

BOARD of SUPERVISORS



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MEMORANDUM

TO: Kiely Hosmon, Director, Youth Commission
FROM: Linda Wong, Assistant Clerk
Budget and Appropriations Committee
DATE: May 3, 2021
SUBJECT: LEGISLATIVE MATTER INTRODUCED

The Board of Supervisors' Budget and Appropriations Committee has received the following legislation, introduced by Supervisor Dean Preston on April 27, 2021. This item is being referred to the Youth Commission for comment and recommendation.

File No. 210454
Ordinance amending the Administrative Code to create a special fund for a Free Muni pilot program ending September 30, 2021, and setting conditions for use of the Fund.

Please return this cover sheet with the Commission's response by email to:
Linda.Wong@sfgov.org.

RESPONSE FROM YOUTH COMMISSION Date: _____

- _____ No Comment
- _____ Recommendation Attached

Chairperson, Youth Commission

1 [Administrative Code - Free Muni Pilot Program Fund]

2
3 **Ordinance amending the Administrative Code to create a special fund for a Free Muni**
4 **pilot program ending September 30, 2021, and setting conditions for use of the Fund.**

5 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
6 **Additions to Codes** are in *single-underline italics Times New Roman font*.
7 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
8 **Board amendment additions** are in double-underlined Arial font.
9 **Board amendment deletions** are in ~~strikethrough Arial font~~.
10 **Asterisks (* * * *)** indicate the omission of unchanged Code
11 subsections or parts of tables.

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

13 Section 1. Chapter 10, Article XIII, of the Administrative Code is hereby amended by
14 adding Section 10.100-73, to read as follows:

15 **SEC. 10.100-73. FREE MUNI PILOT PROGRAM FUND.**

16 *(a) Establishment of Fund. The Free Muni Pilot Program Fund (“the Fund”) is established*
17 *as a category four fund to receive any monies appropriated or donated for the purpose of conducting a*
18 *“Free Muni” pilot program.*

19 *(b) Use of Fund. Monies in the Fund shall be used only to fully offset the projected lost fare*
20 *revenue to the San Francisco Municipal Transportation Agency (“SFMTA”) resulting from providing*
21 *free Muni service on a trial basis for the period from July 1, 2021 through September 30, 2021 (“the*
22 *Trial Period”).*

23 *(c) Administration of Fund. The SFMTA shall administer the Fund. Withdrawals from the*
24 *Fund shall be subject to all of the following conditions during the Trial Period:*

25 *(1) The SFMTA shall suspend all fare enforcement during the Trial Period;*

1 (2) The SFMTA shall publicize the Free Muni pilot program through email and social
2 media, and in general shall make a good faith effort to reach as many Muni riders as possible. The
3 SFMTA shall post signs on Muni vehicles, stations, and other passenger facilities informing the public
4 that fare payment is voluntary during the Trial Period. Signage shall comply with the Language Access
5 requirements of Administrative Code Chapter 91;

6 (3) The SFMTA shall allow voluntary payment of fares and shall keep fare collection
7 equipment and procedures, such as Clipper card machines and fare boxes, in operation for that
8 purpose; and

9 (4) On August 15, September 15, and October 15, 2021, the SFMTA shall file a written
10 report with the Board of Supervisors summarizing the status of the pilot program, changes in ridership
11 levels and characteristics, voluntary fares collected and revenues foregone, and other impacts of the
12 program.

13 (d) **Sunset Date.** This Section 10.100-73 shall expire by operation of law upon submission of
14 the October 15, 2021 report referenced in subsection (c)(4), although, as stated in subsection (b), the
15 last day of the free MUNI service provided through the pilot program shall be September 30, 2021.
16 Upon expiration of this Section 10.100-73, the City Attorney shall cause the Section to be removed from
17 the Administrative Code.

18
19 Section 2. Effective Date. This ordinance shall become effective 30 days after
20 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
21 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
22 of Supervisors overrides the Mayor's veto of the ordinance.

23
24 Section 3. Undertaking for the General Welfare. In enacting and implementing this
25 ordinance, the City is assuming an undertaking only to promote the general welfare. It is

LEGISLATIVE DIGEST

[Administrative Code - Free Muni Pilot Program Fund]

Ordinance amending the Administrative Code to create a special fund for a Free Muni pilot program ending September 30, 2021, and setting conditions for use of the Fund.

Existing Law

The City currently does not have a law that would provide for paying the costs of offering free Muni service.

Amendments to Current Law

The proposed ordinance would create a special fund to reimburse the San Francisco Municipal Transportation Agency (“SFMTA”) for any fare revenues the SFMTA lost if it agreed to provide free Muni service on a trial basis from July 1 through September 30, 2021. Money in the fund would come from City appropriations or possible donations made to support the Free Muni pilot program.

The SFMTA would administer the fund. In order to withdraw money from the fund, the SFMTA would have to meet two basic conditions during the pilot program:

- Provide free Muni service and suspend fare enforcement, although passengers could continue to pay fares on a voluntary basis; and
- Publicize the Free Muni pilot program and post signs on Muni vehicles and facilities telling passengers that fare payment is voluntary during the pilot program.

The SFMTA would also have to file monthly reports with the Board of Supervisors explaining the progress and impacts of the pilot program.

The ordinance creating the fund would automatically expire after the SFMTA filed the last required report, on or about October 15, 2021.

Background Information

Under the Charter, the Board of Supervisors may not direct the SFMTA to provide free Muni service, but the Board and the Mayor may appropriate General Fund money to the SFMTA to reimburse the agency for lost revenues if the SFMTA chooses to provide free service.