) The 2022 Transportation Expenditure Plan is in Section 3 of the ordinance containing
24 amendments to this Article 14 passed by the voters at the November 8, 2022 election, and, as part of
25

1 that ordinance, shall be placed in the Appendix to the Administrative Code containing voter-approved
2 measures.

3 ~~*In accordance with the legislative intent expressed in California Public Utilities Code*~~
4 ~~*Section 131100 such proceeds shall not replace funds previously provided by property tax revenues for*~~
5 ~~*public transportation purposes. As a condition for allocation of funds by the Authority, the recipient*~~
6 ~~*department or agency shall certify to the Authority that the funds will not be substituted for property tax*~~
7 ~~*funds which are currently utilized to fund existing local transportation programs.*~~

8
9 **SEC. 1415. APPROPRIATIONS LIMIT.**

10 (a) Except as provided in subsection (b) of this Section 1415, for purposes of California
11 Constitution Article XIII B of the State Constitution, the appropriations limit for the Authority for
12 fiscal year 2003-04 and each year thereafter shall be \$485,175,000 unless that amount
13 should be amended pursuant to applicable law.

14 (b) Pursuant to California Constitution Article XIII B and applicable laws, for four years from
15 November 8, 2022, the appropriations limit for the Authority shall be increased by the aggregate sum
16 collected by the levy of the Tax imposed under Article 14 of the Business and Tax Regulations Code.

17
18 **SEC. 1416. AMENDMENTS.**

19 All amendments to Part 1 (commencing with Section 6001) of Division 2 of the California
20 Revenue and Taxation Code made subsequent to the effective date of this
21 ~~ordinance November 7, 1989 that~~ which relate to sales and use taxes and ~~that~~ which are not
22 inconsistent with Part 1.6 (commencing with Section 7251) and Part 1.7 (commencing with
23 Section 7280) of Division 2 of the California Revenue and Taxation Code and all amendments
24 to Part 1.6 and Part 1.7 of Division 2 of the California Revenue and Taxation Code, shall
25

1 automatically become a part of this ~~ordinance~~Article 14; provided, however, that no such
2 amendment shall operate so as to affect the rate of tax imposed by this ~~ordinance~~Article 14.

3
4 **SEC. 1417. PENALTIES.**

5 Any person violating any of the provisions of this Article 14~~ordinance~~ shall be deemed
6 guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not
7 more than ~~five hundred dollars (\$500.00)~~ or by imprisonment for a period of not more than six
8 months, or by both such fine and imprisonment.

9
10 **SEC. 1418. SEVERABILITY.**

11 If any provision of this ~~ordinance~~Article 14 or the application thereof to any person or
12 circumstance is held invalid, the remainder of ~~the ordinance~~this Article 14 and the application of
13 such provision to other persons or circumstances shall not be affected thereby.

14
15 **SEC. 1419. ENJOINING COLLECTION FORBIDDEN.**

16 No injunction or writ of mandate or other legal or equitable process shall issue in any
17 suit, action, or proceeding in any court against the State ~~of California~~ or the Authority, or
18 against any officer of the State or the Authority, to prevent or enjoin the collection under this
19 ~~ordinance~~Article 14, or Part 1.6 (commencing with Section 7251) of Division 2 of the California
20 Revenue and Taxation Code, of any ~~tax~~ or any amount of ~~tax~~ required to be collected.

21
22 **SEC. 1420. TERMINATION DATES.**

23 (a) The New Transportation Expenditure Plan approved by the voters as part of Proposition K
24 at the November 4, 2003 election and the authority to levy the Tax imposed by this Article 14 prior to
25 the operative date of the amendments to this Article 14 passed by the voters at the November 8, 2022

1 election shall terminate immediately prior to the operative date of the amendments to this Article 14
2 passed by the voters at the November 8, 2022 election.

3 (b) The 2022 Transportation Expenditure Plan, referenced in subsection (c) of Section 1414,
4 and the authority to levy the Tax imposed by the amendments to this Article 14 passed by the voters at
5 the November 8, 2022 election shall expire 30 years from the operative date of the amendments to this
6 Article 14 passed by the voters at the November 8, 2022 election, unless earlier terminated as provided
7 in California Public Utilities Code Section 131280, as that section existed on November 8, 2022.

8
9 Section 3. Pursuant to California Public Utilities Code Section 131055, the Board of
10 Supervisors hereby adopts the following 2022 Transportation Expenditure Plan. In
11 accordance with Business and Tax Regulations Code Article 14, Section 1414, subsection (c),
12 the 2022 Transportation Expenditure Plan shall be placed in the Appendix to the
13 Administrative Code containing voter-approved measures, as part of the ordinance containing
14 amendments to Article 14 passed by the voters at the November 8, 2022 election.

2022 Transportation Expenditure Plan

1. Introduction

18 **A. Summary.** The 2022 Transportation Expenditure Plan identifies transportation
19 improvements to be funded from the retail transactions and use tax (“sales tax”)
20 authorized under Public Utilities Code Section 131000 et seq. and passed by
21 San Francisco voters at the November 2022 election as Proposition _ (“2022
22 Sales Tax”). The programs included in the 2022 Transportation Expenditure
23 Plan are designed to be implemented over the next 30 years. The 2022
24 Transportation Expenditure Plan includes investments in five major categories:
25 Major Transit Projects to support more reliable buses and trains and core

1 capacity improvements; Transit Maintenance and Enhancements to help keep
2 transit running safely and make connectivity, accessibility, and reliability
3 improvements; Paratransit services for seniors and people with disabilities;
4 Streets and Freeways to deliver safer, smoother streets including bicycle and
5 pedestrian improvements and street resurfacing; and Transportation System
6 Development and Management to fund programs that reduce congestion and
7 improve air quality and transportation/land use coordination.

8 Since 1990, San Francisco has had a one-half of one percent transactions and
9 use tax authorized under Public Utilities Code Section 131000 et seq. dedicated
10 to funding transportation improvements. San Francisco voters approved the first
11 such sales tax and expenditure plan in November 1989 as Proposition B and the
12 second in November 2003 as Proposition K. The San Francisco County
13 Transportation Authority (Transportation Authority) was established through the
14 1989 ballot measure to administer the sales tax and subsequently was
15 designated as administrator of the 2003 successor measure.

16 The 2022 Transportation Expenditure Plan for the use of funds from the 2022
17 Sales Tax was developed by the Expenditure Plan Advisory Committee (EPAC),
18 established by the Transportation Authority Board, with technical assistance
19 provided by the Transportation Authority and other transportation agencies. The
20 roster of EPAC members is provided in Attachment 1. The 2022 Transportation
21 Expenditure Plan was recommended by the Transportation Authority Board on
22 March 22, 2022.

23 Guided by the EPAC, equity has been at the forefront of the process to develop
24 the 2022 Transportation Expenditure Plan, the investments included within, as
25 well as how it will be administered.

1 Half of the EPAC is comprised of representatives from Equity Priority
2 Communities (EPCs) and other city neighborhoods, including organizations that
3 serve EPCs. The process to develop the 2022 Transportation Expenditure Plan
4 included robust outreach and engagement in multiple languages, with a focus on
5 reaching EPCs and populations that do not typically engage in transportation
6 planning.

7 Investments are designed to fill gaps identified in an equity analysis conducted
8 at the beginning of the process and include improvements to travel time and
9 accessibility, traffic safety, and public health, as well as addressing
10 transportation costs and supporting community-based planning, including a
11 focus on EPCs.

12 Administration of the 2022 Transportation Expenditure Plan will include a
13 transparent and accountable process, and equity requirements have been built
14 into administration. More details on administration are included in Section 5,
15 Implementation Provisions.

16 By providing the required local match, the 2022 Sales Tax is intended to
17 leverage about \$23.7 billion in federal, state, regional, and other local funding for
18 transportation projects in San Francisco.

19 The 2022 Transportation Expenditure Plan contains a list of transportation
20 programs describing the types of transportation investments that will be given
21 priority for 2022 Sales Tax funding. As such, the 2022 Transportation
22 Expenditure Plan shall be amended into the Capital Improvement Program of
23 the Congestion Management Program, developed pursuant to Section 65089 of
24 the California Government Code. These programs are intended to help
25 implement the long-range vision for the development and improvement of San

1 Francisco's transportation system, as articulated in the San Francisco
2 Transportation Plan (SFTP) 2050.

3 The SFTP is the City's blueprint to guide the development of transportation
4 funding priorities and policy. The SFTP is a living document, updated on a
5 quadrennial basis to identify and address changing needs and regional trends
6 and align them with available funding.

7 **B. Goals.** The purpose of the 2022 Transportation Expenditure Plan is to
8 implement the priorities of the SFTP 2050 through investment in projects and
9 programs that include planning, maintenance, rehabilitation of, and
10 improvements to the city's multi-modal transportation system. The SFTP 2050
11 is part of the ConnectSF initiative, a multi-agency collaborative process to build
12 an effective, equitable, and sustainable transportation system for San
13 Francisco's future. The goals of ConnectSF and of the SFTP 2050 are:

- 14 • **Equity.** San Francisco is an inclusive, diverse, and equitable city that
15 offers high-quality, affordable access to desired goods, services,
16 activities, and destinations.
- 17 • **Economic Vitality.** To support a thriving economy, people and
18 businesses easily access key destinations for jobs and commerce in
19 established and growing neighborhoods both within San Francisco and
20 the region.
- 21 • **Environmental Sustainability.** The transportation and land use system
22 support a healthy, resilient environment and sustainable choices for
23 future generations.

- 1 • **Safety and Livability.** People have attractive and safe travel options
2 that improve public health, support livable neighborhoods, and address
3 the needs of all users.
- 4 • **Accountability and Engagement.** San Francisco agencies, the broader
5 community, and elected officials work together to understand the City's
6 transportation needs and deliver projects, programs, and services in a
7 clear, concise, and timely fashion.

8 **C. Plan Findings and Structure.** The Transportation Authority finds that:

- 9 i. Adoption of an ordinance to impose a sales tax at the existing half-
10 cent rate for the 30-year implementation period of the 2022
11 Transportation Expenditure Plan is necessary in order to fund the
12 transportation programs listed in Section 3, Table 1 and further
13 detailed in Section 4, Description of Programs.
- 14 ii. It is deemed unnecessary to seek the support of adjacent counties
15 by requesting them to develop their own Transportation
16 Expenditure Plans because San Mateo, Alameda, Contra Costa,
17 Marin, and Santa Clara counties have already adopted
18 Transportation Expenditure Plans.

19 The Transportation Authority recommends that the San Francisco Board
20 of Supervisors place the aforementioned sales tax ordinance on the
21 November 2022 ballot.

22 The 2022 Transportation Expenditure Plan is organized into five sections.
23 Section 1: Introduction provides background on the Plan's goals and
24 development. Section 2: General Provisions provides further context on
25 the Plan's policies and administration. Section 3: 2022 Transportation

1 Expenditure Plan Summary Table summarizes the Plan's investment
2 detail (i.e., recommended funding distribution) by category, sub-category,
3 and program. Section 4: Description of Programs contains descriptions
4 of the programs (organized by category and subcategory), including the
5 types of projects that are eligible for funding under each of them.
6 Section 5: Implementation Provisions describes the process for
7 prioritizing and allocating funds from the 2022 Sales Tax following
8 adoption of the Plan.

9 **2. General Provisions**

10 **A. Sales Tax Revenues.** The 2022 Transportation Expenditure Plan shall
11 supersede the Proposition K Expenditure Plan, adopted in 2003, as of the
12 operative date of the 2022 Sales Tax, which shall be at the same one-half
13 percent rate as approved by San Francisco voters in November 2003 as
14 Proposition K, and shall be imposed for the 30-year duration of the 2022
15 Transportation Expenditure Plan.
16 Revenues from the 2022 Sales Tax are estimated under two scenarios over the
17 30-year period of the 2022 Transportation Expenditure Plan, both of which are
18 net of an estimated \$550 million in Proposition K financial liabilities (See
19 Section D, Successor Program). The conservative projection, which
20 corresponds to Priority 1 funding levels, puts the total revenue level at \$2.378
21 billion (2020 dollars). This scenario reflects an average growth rate of 2.1%,
22 and an inflation-based discount rate of 3%. The more optimistic revenue
23 projection, which corresponds to Priority 2 funding levels, reflects an average
24 growth rate of 2.6%, and an inflation-based discount of 3%.

1 **B. Fiscal Constraint.** The 2022 Transportation Expenditure Plan is fiscally
2 constrained to the total funding expected to be available for each category (i.e.,
3 percent of revenues designated for each category) and by the funding caps
4 established for each program. The financial constraint is further detailed within
5 each program through the specification of funding priority levels, i.e., Priority 1
6 and Priority 2 (See Section 4 Description of Programs).

7 **C. Restriction of Funds.** 2022 Sales Tax revenues shall be spent on capital
8 projects rather than to fund operations and maintenance of existing
9 transportation services, unless otherwise explicitly specified in the Section 4,
10 Description of Programs. In accordance with enabling legislation and adopted
11 principles, 2022 Sales Tax revenues generated pursuant to this plan shall be
12 subject to the following restrictions:

13 i. **No Substitution.**

14 a. 2022 Sales Tax revenues shall be used to supplement and under
15 no circumstance replace existing local revenues used for
16 transportation purposes listed in the 2022 Transportation
17 Expenditure Plan.

18 b. Proceeds from the sale or liquidation of capital assets funded with
19 2022 Sales Tax revenues shall be returned to the Transportation
20 Authority (in proportion to the contribution of 2022 Sales Tax
21 revenues to the total original cost of the asset), for re-allocation to
22 eligible expenses within the program from which funds were
23 expended for the original investment.

24 ii. **No Expenditures Outside San Francisco.** Unless otherwise explicitly
25 specified in Section 4, Description of Programs, no 2022 Sales Tax funds

1 shall be spent outside the territorial limits of the City and County of San
2 Francisco except for cases that satisfy all the following conditions:

3 a. **Quantifiable Benefit.** The proposed project is eligible to be
4 funded with the 2022 Sales Tax consistent with the 2022
5 Transportation Expenditure Plan, and if planning or other studies
6 developed in order to enable its implementation demonstrate that
7 there will be a quantifiable benefit to the City and County's
8 transportation program from the expenditure of funds beyond the
9 City and County line. A quantifiable benefit is defined as a
10 measurable increase in the cost-effectiveness of a project or group
11 of transportation projects or services at least partially funded with
12 2022 Sales Tax funds, located along the corridor or in the
13 immediate geographic area of the City and County where the
14 project in question is proposed to occur.

15 b. **Expenses Matched by Other Counties.** The proposed expense
16 is matched by funding from the county where the expenditure of
17 2022 Sales Tax funds is proposed to be made.

18 Should transportation projects or services contemplated in the plan
19 require the participation of multiple counties for any phase of project
20 planning or implementation, the Transportation Authority shall work
21 cooperatively with the affected county or counties to ensure successful
22 project implementation.

23 iii. **Funding Caps for Legacy Projects.** Projects carried forward from the
24 Proposition K Expenditure Plan as legacy projects shall be eligible to
25 receive Priority 1 funds from the designated programs, not to exceed the

1 unallocated amounts programmed in the Proposition K Strategic Plan as
2 of the operative date of the 2022 Sales Tax.

3 iv. **Administration Costs.** Pursuant to Public Utilities Code Section
4 131107, not more than one percent of the annual net amount of revenues
5 raised by the 2022 Sales Tax may be used to administer the 2022
6 Transportation Expenditure Plan.

7 **D. Successor Program.** The 2022 Transportation Expenditure Plan shall
8 supersede the Proposition K Expenditure Plan, adopted in 2003, as of the
9 operative date of the 2022 Sales Tax. As such it will bear responsibility for any
10 outstanding debt incurred by the Proposition K program, for reimbursement of
11 eligible costs for outstanding balances on Proposition K grants, and for other
12 financial liabilities arising from the Proposition K program. All assets of the
13 Proposition K program shall become Proposition _ program assets.

14 **E. Bonding Authority.** The Transportation Authority shall be authorized to issue,
15 from time to time, limited tax bonds in an aggregate principal amount not to
16 exceed \$1.91 billion, payable from the sales tax revenues generated pursuant to
17 the 2022 Sales Tax. The Transportation Authority's bonding capacity shall be
18 separate and distinct from that of the City and County of San Francisco.

19 **F. Administration by the San Francisco County Transportation Authority.**
20 The San Francisco County Transportation Authority, which currently allocates,
21 administers, and oversees the expenditure of the existing Proposition K sales
22 tax for transportation, shall allocate, administer, and oversee the expenditure of
23 the Proposition _ sales tax funds.

24 **G. Environmental Review.** Environmental reporting, review, and approval
25 procedures as provided for under the National Environmental Policy Act (NEPA)

1 and/or the California Environmental Quality Act (CEQA) and other applicable
2 laws shall be carried out as a prerequisite to the approval and implementation of
3 any project, including legacy projects, to be funded partially or entirely with 2022
4 Sales Tax funds. No definite commitment to any activity or project is made by
5 the adoption of the 2022 Transportation Expenditure Plan. The 2022
6 Transportation Expenditure Plan establishes a funding mechanism for
7 transportation improvements which does not involve any commitment to any
8 specific project which may result in a potentially significant physical impact on
9 the environment. The 2022 Transportation Expenditure Plan also does not limit
10 the discretion of agencies proposing to carry out eligible projects to select a “no
11 action” or a “no project” alternative.

12 **3. 2022 Transportation Expenditure Plan Summary Table.** Table 1 below summarizes
13 the proposed 2022 Sales Tax revenue allocations by category, subcategory, and
14 program in constant 2020 dollars. There are five categories, identified with capital
15 letters (A through E). The first subdivision level under each category is known as a
16 subcategory. Subcategories are indicated with lower case Roman numerals. The level
17 below a subcategory is known as a program. Programs are indicated with numbers.
18 The 2022 Transportation Expenditure Plan identifies eligible expenditures through a set
19 of programs that guides the types of transportation projects that will be funded by the
20 2022 Sales Tax. The programs are set up to address allocation of funds to multi-year
21 programs for a given purpose, such as street resurfacing or street safety
22 improvements, for which not all specific project locations or improvements can be
23 anticipated or identified at the time of adoption of the 2022 Transportation Expenditure
24 Plan. This approach provides certainty about the types of investments that will be
25 made balanced with the flexibility needed for a 30-year plan.

1 **Table 1: 2022 Transportation Expenditure Plan**
 2 **Summary Table**
 3 **2020 \$Millions**

	Total Expected Funding ¹	Total Prop _ ²	% of Prop _ Funding ³
A. Major Transit Projects	\$ 10,354.7	\$ 587.0	22.6%
i. Muni Reliability and Efficiency Improvements	\$ 1,088.3	\$ 110.0	
ii. Muni Rail Core Capacity	\$ 720.0	\$ 57.0	
iii. BART Core Capacity	\$ 3,536.4	\$ 100.0	
iv. Caltrain Service Vision: Capital System Capacity Investments	\$ 10.0	\$ 10.0	
v. Caltrain Downtown Rail Extension and Pennsylvania Alignment	\$ 5,000.0	\$ 310.0	
B. Transit Maintenance and Enhancements	\$ 10,065.3	\$ 1,070.0	41.2%
i. Transit Maintenance, Rehabilitation, and Replacement	\$ 9,047.1	\$ 975.0	
1. Muni	\$ 7,934.8	\$ 825.0	
2. BART	\$ 547.7	\$ 45.0	
3. Caltrain	\$ 550.3	\$ 100.0	
4. Ferry	\$ 14.3	\$ 5.0	
ii. Transit Enhancements	\$ 1,018.2	\$ 95.0	
1. Transit Enhancements	\$ 777.4	\$ 36.0	
2. Bayview Caltrain Station	\$ 100.0	\$ 27.0	
3. Mission Bay Ferry Landing	\$ 53.8	\$ 5.0	
4. Next Generation Transit Investments	\$ 87.0	\$ 27.0	
C. Paratransit⁴	\$ 1,270.0	\$ 297.0	11.4%
D. Streets and Freeways	\$ 3,767.1	\$ 492.0	18.9%
i. Maintenance, Rehabilitation, and Replacement	\$ 2,194.7	\$ 214.0	
1. Street Resurfacing, Rehabilitation, and Maintenance	\$ 1,984.0	\$ 105.0	
2. Pedestrian and Bicycle Facilities Maintenance	\$ 84.6	\$ 19.0	
3. Traffic Signs and Signals Maintenance	\$ 126.1	\$ 90.0	
ii. Safe and Complete Streets	\$ 1,114.8	\$ 240.0	
1. Safer and Complete Streets	\$ 918.8	\$ 187.0	
2. Curb Ramps	\$ 143.0	\$ 29.0	
3. Tree Planting	\$ 53.0	\$ 24.0	

**Table 1: 2022 Transportation Expenditure Plan
Summary Table
2020 \$Millions**

	Total Expected Funding¹	Total Prop _²	% of Prop _ Funding³
iii. Freeway Safety and Operational Improvements	\$ 457.6	\$ 38.0	
1. Vision Zero Ramps	\$ 27.5	\$ 8.0	
2. Managed Lanes and Express Bus	\$ 206.0	\$ 10.0	
3. Transformative Freeway and Major Street Projects	\$ 224.1	\$ 20.0	
E. Transportation System Development and Management	\$ 824.8	\$ 152.0	5.9%
i. Transportation Demand Management	\$ 146.5	\$ 23.0	
ii. Transportation, Land Use, and Community Coordination	\$ 678.3	\$ 129.0	
1. Neighborhood Transportation Program	\$ 191.2	\$ 46.0	
2. Equity Priority Transportation Program	\$ 192.2	\$ 47.0	
3. Development Oriented Transportation	\$ 263.7	\$ 26.0	
4. Citywide / Modal Planning	\$ 31.2	\$ 10.0	
Total	\$ 26,281.9	\$ 2,598.0	100.0%
		Total Prop _ Priority 1	\$ 2,378.0
		Total Prop _ Priority 1 + 2	\$ 2,598.0

Notes:

¹Total Expected Funding represents project costs or implementable phases of multi-phase projects and programs based on a 30-year forecast of expected revenues from existing federal, state, regional, and local sources, plus \$2.598 billion in Proposition _ revenues. The amounts in this column are provided in fulfillment of Sections 131051(a)(1), (b) and (c) of the Public Utilities Code.

²The "Total Prop _" fulfills the requirements in Section 131051(d) of the Public Utilities Code.

³Percentages are based on Proposition _ Priority 1 and 2 forecasts of \$2.598 billion. The forecast is net of existing obligations of the predecessor Proposition K program.

⁴With very limited exceptions, the funds included in the 30-year forecast of expected revenues are for capital projects rather than operations. Paratransit is the primary exception, providing door-to-door vans and others transportation services for seniors and persons with disabilities who cannot use regular fixed route transit. Total Expected Funding for Paratransit reflects Proposition _ revenues, federal Section 5307 funds, and other sources of operating funds included in SFMTA's annual operating budget over the next 30 years.

1 **4. Description of Programs.**

2 This section contains descriptions of the categories, subcategories, and programs in
3 the 2022 Transportation Expenditure Plan and the types of projects that are eligible for
4 funding under each of them. It also identifies the sponsoring agency or agencies for
5 each program. The Total Funding figures correspond to the Total Expected Funding
6 column in the 2022 Transportation Expenditure Plan Summary Table provided in
7 Section 3, above. The percentage allocation of 2022 Sales Tax funds to each of the
8 major categories is as follows: Major Transit Projects – 22.6%, Transit Maintenance
9 and Enhancements – 41.2%, Paratransit – 11.4%, Streets and Freeways – 18.9%, and
10 Transportation System Development and Management – 5.9%.

11 **A. MAJOR TRANSIT PROJECTS**

12 i. **Muni Reliability and Efficiency Improvements**

13 Programmatic improvements that improve the reliability and speed of Muni bus
14 and rail service. Eligible project types include but are not limited to: transit-only
15 lanes; curb bulb-outs at Muni stops; traffic signal modifications; deployment of
16 transit signal priority devices; relocation and upgrade of Muni stops; and other
17 street design changes (e.g., highly visible crosswalks, median island refuges) to
18 reduce delay for transit and enhance pedestrian safety. Includes \$10M in
19 legacy funding for Geary Rapid Improvements Phase 2. Includes project
20 development and capital costs. Sponsor Agency: SFMTA. Total Funding:
21 \$1,088.3M; EP: \$110M.

1 ii. **Muni Rail Core Capacity**

2 Programmatic improvements that increase the reliability and capacity of Muni's
3 rail system by supporting longer and more frequent trains. High priority shall be
4 given to installation of a next generation communications-based train control
5 system for the Muni surface and subway rail network. Engineering
6 improvements include but are not limited to lengthening existing platforms to
7 accommodate 3- and 4-car light rail trains in the Muni Metro Tunnel between
8 West Portal and Embarcadero stations, and 3-car trains on the N Judah line.
9 Upgrades to switches, crossovers, and other components to increase subway
10 reliability and throughput, and modifications to subway portals to minimize
11 conflicts. Purchase of additional light rail vehicles to increase the fleet's overall
12 capacity and new/upgraded maintenance and/or storage facilities to house
13 additional vehicles. Includes project development and capital costs. Sponsor
14 Agency: SFMTA. The first \$50M is Priority 1 and the remainder is Priority 2.
15 Total Funding: \$720M; EP: \$57M.

16 iii. **BART Core Capacity**

17 Improvements that will allow BART to operate up to 30 ten-car trains per hour in
18 each direction through the existing Transbay Tube (an increase from the current
19 capacity of 23 trains per hour). Eligible project types include but are not limited
20 to: new (additional) rail cars; a new communications-based train control system;
21 a new rail car storage yard at the Hayward Maintenance Complex; and
22 additional traction power substations to provide the power needed for more
23 frequent service. Includes project development and capital costs. As a
24 prerequisite to allocation of funds, the Transportation Authority Board shall
25 consider whether Alameda and Contra Costa Counties have contributed a

1 commensurate amount to the BART Core Capacity Program. Sponsor Agency:
2 BART. Total Funding: \$3,536.4M; EP: \$100M.

3 **iv. Caltrain Service Vision: Capital System Capacity Investments**

4 Programmatic capital improvements that will allow Caltrain service to operate up
5 to eight trains per direction per hour consistent with the Caltrain Business Plan
6 Service Vision. Eligible project types include, but are not limited to: additional
7 fleet, level boarding at station platforms, additional train storage, track work, and
8 station improvements. Includes planning, project development, and capital
9 costs. Includes \$10M in Priority 2 funding. Sponsor Agency: PCJPB. Total
10 Funding: \$10M; EP: \$10M.

11 **v. Caltrain Downtown Rail Extension and Pennsylvania Alignment**

12 Caltrain Downtown Rail Extension: The underground extension of the Caltrain
13 commuter rail system from the current Caltrain San Francisco terminus into the
14 Salesforce Transit Center. Project designed to accommodate blended service
15 with future California High-Speed Rail. Includes a new station at 4th and
16 Townsend Streets. Includes \$300M in Priority 1 funds.

17 Pennsylvania Alignment: Below-grade rail alignment extending south from the
18 planned Downtown Rail Extension. Project will serve the Caltrain commuter rail
19 system and future California High-Speed Rail service. Pennsylvania Alignment
20 will separate rail from surface-level conflicts with street users at 16th Street and
21 Mission Bay Drive. Includes \$10M in Priority 2 funds.

22 Includes project development and capital costs. Sponsor Agencies: TJPA,
23 SFCTA. Total Funding: \$5,000M; EP: \$310M.

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B. TRANSIT MAINTENANCE AND ENHANCEMENTS

i. Maintenance, Rehabilitation, and Replacement

1. **Muni.** Programmatic improvements for upgrade, rehabilitation, and replacement of Muni’s capital assets, including transit and paratransit vehicles, spare parts, and on-board equipment; transit facilities and facilities-related equipment; and transit guideways and associated equipment. Eligible project types include but are not limited to the following: rail car, trolley coach, and motor coach renovation and replacement of buses with zero emission vehicles, which may include additional vehicles added to the fleet to maintain current fleet passenger capacity (e.g., if electric buses have lower passenger capacity). Rehabilitation, upgrades, and/or replacement of: existing facilities for maintenance and operations, including equipment and upgrades to support the electrification of the Muni motor coach fleet and to improve resilience to climate change; rail stations including, but not limited to, platform edge tiles, elevators, escalators, and faregates; existing rail, overhead trolley wires, signals, traction power stations, and automatic train control systems, as well as upgrades to improve resilience to climate change. The intent is to implement transit priority and reliability improvements whenever guideways rehabilitation, upgrade, or replacement projects are undertaken. Includes project development and capital costs. Sponsor Agency: SFMTA. The first \$784M is Priority 1 and the remainder is Priority 2. Total Funding: \$7,934.8M; EP: \$825M.

- 1 **2. BART.** Programmatic improvements for the upgrade,
2 rehabilitation, and replacement of BART’s capital assets. Eligible
3 project types include, but are not limited to, the upgrade,
4 rehabilitation, and replacement of: transit vehicles and on-board
5 equipment; transit stations including platform edge tiles, elevators,
6 escalators, and faregates; transit facilities and facilities-related
7 equipment; and guideways such as rail, train control, traction
8 power, and related equipment. Facilities and guideways
9 improvements may include upgrades to improve resilience to
10 climate change. Additional elevators, escalators, and faregates
11 are also eligible. In shared BART/Muni stations, elevator and
12 escalator projects must include shared Muni access and/or
13 redundancy where cost effective. Includes project development
14 and capital costs. The first \$35M is Priority 1 and the remainder is
15 Priority 2. Sponsor Agency: BART. Total Funding: \$547.7M; EP:
16 \$45M.
- 17 **3. Caltrain.** Provides San Francisco’s local match contribution for
18 the Caltrain capital program, on behalf of the City and County of
19 San Francisco until 2022 Sales Tax funds for this program run out.
20 Programmatic improvements such as the upgrade, rehabilitation,
21 and replacement of transit vehicles, spare parts, and on-board
22 equipment; transit facilities (including stations) and facilities related
23 equipment; and guideways such as rail, signals, communications,
24 traction power equipment, and the overhead contact system.
25 Facilities and guideways improvements may include upgrades to

1 improve resilience to climate change. Service planning and capital
2 planning efforts are also eligible. Includes project development and
3 capital costs. Sponsor Agency: PCJPB. Total Funding: \$550.3M;
4 EP: \$100M.

- 5 **4. Ferry.** Programmatic improvements for the upgrade,
6 rehabilitation, and replacement of landside ferry facilities,
7 passenger-serving facilities, and facilities-related equipment. May
8 also include improvements to San Francisco ferry terminals to
9 accommodate increases in ferry ridership, electrification, and to
10 improve resilience to climate change. Includes project
11 development and capital costs. Sponsor Agencies: Port of SF,
12 GGBHTD. Total Funding: \$14.3M; EP: \$5M.

13 **ii. Transit Enhancements**

- 14 **1. Transit Enhancements.** Customer-facing programmatic
15 improvements that promote system connectivity, accessibility, and
16 reliability, and improve transit service experience for riders. These
17 are meant to be smaller to mid-sized projects that produce benefits
18 directly experienced by transit riders. Eligible projects may include
19 but are not limited to bus stop improvements (with priority for those
20 serving disadvantaged communities); wayfinding; real-time
21 information; new (additional) elevators or escalators; multimodal
22 station access and safety improvements; bicycle parking/storage;
23 purchase and rehab of historic streetcars; and purchase of motor
24 coaches and paratransit expansion vehicles. Includes project
25 development and capital costs. Sponsor Agencies: SFMTA,

- 1 BART, PCJPB, TIMMA. The first \$29M is Priority 1 and the
2 remainder is Priority 2. Total Funding: \$777.4M; EP: \$36M.
- 3 **2. Bayview Caltrain Station.** Construction of a new or relocated
4 Caltrain station in the Bayview. Includes \$4.73M in legacy funding
5 for the Quint-Jerrold Connector Road, which will restore access
6 eliminated by the construction of a Caltrain berm. Includes project
7 development and capital costs. Sponsor Agencies: SFCTA,
8 PCJPB, SFMTA, SFPW. Total Funding: \$100M; EP: \$27M.
- 9 **3. Mission Bay Ferry Landing.** A new ferry landing serving the
10 Mission Bay neighborhood to enable regional ferry service.
11 Includes capital costs. Sponsor Agency: Port of SF. Total
12 Funding: \$53.8M; EP: \$5M.
- 13 **4. Next Generation Transit Investments.** Planning and project
14 development for major transit capital projects that promote system
15 connectivity and accessibility, close service gaps, and improve and
16 expand transit service levels. By funding planning, outreach, and
17 early project development, the intent is to set these projects up to
18 be competitive for discretionary funds to complete project
19 development and implementation. Eligible projects may include
20 but are not limited to a 19th Avenue/Geary subway, extending the
21 Central Subway, Link21 (including a potential second transbay
22 tube), and local and regional express bus network development.
23 Sponsor Agencies: SFCTA; SFMTA; BART; PCJPB. The first
24 \$22M is Priority 1 and the remainder is Priority 2. Total Funding:
25 \$87M; EP: \$27M.

1 **C. PARATRANSIT**

2 Continued support for paratransit door-to-door van, taxi, and other transportation
3 services for seniors and people with disabilities who are unable to use fixed
4 route transit service. Includes operations support, replacement of accessible
5 vans, and replacement and upgrades of supporting equipment such as debit
6 card systems. Sponsor Agency: SFMTA. The first \$227M is Priority 1 and the
7 remainder is Priority 2. Total Funding: \$1,270M; EP: \$297M.

8 **D. STREETS AND FREEWAYS**

9 **i. Maintenance, Rehabilitation, and Replacement**

10 **1. Street Resurfacing, Rehabilitation, and Maintenance.**

11 Repaving and reconstruction of city streets to prevent deterioration
12 of the roadway system, based on an industry-standard pavement
13 management system designed to inform cost-effective roadway
14 maintenance. May include sidewalk rehabilitation and curb ramps
15 and elements to improve resilience to climate change. Includes
16 project development and capital costs. Sponsor Agency: SFPW.
17 Total Funding: \$1,952M; EP: \$88M.

18 Replacement of street repair and cleaning equipment according to
19 industry standards, including but not limited to asphalt pavers,
20 dump trucks, sweepers, and front-end loaders. Includes capital
21 costs only. Sponsor Agency: SAS. Total Funding: \$32M; EP:
22 \$17M.

23 **2. Pedestrian and Bicycle Facilities Maintenance.** Public sidewalk

24 repair and reconstruction citywide. Maintenance of additional
25 pedestrian facility improvements including stairways, retaining

1 walls, guardrails, and rockfall barriers. Maintenance of pedestrian
2 and bicycle safety improvements, including but not limited to safe-
3 hit posts, painted safety zones, green bike lanes, and crosswalks.
4 Rehabilitation of other bicycle facilities such as paths. Includes
5 project development and capital costs. Sponsor Agencies:
6 SFMTA, SAS. Total Funding: \$84.6M; EP: \$19M.

7 **3. Traffic Signs and Signals Maintenance.** Maintenance and
8 upgrade of traffic signs and signals, including for pedestrians and
9 bicyclists. Sponsor Agency: SFMTA. Total Funding: \$126.1M;
10 EP: \$90M.

11 **ii. Safe and Complete Streets**

12 **1. Safer and Complete Streets.** Programmatic improvements to the
13 transportation system to make it safer for all users and help
14 achieve the City's Vision Zero goals. Projects may include but are
15 not limited to:

- 16 • Traffic calming to reduce vehicular speeds and improve
17 safety; new or improved pedestrian safety measures such
18 as ladder crosswalks, corner bulb-outs, and pedestrian
19 islands in the medians of major thoroughfares; new and
20 upgraded bike lanes and paths; traffic striping and
21 channelization; bicycle and personal mobility device parking
22 facilities such as bike/scooter racks and lockers. Quick
23 builds (e.g., paint and safe-hit posts), pilots, permanent
24 improvements, intersection redesigns, and larger corridor
25

1 projects are eligible. Landscaping may be included as a
2 minor element of a larger safety project.

- 3 • Installation (new), maintenance, and upgrade of traffic signs
4 and signals (including for pedestrians and bicyclists); red
5 light enforcement cameras and closed-circuit TV and
6 communications systems (e.g., Variable Message Signs) for
7 incident and special event traffic management.
- 8 • Multi-modal street improvements to improve pedestrian,
9 bicycle, transit, and vehicle circulation and connectivity.
- 10 • Bicycle, pedestrian, and Vision Zero outreach and
11 education programs such as Safe Routes to School;
12 development of neighborhood and school area safety plans.

13 Includes project development and capital costs. Sponsor
14 Agencies: SFMTA, SFPW, SFCTA. Includes \$152M in Priority 1, of
15 which a minimum of \$7M will be available for Safe Routes to
16 School non-infrastructure programs, e.g., education, outreach, and
17 planning to support safe transportation to schools. The remainder
18 is Priority 2. Total Funding: \$918.8M; EP: \$187M.

19 **2. Curb Ramps.** Construction of new Americans with Disabilities Act
20 (ADA)-compliant curb ramps and related roadway work to permit
21 ease of movement. Reconstruction of existing ramps. Includes
22 project development and capital costs. Sponsor Agency: SFPW.
23 Total Funding: \$143M; EP: \$29M.

24 **3. Tree Planting.** Planting and establishment of street trees in public
25 rights-of-way throughout the city. Priority will be given to

1 neighborhoods and/or areas with lower tree canopy coverage.
2 Sponsor Agency: SAS. Includes \$20M in Priority 1 and the
3 remainder is Priority 2. Total Funding: \$53M; EP: \$24M.

4 **iii. Freeway Safety and Operational Improvements**

5 **1. Vision Zero Ramps.** Programmatic improvements to benefit all
6 users of intersections where freeway on- and off-ramps intersect
7 with city streets to support the City’s Vision Zero policy to eliminate
8 traffic deaths. Eligible project types include: new or improved
9 pedestrian safety measures such as ladder crosswalks and
10 pedestrian signals, corner bulb-outs, and new traffic signs and
11 signals. Includes planning, project development, and capital costs.
12 Sponsor Agencies: SFMTA, SFCTA. Total Funding: \$27.5M; EP:
13 \$8M.

14 **2. Managed Lanes and Express Bus.** Programmatic improvements
15 to San Francisco’s freeways to improve transit speeds (e.g.,
16 express bus) and reliability, and promote carpooling.
17 Improvements include but are not limited to high occupancy
18 vehicle lanes, ramp re-striping or re-designs, signs and
19 signalization, and purchase of buses to support increased Muni
20 bus operations on improved facilities, and if express lanes are
21 proposed, tolling system and funding of an affordability program.
22 Includes project development and capital costs. Sponsor
23 Agencies: SFCTA, SFMTA. Total Funding: \$206M; EP: \$10M.

24 **3. Transformative Freeway and Major Street Projects.** Planning
25 and project development for transformative multi-modal

1 improvements that are designed to improve safety, enhance multi-
2 modal connectivity, and/or reconnect communities and repair the
3 harm created by past freeway and street projects. By funding
4 planning, outreach, and early project development, the intent is to
5 set up these projects to be competitive for discretionary funds to
6 complete project development and implementation. Eligible
7 project types include but are not limited to new grade-separated
8 crossings for people walking and biking; restoring connections
9 within communities divided by infrastructure (e.g., Geary
10 underpass, pedestrian/bike freeway overcrossings); and
11 simplifying freeway interchanges (e.g., Alemany Maze and US
12 101/Cesar Chavez “Hairball”). May include projects to improve
13 resilience to climate change. Sponsor Agencies: SFCTA, SFMTA,
14 SFPW, Planning. Total Funding: \$224.1M; EP: \$20M.

15 **E. TRANSPORTATION SYSTEM DEVELOPMENT AND MANAGEMENT**

16 **i. Transportation Demand Management**

17 Transportation Demand Management (TDM) improvements intended to
18 shift trips to sustainable modes like transit, biking, and walking, and shift
19 travel to less congested times. Develop and support continued TDM and
20 parking requirements for large employers, special event sites, and
21 schools and universities. Eligible project types also include TDM
22 education, marketing, incentives, pricing, technology, policy development,
23 pilots, and evaluation. Hardware, software, and equipment needed to
24 implement pricing, incentives, and affordability projects are eligible.
25 Examples of eligible projects include new solutions or technologies for

1 first-last mile connections or special trip markets; intermodal integration of
2 customer-facing technology (e.g., travel information and payment
3 systems); and new fare payment concepts for mode shift or congestion
4 management. Includes planning, project development, and capital costs.
5 Sponsor Agencies: SFCTA, SFE, SFMTA, BART, PCJPB, TIMMA.
6 Includes \$18M in Priority 1 and the remainder is Priority 2. Total Funding:
7 \$146.5M; EP: \$23M.

8 **ii. Transportation, Land Use, and Community Coordination**

9 **1. Neighborhood Transportation Program.** The Neighborhood
10 Transportation Program (NTP) funds community-based
11 neighborhood-scale transportation improvements. The NTP has a
12 planning component to fund community-based planning efforts in
13 each Supervisorial district, and a capital component intended to
14 provide local match to help advance and implement capital
15 investment and pilot recommendations stemming from NTP and
16 other community-based planning efforts. Eligible project types are
17 those that are eligible for other 2022 Transportation Expenditure
18 Plan programs and result in public-facing benefits. Additional
19 project types include: transportation policy studies, pilots, and
20 projects to address climate change (e.g., electric vehicle charging
21 infrastructure) and gaps in equitable access. Includes planning,
22 project development, and capital costs. Sponsor Agencies:
23 SFCTA, SFMTA, SFPW, Planning. Includes \$41M in Priority 1
24 and the remainder is Priority 2. Total Funding: \$191.2M; EP:
25 \$46M.

1 **2. Equity Priority Transportation Program.** The Equity Priority
2 Transportation Program (EPTP) funds equity priority community-
3 based projects in underserved neighborhoods and areas with
4 vulnerable populations (e.g., low-income communities, seniors,
5 children, and/or people with disabilities) as well as citywide equity
6 evaluations and planning efforts. The EPTP has a planning
7 component to fund community-based planning efforts, and a
8 capital component to provide local match funds to help advance
9 and implement capital investment and pilot recommendations
10 stemming from community-based planning and equity
11 assessments. Eligible project types are those that are eligible for
12 other 2022 Transportation Expenditure Plan programs, as well as
13 projects that help reduce disparities and gaps in equitable access
14 (physical, geographic, affordability) to jobs and key services.
15 Includes planning, project development, and capital costs.
16 Sponsor Agencies: SFCTA, SFMTA, SFPW, Planning. Includes
17 \$42M in Priority 1 and the remainder is Priority 2. Total Funding:
18 \$192.2M; EP: \$47M.

19 **3. Development-Oriented Transportation.** The Development-
20 Oriented Transportation Program funds community-based planning
21 to identify transportation improvements that support increased
22 housing density in existing, primarily low-density neighborhoods of
23 the city, as well as project development and implementation.
24 Projects supporting development in adopted Priority Development
25 Areas will be prioritized. Includes \$2M in legacy funding for the

1 Bayshore Caltrain Pedestrian Connection. Includes planning,
2 project development, and capital costs. Sponsor Agencies:
3 SFMTA, SFCTA, BART, PCJPB, Planning, SFPW. Includes \$20M
4 in Priority 1 and the remainder is Priority 2. Total Funding:
5 \$263.7M; EP: \$26M.

6 **4. Citywide/Modal Planning.** Citywide and network-wide
7 transportation studies and planning such as updates to the
8 Countywide Transportation Plan or long-range modal studies.
9 Plans and studies that focus on countywide and/or network-wide
10 needs will be prioritized, but corridor-scale studies may be
11 considered. Includes planning. Sponsor Agencies: SFCTA,
12 SFMTA, Planning. Total Funding: \$31.2M; EP: \$10M.

13 **5. Implementation Provisions.**
14 **A. Strategic Plan.** Subsequent to voter approval of the 2022
15 Transportation Expenditure Plan, the Transportation
16 Authority shall prepare a 30-year Strategic Plan that will
17 serve as the primary financial tool for administering the
18 2022 Sales Tax. It shall include policies to guide day-to-day
19 program administration consistent with the 2022
20 Transportation Expenditure Plan; updated revenue
21 projections for the 2022 Sales Tax; proposed 2022 Sales
22 Tax programming and expenditures by category, sub-
23 category, and program; and any associated financing
24 needed to ensure funds are available to reimburse eligible
25 expenditures. The Strategic Plan shall be prepared in

1 concert with development of 5-Year Prioritization Programs
2 (5YPPs) (see Section 5.B). The Transportation Authority
3 Board shall adopt the Strategic Plan and updates thereof at
4 least every 5 years.

5 **B. Prioritization Process.** Prior to allocation of any revenues
6 from the 2022 Sales Tax, the Transportation Authority shall
7 prepare, in close consultation with all other affected
8 planning and implementation agencies, a 5YPP including
9 budget, scope, and schedule consistent with the Strategic
10 Plan, for review and adoption by the Transportation
11 Authority Board. For programs with only one eligible
12 sponsoring agency, the Transportation Authority may
13 designate that agency as the agency that is to prepare the
14 5YPP. The proposed projects shall be consistent with the
15 SFTP and with the City's General Plan.

16 The 5YPPs shall at a minimum address the following
17 factors:

- 18 1. Project readiness, including schedule for completion
19 of environmental and design phases; well-
20 documented preliminary cost estimates; and
21 documented community support as appropriate.
- 22 2. Funding plan, including sources other than the 2022
23 Sales Tax.
- 24 3. Compatibility with existing and planned land uses,
25 and with adopted standards for urban design and for

- 1 the provision of pedestrian amenities; and
2 supportiveness of planned growth in transit-friendly
3 housing, employment, and services.
- 4 4. How the project would advance equity or seek to
5 mitigate any impacts on equity.
- 6 5. Project benefits including but not limited to how the
7 project advances the goals of the SFTP.
- 8 6. A prioritization mechanism to rank projects within the
9 5YPP, that includes at a minimum the following
10 required criteria:
- 11 a. Relative level of need or urgency.
- 12 b. Cost-effectiveness.
- 13 c. A fair geographic distribution that takes into
14 account the various needs of San Francisco's
15 neighborhoods.
- 16 d. Level and diversity of community support.
17 Projects with clear and diverse community
18 support, including from disadvantaged
19 populations (e.g., communities historically
20 harmed by displacement, transportation
21 policies, and projects that utilized eminent
22 domain; people with low incomes; and people
23 of color) and/or identified through a
24 community-based planning process will be
25 prioritized. Projects with documented support

1 from disadvantaged populations will receive
2 additional priority. An example of a
3 community-based plan is a neighborhood
4 transportation plan, corridor improvement
5 study, or station area plan that is community-
6 driven.

- 7 e. Benefit to disadvantaged populations,
8 including communities historically harmed by
9 displacement, transportation policies, and
10 projects that utilized eminent domain, whether
11 the project is directly located in an Equity
12 Priority Community or can demonstrate
13 benefits to disadvantaged populations.

14 The Transportation Authority and any appropriate
15 designated agencies shall conduct the required public
16 outreach and engagement to ensure an inclusive planning
17 process for the development of the 5YPPs, as well as
18 General Plan referral or referral to any City Department or
19 Commission, as required. The Transportation Authority
20 working with eligible sponsoring agencies shall also identify
21 appropriate performance measures informed by the
22 Congestion Management Program, such as increased
23 system connectivity, increased transit ridership (net new
24 riders), reductions in travel time for existing riders, system
25 safety, vehicle miles traveled, and increased use of

1 alternatives to the single-occupant automobile, along with a
2 timeline for assessing the performance measures to inform
3 the next 5YPP updates, which shall be at least every 5
4 years concurrent with Strategic Plan updates.

5 In order to inform 5YPP development and allocation of
6 funds, the Transportation Authority shall report at least once
7 every 5 years on the citywide geographic distribution of
8 2022 Sales Tax allocations and the distribution of projects
9 located in EPCs and/or benefiting disadvantaged
10 populations.

11 Designated agencies shall be eligible for planning funds
12 from the relevant 2022 Transportation Expenditure Plan
13 programs for the purpose of completing the development of
14 the 5YPP. Sponsoring agencies will be encouraged to
15 explore alternative and non-traditional methods for project
16 and service delivery where they offer opportunities for
17 increased cost-effectiveness and/or shortened project
18 delivery timelines.

19 As part of the Strategic Plan development process, the
20 Transportation Authority shall adopt, issue, and update
21 detailed guidelines for the development of 5YPPs.

22 **C. Project Delivery Oversight.** The Transportation Authority Board
23 shall adopt project delivery oversight guidelines for major capital
24 projects to be funded by the 2022 Sales Tax. The guidelines shall
25 consider the total cost and complexity of a project in setting the

1 definition of a major capital project. Objectives of these guidelines
2 shall include supporting the cost-effective and timely delivery of
3 projects funded wholly or in part by the 2022 Sales Tax.

4 Transportation Authority staff shall prepare a report at least
5 annually to the Transportation Authority Board to communicate the
6 status of these projects.

7 **D. Funding Priority Levels.** Each 2022 Transportation Expenditure
8 Plan program shall be funded using 2022 Sales Tax revenues up
9 to the total amount designated for that program in Priority 1. If,
10 after programming all Priority 1 funds to every program in a
11 subcategory, the latest Strategic Plan forecasts available revenues
12 from the 2022 Sales Tax in excess of Priority 1 levels, the
13 Transportation Authority Board may allow programming of Priority
14 2 funds within the subcategory, subject to the program dollar
15 amount caps for Priority 2 established in the 2022 Transportation
16 Expenditure Plan. If, after programming at least 80% of Priority 2
17 funds, the latest Strategic Plan forecasts available revenues from
18 the 2022 Sales Tax in excess of Priority 2 levels, the
19 Transportation Authority Board may allow programming of
20 revenues in excess of Priority 2 levels to programs in the 2022
21 Transportation Expenditure Plan as long as the percent of 2022
22 Sales Tax revenues designated for each category is maintained in
23 compliance with the prioritization provisions set forth in
24 Sections 2.B, 5.B, and 5.D.
25

1 **E. Cost Savings and Remaining Funds.** If the eligible sponsoring
2 agency or agencies complete delivery of a 2022 Transportation
3 Expenditure Plan program or legacy project or determine that they
4 will no longer pursue implementation of the program or legacy
5 project with 2022 Sales Tax funds, the Transportation Authority
6 Board may use any remaining 2022 Sales Tax funds in that
7 program to fund one or more programs in the same category that
8 would otherwise be in compliance with the prioritization provisions
9 set forth in Sections 2.B, 5.B, and 5.D. To do so, the
10 Transportation Authority Board must first hold a public hearing on
11 the matter and then not sooner than 30 days after the hearing, the
12 Transportation Authority Board may, by a 2/3 vote, direct all or a
13 portion of the remaining funds to one or more 2022 Transportation
14 Expenditure Plan programs with the same category.

15
16 **The following abbreviations are used in the 2022 Transportation Expenditure Plan:**
17 BART – San Francisco Bay Area Rapid Transit District; EP – Expenditure Plan; GGBHTD –
18 Golden Gate Bridge, Highway & Transportation District; M – Million; N/A – Not Applicable;
19 PCJPB – Peninsula Corridor Joint Powers Board or Caltrain; Planning – San Francisco
20 Planning Department; Port of SF – Port of San Francisco; SAS – Sanitation and Streets
21 Department*; SFCTA – San Francisco County Transportation Authority; SFE – San Francisco
22 Department of Environment; SFMTA – San Francisco Municipal Transportation Agency;
23 SFPW – San Francisco Public Works; TIMMA – Treasure Island Mobility Management
24 Agency; TJPA – Transbay Joint Powers Authority.

*On November 3, 2020, San Francisco voters approved Proposition B, which amended the San Francisco Charter to create a Department of Sanitation and Streets to succeed to specific duties currently performed by San Francisco Public Works. Per Board of Supervisors Motion 21-181, approved December 14, 2021, the effective date for this transition is October 1, 2022.

Attachment 1. Expenditure Plan Advisory Committee Roster

Amandeep Jawa, Chair	Advocacy: Environment
Anni Chung, Vice Chair	Advocacy: Seniors and People with Disabilities
Jay Bain	Neighborhoods/Communities
Rosa Chen	Equity Priority Community/Community Advisory Committee
Majeid Crawford	Equity Priority Community
Zack Deutsch-Gross	Advocacy: Transit
Jessie Fernandez	Advocacy: Equity
Mel Flores	Equity Priority Community
Rodney Fong	Business/Civic: Large Business
Sharky Laguana	Business/Civic: Small Business
Aaron P. Leifer	Neighborhood/Community
Jessica Lum	Business/Civic: Tourism/Visitors
Jodie Medeiros	Advocacy: Walk
Maryo Mogannam	Business/Civic: Small Business
Maelig Morvan	Neighborhood/Community
Susan Murphy	Equity Priority Community
Calvin Quick	Advocacy: Youth
Pi Ra	Advocacy: Seniors and People with Disabilities
Maurice Rivers	Equity Priority Community
Eric Rozell	Equity Priority Community
Earl Shaddix	Equity Priority Community
Yensing Sihapanya	Equity Priority Community
Sujata Srivastava	Business/Civic: Civic
Wesley Tam	Neighborhood/Community
Kim Tavaglione	Business/Civic: Labor
Joan Van Rijn	Neighborhood/Community
Christopher White	Advocacy: Bike
Casandra Costello	Alternate: Business/Civic: Tourism/Visitors
Cathy de Luca	Alternate: Advocacy: Seniors and People with Disabilities
Daniel Herzstein	Alternate: Business/Civic: Large Business
Sasha Hirji	Alternate: Advocacy: Youth
Melvin Parham	Alternate: Equity Priority Community
Maribel Ramirez	Alternate: Equity Priority Community

1 Section 4. Scope of Ordinance. In connection with the amendments to Article 14 of
2 the Business and Tax Regulations Code contained in Section 2 of this ordinance, the voters
3 intend to amend only those words, phrases, paragraphs, subsections, sections, articles,
4 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Business
5 and Tax Regulations Code that are explicitly shown therein as additions, deletions, Board
6 amendment additions, and Board amendment deletions in accordance with the “Note” that
7 appears under the official title of the ordinance.

8
9 Section 5. If any section, subsection, sentence, clause, phrase, or word of this
10 ordinance approving the 2022 Transportation Expenditure Plan and amending Article 14 of
11 the Business and Tax Regulations Code, or any application thereof to any person or
12 circumstance, is held to be invalid or unconstitutional by a decision of a court of competent
13 jurisdiction, such decision shall not affect the validity of the remaining portions or applications
14 of the ordinance. The voters hereby declare that they would have adopted this ordinance and
15 each and every section, subsection, sentence, clause, phrase, and word not declared invalid
16 or unconstitutional without regard to whether any other portion of this ordinance or application
17 thereof would be subsequently declared invalid or unconstitutional.

18
19 Section 6. Effective and Operative Dates.

20 (a) As provided in California Public Utilities Code Section 131102, subdivision (b), the
21 amendments to Article 14 of the Business and Tax Regulations Code in Section 2 of this
22 ordinance shall become effective at the close of the polls on November 8, 2022.

23 (b) When the operative date of the 2022 Transportation Expenditure Plan in Section 3
24 of this ordinance and the amendments to Business and Tax Regulations Code Article 14 in
25 Section 2 of this ordinance have been determined pursuant to Section 1405 of Article 14 as

1 amended by the voters at the November 8, 2022 election, the City Attorney shall cause all
2 references in Article 14 to “the operative date of the amendments to this Article 14 passed by
3 the voters at the November 8, 2022 election” to be replaced by the actual operative date.
4

5 Section 7. Pursuant to California Constitution Articles XIII A and XIII C and California
6 Public Utilities Code Section 131102, the approval of the 2022 Transportation Expenditure
7 Plan and of the ordinance amending Article 14 of the Business and Tax Regulations Code
8 shall be submitted to the qualified electors of the City and County of San Francisco at a
9 special election that is hereby called and ordered to be held in the City on Tuesday, the 8th
10 day of November, 2022, for the purpose of submitting to the electors of the City a proposition
11 to approve the amendments to Article 14 of the Business and Tax Regulations Code set forth
12 in Section 2 of this ordinance and the 2022 Transportation Expenditure Plan set forth in
13 Section 3 of this ordinance. The special election called and ordered shall be referred to in this
14 ordinance as the “Special Election.”
15

16 Section 8. The Special Election shall be held and conducted and the votes received
17 and canvassed, and the returns made and the results ascertained, determined and declared
18 as provided in this ordinance and in all particulars not recited in this ordinance such election
19 shall be held according to the laws of the State of California (“State”) and the Charter of the
20 City (“Charter”) and any regulations adopted under State law or the Charter, providing for and
21 governing elections in the City, and the polls for such election shall be and remain open
22 during the time required by such laws and regulations.
23

24 Section 9. The Special Election is consolidated with the General Election scheduled to
25 be held in the City on Tuesday, November 8, 2022. The voting precincts, polling places, and

1 officers of election for the November 8, 2022 General Election are hereby adopted,
2 established, designated and named, respectively, as the voting precincts, polling places, and
3 officers of election for the Special Election called, and reference is made to the notice of
4 election setting forth the voting precincts, polling places, and officers of election for the
5 November 8, 2022 General Election by the Director of Elections to be published in the official
6 newspaper of the City on the date required under the laws of the State of California. The
7 ballots to be used at the Special Election shall be the ballots to be used at the November 8,
8 2022 General Election.

9

10 Section 10. Pursuant to California Public Utilities Code Section 131108,
11 subdivision (h), the Board of Supervisors hereby directs the Department of Elections to do the
12 following: (a) include in the sample ballot mailed to the voters and the voter information
13 pamphlet the full proposition as set forth in Sections 1 through 6 of this ordinance, but
14 inserting the letter for the proposition where designated, and (b) include in the voter
15 information pamphlet the entire adopted 2022 Transportation Expenditure Plan as set forth in
16 Section 3 of this ordinance. In accordance with this Section 10, Sections 1 through 6 of this
17 ordinance shall constitute the ballot measure submitted to the voters at the Special Election.
18 The long title of the ballot measure submitted to the voters shall be the same as the long title
19 of this ordinance, except that the final two clauses, “affirming the Transportation Authority’s
20 determination under the California Environmental Quality Act; and making findings of
21 consistency with the General Plan and the eight priority policies of Planning Code, Section
22 101.1,” shall be omitted, and the word “and” shall be inserted before the clause “authorizing
23 the Transportation Authority to issue limited tax bonds secured by transactions and use tax
24 revenues.”

25

1 Section 11. Pursuant to California Public Utilities Code Section 131055, the Board of
2 Supervisors hereby directs that the 2022 Transportation Expenditure Plan shall be published
3 once in the official newspaper of the City and County within 30 days of the Board of
4 Supervisors' enactment of this ordinance. Enactment occurs when the Mayor signs the
5 ordinance, the Mayor returns the ordinance unsigned or does not sign it within 10 days of
6 receiving it, or the Board overrides the Mayor's veto of the ordinance.

7
8 Section 12. Environmental and Land Use Findings.

9 (a) The Authority has determined that the actions contemplated in this ordinance are
10 not a project and not subject to the California Environmental Quality Act (California Public
11 Resources Code Sections 21000 *et seq.*). Said determination is on file with the Clerk of the
12 Board of Supervisors in File No. _____ and is incorporated herein by reference. The
13 Board affirms this determination.

14 (b) On March 23, 2022, the Planning Department determined that the actions
15 contemplated in this ordinance are consistent, on balance, with the City's General Plan and
16 eight priority policies of Planning Code Section 101.1. The Board adopts this determination
17 as its own. A copy of said determination is on file with the Clerk of the Board of Supervisors in
18 File No. _____, and is incorporated herein by reference.

19
20 APPROVED AS TO FORM:
21 DAVID CHIU, City Attorney

22 By: /s/ Carole F. Ruwart
23 CAROLE F. RUWART
24 Deputy City Attorney

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LEGISLATIVE DIGEST

[Initiative Ordinance - Business and Tax Regulations Code - Sales Tax for Transportation Authority]

Ordinance approving a new 2022 Transportation Expenditure Plan for the County Transportation Authority and submitting to the voters at an election to be held on November 8, 2022, an Ordinance amending the Business and Tax Regulations Code to continue in effect the existing local transactions and use tax at the existing rate of 0.5% for 30 years to fund transportation improvements under the 2022 Transportation Expenditure Plan; increasing the Transportation Authority’s appropriations limit by the amount collected under the transactions and use tax for four years from November 8, 2022; authorizing the Transportation Authority to issue limited tax bonds secured by transactions and use tax revenues; affirming the Transportation Authority’s determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

Existing Article 12-D of the Business and Tax Regulations Code, known as the “Uniform Local Sales and Use Tax Ordinance of the City and County of San Francisco,” establishes and implements a transactions and use tax (sometimes called a “sales tax”) on retailers for the privilege of selling tangible personal property at retail in the City.

Division 12.5 (commencing with Section 131000) of the Public Utilities Code and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code authorize the San Francisco County Transportation Authority (Transportation Authority) to impose an additional local sales tax within San Francisco, if the tax is approved by the Board of Supervisors and a two-thirds vote of the people. The proceeds of the tax must be spent on transportation projects set forth in a transportation expenditure plan approved by the Metropolitan Transportation Commission, the Board of Supervisors, and the voters.

Since 1990, the Transportation Authority has imposed a 0.5% sales tax under the above authorities, which is codified in Article 14 of the Business and Tax Regulations Code. The Transportation Authority administers the funding of the projects and programs set forth in the existing transportation expenditure plan (adopted by the voters in 2003 as part of Proposition K), and is authorized to issue up to \$1,880,000,000 in bonds secured by revenues from the sales tax.

Amendments to Current Law

This ordinance would amend existing Article 14 of the Business and Tax Regulations Code to continue the sales tax at the existing 0.5% rate for 30 years to pay for the transportation

projects and programs set forth in a new 2022 Transportation Expenditure Plan. This ordinance authorizes the Transportation Authority to issue up to \$1,190,000,000 in bonds that would be repaid with the proceeds of the tax. This ordinance would also increase the Transportation Authority's appropriations limit under Article XIII B of the California Constitution for the next four years by the amount of the tax collected.

Background Information

The combined state and local sales and use tax rate in the City is 8.625%. The Transportation Authority has received 0.5% of the combined rate since the voters approved Proposition B in 1989 and Proposition K in 2003. The tax imposed by this ordinance is a continuation of the Transportation Authority's existing 0.5% rate.

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