

LEGISLATIVE DIGEST

[Municipal Transportation Agency (MTA): Equity Analysis, Supplemental Appropriation to the Transportation Fund, MTA Inspector General, Limits on Fare Increases, Free Muni for Youth, Transit Impact Fee.]

Charter Amendment amending the Charter of the City and County of San Francisco by amending Sections 8A.100, 8A.101, 8A.103, 8A.105, 8A.107, 8A.108, and 8A.109.

Existing Law

Article 8A of the Charter of the City and County of San Francisco describes the Municipal Transportation Authority (MTA). It includes the following provisions:

1. A number of goals for the MTA are proscribed, including reliable, safe, and clean transit service and safe environments for cyclists and pedestrians.
2. Several agencies are given roles overseeing the MTA: the Controller for financial matters, the City Attorney for legal matters, and the Civil Service Commission for merit system issues.
3. The MTA may contract with other City departments for services.
4. The MTA must define milestones to measure the Agency's performance including on-time performance and service delivery, system reliability, system performance, staffing performance, and customer service.
5. The MTA is entitled to a guaranteed "base amount" of general fund revenue reflecting the level of general fund revenue that supported its similar functions when the MTA was originally established in 2000, as that amount is adjusted annually by the Controller. The MTA is also entitled to an additional amount of general fund revenue that is currently measured by parking tax proceeds.
6. The MTA is required to contract every two years with a consultant to conduct an independent review of the quality of its operations and the extent to which it has met its goals, objectives, and performance standards. In addition, the Controller serves as a City Services Auditor to monitor the level and effectiveness of services rendered by the City, including the MTA, to its residents.
7. Muni fare changes are submitted to the Board of Supervisors as part of the MTA's budget and may be rejected by a seven-elevenths vote of the Board of Supervisors.
8. The Board of Supervisors may dedicate additional revenues to the MTA from motor vehicle-related revenue sources, and the Mayor, the Board of Supervisors and the MTA shall seek to develop new sources of funding for the MTA.

Amendments to Current Law

Under the proposed charter amendment:

1. An additional goal would be added for the MTA to reduce the socio-economic inequities in the City's transportation system.
2. The San Francisco County Transportation Authority (SFCTA) would be added to the list of agencies responsible for oversight of the MTA for the measurement of service performance and equity.
3. The MTA would be required to hold a hearing on any contract for services with another City department and could pay another City department only the actual cost of services rendered under such a contract.
4. In addition to the existing milestones for the Agency's performance, the MTA will be required to establish a set of Equity Performance Metrics to identify any deficiencies in performance for low-income and transit-dependent communities. These Equity Performance Metrics will be used to produce an annually updated Equity Analysis of the MTA. The Equity Analysis would include an expenditure plan to identify the amount of the Supplemental Appropriation (described below in point #5) necessary to mitigate any deficiencies identified in the Equity Analysis.

The MTA Board of Directors and SFCTA Board of Commissioners would hold a joint hearing on the Equity Analysis and Expenditure Plan, and both Boards would be required to approve them. If the SFCTA Board rejected the Equity Analysis, the MTA Board would be required to respond to findings made by the SFCTA Board and re-submit a proposed Equity Analysis and Expenditure Plan.

5. In addition to the base amount of general fund revenue allocated to the MTA, the agency would receive an additional \$70 million beginning in Fiscal Year 2015-2016. This additional amount, called the "Supplemental Appropriation," would be adjusted annually by the Controller based on changes in the City's general fund revenue.

Funds from the Supplemental Appropriation would first be allocated to mitigate deficiencies in low-income and transit-dependent communities identified in the Equity Analysis (described above in point #4). All remaining funds in the Supplemental Appropriation would be allocated according to the following formula:

- a. 44% for Muni service, including a portion for ridership incentives, funding for Free Muni for Youth program, and other discounts for low-income customers, seniors, and people with disabilities.
- b. 28% for Muni vehicle procurement, overhauls, and maintenance.
- c. 28% for street repairs and reconstruction, bicycle infrastructure, and pedestrian improvements.

Should the SFCTA Board reject the Equity Analysis as insufficient, funds from the Supplemental Appropriation could only be spent to mitigate deficiencies to low-income and transit-dependent communities. The Supplemental Appropriation would sunset after fiscal year 2030-2031.

6. The MTA Board of Directors would consult with the Controller to appoint an MTA Inspector General reporting directly to the Controller for a five year term. The Inspector General would conduct audits and analyses, receive and investigate complaints of fraud, waste or abuse of MTA resources, prevent fraud, waste and abuse, and perform the functions and duties of the City Services Auditor with respect to the MTA. The Inspector General's activities would be guided by a two year rolling Performance Audit Plan, approved by the MTA Board, which would at a minimum require routine evaluation of the extent to which the MTA has met the goals, objectives and performance standards set by and as required by the Charter, the extent to which the MTA has addressed the deficiencies identified in the annual Equity Analysis, and the extent to which work order agreements with other City departments fulfill MTA needs and comply with the law. The biennial consultant contract would be eliminated.
7. Fare increases would be limited to the increase in the Bay Area Consumer Price Index, unless a larger increase was necessary to comply with state fare box recovery requirements. The MTA would no longer charge San Francisco youth age 18 and under to ride the Municipal Railway.
8. The Board of Supervisors would adopt an impact fee on new developments to mitigate their impacts on the Municipal Railway. Development projects for health, human service, permanently affordable housing or other City-funded, community-serving development project that will provide services to low, fixed, and moderate income San Franciscans would be exempted.