

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Approving the San Francisco Municipal Transportation Agency Fiscal Year (FY) 24-25 and FY25-26 Operating Budget in the amounts of \$1,445.5 million and \$1,489.8 million, respectively, for operating expenditures; \$76.5 million and \$78.0 million, respectively, for capital expenditures inclusive of a transfer from operating funds of \$5.3 million in FY24-25 and \$6.7 million in FY25-26; for a combined total appropriation of \$1,516.7 million and \$1,561.1 million respectively; and the Capital Budget in the amounts of \$423.3 million and \$586.3 million respectively; and taking related actions including (a) certifying that the FY24-25 and FY25-26 Operating and Capital budgets are adequate in making substantial progress towards meeting the performance standards established pursuant to Charter Section 8A.103; (b) acting as both the SFMTA Board of Directors and the Parking Authority Commission approving increases to various fines, fees, rates, and charges beginning July 1, 2024, and July 1, 2025 in excess of the Automatic Indexing Implementation Plan (Indexing) including, among other things adopting a higher indexing rate for parking and other penalties, increasing the daily non-construction related parking meter rate, the construction-related parking meter use fee, and parking meter use fees annually, increasing the residential parking permit fees to a set amount for FY24-25 and FY25-26 and applying an automatic index beginning July 1, 2026, reinstating a base fee for taxi permits and applying an automatic index to those fees beginning July 1, 2025, and changing transit fares including increasing the Clipper Fare and decreasing the surcharge on multi-day visitor passes; (c) authorizing the Director to implement short-term experimental fares and parking rates and fees under certain conditions; (d) concurring with the Controller's certification that parking citation processing and collection services, facility security services, paratransit services, parking meter collection and coin counting services, transit shelter maintenance services, and vehicle towing, storage and disposal services can be practically performed by private contractors at a lesser cost than to provide the same services with City employees; (e) approving the Title VI Fare Equity Analysis for proposed fare changes, resulting in no finding of disparate impact based on race or disproportionate burden on low-income communities with the proposed fare increases and a finding of disparate impact based on race and a disproportionate burden on low-income communities related to decreasing the surcharge on multi-day visitor passes; (f) authorizing the Director to make necessary technical and clerical corrections to the approved FY24-25 and FY25-26 Operating budget of the SFMTA and to allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating budget, provided that the Director of Transportation shall return to the SFMTA Board of Directors for approval of technical or clerical corrections that, in aggregate, exceed a ten percent change to the SFMTA operating budget; and (g) authorizing the Director to work with the City Controller to conform the SFMTA's budgets to any change in citywide budget submission schedules submitted to ensure that interim appropriations are available for the SFMTA to continue operations after July 1, 2024 until October 1, 2024, when the SFMTA budget for the period ending June 30, 2025 will be finally operative.

SUMMARY:

- Charter Sec. 8A.106 requires the SFMTA to submit a two-year budget by May 1 to the Mayor and Board of Supervisors of each even-numbered year.
- Pursuant to Charter Section 16.112 and the SFMTA Board's Rules of Order, advertisements were placed in the City's official newspaper to provide notice of April 2, 16, and 23 (if needed) meetings.
- The SFMTA Board and staff conducted public hearings, outreach meetings with community and advocacy organizations, a townhall, listening sessions and other forums to hear public comment to

help inform the budget proposals.

- To close the projected FY25-26 budget deficit, the SFMTA is proposing to increase parking and other fines and residential parking permits in amounts in excess of Indexing, to reinstate taxi fees suspended during the Pandemic (excluding driver fees), and increase transit fares, with the exception of single-ride fares paid in cash.
- The SFMTA has conducted a Title VI Fare Equity Analysis, as required by the Federal Transit Administration, which found no disparate impact based on race or disproportionate burden based on income status regarding the proposed fare increases and both a disparate impact and a disproportionate burden related to decreasing the surcharge on multi-day visitor passes. Staff recommends moving forward with this discount as decreasing the surcharge meets legitimate program goals, including encouraging transit use among visitors, and there are no less impactful alternatives.
- The SFMTA has determined that the proposed SFMTA FY24-25 and FY25-26 Operating Budget is not a project under the California Environmental Quality Act (CEQA).

ENCLOSURES:

1. SFMTAB Resolution
2. Transportation Code Legislation
3. Proposed Consolidated Budget
4. Fare Policy and Pricing
5. Title VI Fare Equity Analysis

APPROVALS:

DIRECTOR _____



SECRETARY _____



DATE:

April 12, 2024

April 12, 2024

ASSIGNED SFMTAB CALENDAR DATE: April 16, 2024

PURPOSE

Approving the San Francisco Municipal Transportation Agency Fiscal Year (FY) 24-25 and FY25-26 Operating Budget in the amounts of \$1,445.5 million and \$1,489.8 million, respectively, for operating expenditures; \$76.5 million and \$78.0 million, respectively, for capital expenditures inclusive of a transfer from operating funds of \$5.3 million in FY24-25 and \$6.7 million in FY25-26; for a combined total appropriation of \$1,516.7 million and \$1,561.1 million respectively; and the Capital Budget in the amounts of \$423.3 million and \$586.3 million respectively; and taking related actions including (a) certifying that the FY24-25 and FY25-26 Operating and Capital budgets are adequate in making substantial progress towards meeting the performance standards established pursuant to Charter Section 8A.103; (b) acting as both the SFMTA Board of Directors and the Parking Authority Commission approving increases to various fines, fees, rates, and charges beginning July 1, 2024, and July 1, 2025 in excess of the Automatic Indexing Implementation Plan (Indexing) including, among other things adopting a higher indexing rate for parking and other penalties, increasing the daily non-construction related parking meter rate, the construction-related parking meter use fee, and parking meter use fees annually, increasing the residential parking permit fees to a set amount for FY24-25 and FY25-26 and applying an automatic index beginning July 1, 2026, reinstating a base fee for taxi permits and applying an automatic index to those fees beginning July 1, 2025, and changing transit fares including increasing the Clipper Fare and decreasing the surcharge on multi-day visitor passes; (c) authorizing the Director to implement short-term experimental fares and parking rates and fees under certain conditions; (d) concurring with the Controller's certification that parking citation processing and collection services, facility security services, paratransit services, parking meter collection and coin counting services, transit shelter maintenance services, and vehicle towing, storage and disposal services can be practically performed by private contractors at a lesser cost than to provide the same services with City employees; (e) approving the Title VI Fare Equity Analysis for proposed fare changes, resulting in no finding of disparate impact based on race or disproportionate burden on low-income communities with the proposed fare increases and a finding of disparate impact based on race and a disproportionate burden on low-income communities related to decreasing the surcharge on multi-day visitor passes; (f) authorizing the Director to make necessary technical and clerical corrections to the approved FY24-25 and FY25-26 Operating budget of the SFMTA and to allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating budget, provided that the Director of Transportation shall return to the SFMTA Board of Directors for approval of technical or clerical corrections that, in aggregate, exceed a ten percent change to the SFMTA operating budget; and (g) authorizing the Director to work with the City Controller to conform the SFMTA's budgets to any change in citywide budget submission schedules submitted to ensure that interim appropriations are available for the SFMTA to continue operations after July 1, 2024 until October 1, 2024, when the SFMTA budget for the period ending June 30, 2025 will be finally operative.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This item supports all of the Strategic Plan Goals:

Goal 1: Identify and reduce disproportionate outcomes and resolve past harm towards marginalized communities.

Goal 2: Create a work environment that is responsive, equitable and inclusive.

Goal 3: Recruit, hire and invest in a diverse workforce.

Goal 4: Make streets safer for everyone.

Goal 5: Deliver reliable and equitable transportation services.

Goal 6: Eliminate pollution and greenhouse gas emissions by increasing use of transit, walking and bicycling.

Goal 7: Build stronger relationships with stakeholders.

Goal 8: Deliver quality projects on-time and on-budget.

Goal 9: Fix things before they break and modernize systems and infrastructure.

Goal 10: Position the agency for financial success.

This item will support the following Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.
2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.
3. Decisions regarding the use of limited public street and sidewalk space shall encourage the use of public rights of way by pedestrians, bicyclists, and public transit, and shall strive to reduce traffic and improve public health and safety.
4. Transit priority improvements, such as designated transit lanes and streets and improved signalization, shall be made to expedite the movement of public transit vehicles (including taxis and vanpools) and to improve pedestrian safety.
5. Pedestrian areas shall be enhanced wherever possible to improve the safety and comfort of pedestrians and to encourage travel by foot.
6. Bicycling shall be promoted by encouraging safe streets for riding, convenient access to transit, bicycle lanes, and secure bicycle parking.
7. Parking policies for areas well served by public transit shall be designed to encourage travel by public transit and alternative transportation.
8. New transportation investment should be allocated to meet the demand for public transit generated by new public and private commercial and residential developments.
9. The ability of the City and County to reduce traffic congestion depends on the adequacy of regional public transportation. The City and County shall promote the use of regional mass transit and the continued development of an integrated, reliable, regional public transportation system.
10. The City and County shall encourage innovative solutions to meet public transportation needs wherever possible and where the provision of such service will not adversely affect the service provided by the Municipal Railway.

DESCRIPTION

Charter Section 8A.106 provides that the SFMTA must submit a two-year budget by May 1 of each even year to the Mayor and Board of Supervisors. The resolution approving the budget authorizes the Director of Transportation to work with the City Controller to conform the SFMTA's budgets to any

changes in citywide budget submission schedules to ensure that interim appropriations are available for the SFMTA to continue operations after July 1, 2024 until October 1, 2024, when the SFMTA budget for the period ending June 30, 2025 will be finally operative.

The SFMTA has both an operating and capital budget. The SFMTA operating budget context for FY24-25 and FY25-26 includes the following factors:

- Revenue continues to be lower than pre-pandemic,
- One-time federal relief funds will be fully expended by FY25-26, and
- Expenditures continue to rise due to cost of living adjustments and inflation.

Similarly for the capital budget, projected capital revenue is down due to lower than projected general fund transfers and developer fees, as well as a reduction in operating support, general obligation bonds, and revenue bonds. Revenue constraints on both the operating and the capital budget are expected to continue for the foreseeable future, contributing to a structural deficit in FY26-27 and beyond.

As a result of this overall fiscal context, SFMTA's budget strategy for FY24-25 and FY 25-26 is:

- Focus on identifying new revenue opportunities available starting July 1, 2024 that are within SFMTA's administrative control and distributed across multiple transportation types to share the burden,
- Control expenditure growth by implementing only cost-neutral Muni service changes; maintain current service levels plus inflation,
- Stretch one-time sources like federal, state and regional transit relief, and
- Focus on closing near term deficits but manage with an eye towards addressing the SFMTA's larger long term structural deficit.

Operating Budget

The proposed FY24-25 and FY25-26 operating budgets are \$1,445.5 million and \$1,489.8 million, respectively. The proposed budget was reviewed by the SFMTA Board of Directors on January 30, 2024, March 5, 2024, March 19, 2024, and April 2, 2024.

Budget Development

On January 30, 2024, the SFMTA Board of Directors reviewed the operating baseline budget for FY24-25 and FY25-26, which included a \$12.7 million shortfall for FY25-26 and a \$240.0 million shortfall beginning in FY26-27.

At this meeting, staff proposed the following options to close the \$12.7 million shortfall:

- Eliminate the Clipper discount for Clipper and MuniMobile single rides fares – no change to cash fare,
- Increase parking fines slight above Indexing to 5% each year,
- Index Residential Parking Permit fees and include additional program costs to fully recover costs, and
- Reinstate and index taxi fees, excluding those paid by drivers.

Based on feedback from the Board at subsequent meetings held on March 5, March 19, and April 2, 2024, and from public and stakeholder groups, staff developed additional options to close the deficit and presented them to the Board.

Options presented included:

- Indexing all fares with no change to the Clipper Muni Mobile discount
- Reinstating all taxi fees, including those for drivers
- Increasing parking fines up to 10% each year
- Reducing the Clipper and Muni Mobile discount to \$0.25
- Indexing the cash fare
- Reducing the monthly pass multiplier from 32 to 30 over two years

Based on feedback from the Board of Directors and the public, the SFMTA modified the revenue options presented on January 30, 2024 to:

- Reduce the Clipper discount by \$0.25 in FY24-25 and index all fares in FY25-26, with the exception of single ride cash fares and
- Increase parking fines by 8% each year.

Increases to residential parking permit fees and reinstatement of taxi fees, with the exception of drivers, remain unchanged from the January 30, 2024 proposal. For greater detail on these proposals see the Fares, Fees, Fines, Rates, and Charges section of this report.

Revenue

The SFMTA's FY24-25 and FY25-26 proposed budget includes the following revenue assumptions:

- Estimates from the Controller's Office on the General Fund Baseline transfers,
- Estimates from Metropolitan Transportation Commission (MTC) on the state and regional operating grants,
- Full utilization of State and Federal COVID relief funds,
- Direction of the Board of Directors regarding fare, fee and fine revenue, as described above,
- Estimates of Other revenue based on contractually negotiated advertising and real estate revenue, as well as use of fund balance.

Projected FY24-25 and FY25-26 revenue for the SFMTA budget is summarized below.

Table 1: Revenue Sources

Category	FY23-24 Budget (\$M)	FY24-25 Proposed Budget (\$M)	FY25-26 Proposed Budget (\$M)	Yr1 Growth (%)	Yr2 Growth (%)
General Fund	542.3	543.2	558.4	0.2%	2.8%
Operating Grants	193.3	232.0	235.7	20.0%	1.6%
Federal and State Relief	201.1	231.00	256.6	14.9%	8.8%
Parking Revenue	282.0	248.8	258.1	-11.8%	3.7%
Transit Revenue	140.6	108.6	113.6	-22.8%	4.6%
Other Revenue *	48.2	81.8	67.3	69.6%	-12.4%
Total	1,407.6	1,445.5	1,489.8	2.7%	3.1%

*Includes use of one-time fund balance in FY24-25 and FY25-26

Expenditure

The SFMTA's FY24-25 and FY25-26 proposed budget includes the following expenditure assumptions:

- Impact of 418 positions, included in the budget, placed on hiring hold, in alignment with division actual spending from FY 22-23,
- Impact of projected non-labor reductions in alignment with division actual spending in FY22-23, plus an inflation adjustment of 5% in FY24-25 and 2.7% in FY25-26,
- Projected wage increases based on labor negotiations,
- Use of fund balance of \$60.0 million,
- Addition of 36 Transit Fare Inspectors to increase fare compliance and participation in discount programs, and
- Addition of revenue, labor, and non-labor to enforce parking restrictions on Treasure Island, and
- Addition of revenue, labor, and non-labor to implement the Access for All grant.

Projected FY24-25 and FY25-26 expenditure for the SFMTA budget is summarized below.

Table 2: Expenditure by Category

Category	FY24-25 Proposed Budget (\$M)	Percent (%)	FY25-26 Proposed Budget (\$M)	Percent (%)
Labor	919.1	64	954.2	64
Professional Services	271.4	19	274.1	18
Overhead Recoveries	(22.1)	NA	(22.5)	NA
Materials & Supplies	99.5	7	105.5	7
Debt Service	27.8	2	27.8	2
Services of Other Departments	123.6	9	130.6	9
Other *	26.3	2	20.4	1
Total	1,445.5	100	1,489.8	100

* Includes one-time equipment and transfers to Capital projects

Consistent with prior budgets, labor is the largest source of expenditure in the FY24-25 and FY25-26 proposed budget. The cost of labor assumes an overhead recovery, by which a portion of operating budget positions are funded by capital project expenditure. Debt Service and Other are the smallest source of expenditure. The FY24-25 and FY25-26 proposed budget includes authority for one-time equipment expenditure in Other.

Labor expenditure funds 6,798 FTE in FY24-25 and 6,805 positions in FY25-26. Due to Charter restrictions that limit managerial positions to a statutorily mandated cap of 2.75% of the MTA's total workforce, the majority of labor expenditure funds positions that directly provide service to the public. Most of SFMTA's FTE are budgeted in the operating budget and support the daily operation of the agency. A relatively small number of FTE are funded by capital projects. The projected breakdown of operating and project positions is summarized below.

Table 3: Full-Time Employees by Employee Type*

Category	FY24-25 (FTE)	Percent (%)	FY25-26 (FTE)	Percent (%)
Operating Budget	6,288	92	6,294	92
Project Budget	510	8	511	8
Total	6,798	100	6,805	100

*Does not include authorized and unfunded FTE on budget hold or temporary status FTE

The proposed budget reflects 36 additional transit fare inspectors who will increase fare compliance and safety in the system, as well as seven FTE funded by the Treasure Island Development Authority to enforce parking controls on Treasure Island. The increase of seven FTE between FY24-25 and FY25-26 reflects the annualization of the new transit fare inspector positions added as partial year positions in FY24-25.

Table 4: Expenditure by Function

Category	FY24-25 Proposed Budget (\$M)	Percent (%)	FY25-26 Proposed Budget (\$M)	Percent (%)
Transit	779.8	54	812.9	55
Streets	239.6	17	232.6	16
Taxi, Access, and Mobility	35.7	2	37.2	2
Administrative Support	245.8	17	249.3	17
Agency Wide	144.5	10	157.9	11
Total	1,445.5	100	1,489.8	100

Consistent with prior budgets, the majority of the proposed budget will be expended to support the delivery of transit via 72 Muni lines. The Administrative Support function includes all agency functions that support the work of the Transit, Streets, and Taxi, Access, and Mobility Division including finance and information technology, human resources, strategy and facilities management, safety, communications, government affairs, and the office of the executive director. The Agency Wide function includes expenditure that supports the entire agency including debt service, retiree pension and health care, and services of city departments such as risk management and information technology.

Table 5: Full-Time Employees by Division

Category	FY24-25 (FTE)	Percent (%)	FY25-26 (FTE)	Percent (%)
Transit	4,854	71	4,854	71
Streets	1,150	17	1,156	17
Taxi, Access, and Mobility	35	1	35	1
Administrative Support	760	11	760	11
Total	6,798	100	6,805	100

Consistent with prior budgets, the majority of FTE are in the Transit Division. Significantly, of the 6,798 budgeted FTE, 39 percent are Transit Operators. The Streets Division, with 1,156 FTE, is the second largest division. Of note, while the Administrative Support function is the second most expensive cost center, the function has many fewer FTE than the Transit and Streets Divisions, reflecting the high proportion of non-labor costs such as rent and worker's compensation in the Administrative Support budget.

Division Workplans

The FY24-25 and FY25-26 SFMTA proposed budget of \$1,445.5 million and \$1,489.8 million, respectively, will fund a wide array of services in the coming two years:

Transit

Approximately 54 percent of the SFMTA budget funds the Transit Division, the agency's largest division. The Transit Division focuses on performing on-going planning, procurement, operation, safety, and maintenance activities for the country's 7th largest public transit system, including 1,000 motor coaches, trolley coaches, light rail vehicles, cable cars, historic and vintage streetcars, plus nearly 700 non-revenue vehicles, and 3,500 transit stops that deliver more than 450,000 passenger boardings per day. The Transit Division's focus for the coming two-year budget includes:

- Improve Muni service speed, frequency and reliability,
- Invest in maintenance,
- Support mode shift that reduces climate change,
- Launch a Muni Equity Strategy Working Group, and
- Improve communications and training for SFMTA staff.

Streets

Approximately 17 percent of the SFMTA proposed budget funds the Streets Division, the

agency's second largest division. In the coming two years, the Streets Division will continue to plan, design, implement, maintain, and improve the city's street, transit, bicycle, pedestrian and parking infrastructure to meet the goals and objectives of the Transit First and Vision Zero Policies. The Streets Division focus for the upcoming two-year budget includes:

- Right-size Transit Fare Inspector staffing levels to support fare compliance,
- Implement automatic speed enforcement by installing 33 speed safety cameras and eight new automated photo enforcement locations,
- Maintain existing Vision Zero improvements such as colored curbs, signage, and other paint elements in a state of good repair, and
- Study expansion of Pay or Permit parking or other parking policy changes, including RPP 2.0.

Taxi, Access and Mobility Services

Approximately two percent of the SFMTA proposed budget funds the Taxi, Access and Mobility Services Division. In the coming two years, the Taxi, Access and Mobility Services Division will ensure all transportation modes are accessible to older adults and people with disabilities, continue to provide over 500,000 paratransit trips per year, and regulate the taxi and emerging mobility programs such as scooter share and commuter shuttles. The taxi, access and mobility services division focus for the upcoming two-year budget includes:

- Develop Needs Assessment and 5-Year Accessibility Strategy,
- Distribute over \$3 million in grants to improve accessible on-demand transportation to taxis through the Access for All Program,
- Administer new application process and improve the adaptive Powered Scooter Share program,
- Use data to identify speeding and coach/retrain drivers, update on-vehicle camera requirements, continue service audits of taxi driver customer service and dispatch/app service through the Taxi Driver Safety Initiative, and
- Create a culture of caring internally and externally.

Administration

Approximately 17 percent of the SFMTA proposed budget funds administrative services such as finance and information technology, human resources, strategy and facilities management, safety, communications, government affairs, and the office of the executive director. The focus of the administrative services functions for the upcoming two-year budget includes:

- Collaborate with regional transit agencies, elected officials, and regional transit planning organizations to advocate for regional transit measure on 2026 ballot,
- Collaborate with policy makers to shape Autonomous Vehicles regulation,
- Advocate for legislative changes necessary to support RPP 2.0,
- Work with state legislators to write legislation to modernize curb side parking,
- Upgrade the SFMTA.com digital asset to Drupal 10, ensure compliance with SF's Digital

Accessibility and Inclusion Standard, and improve its connection with the Salesforce CRM,

- Launch a community liaison program that continues to focus on cultural competency and building trust,
- Coordinate with Controller's Office to simplify project financial structure to simplify reporting,
- Implement asset management system to automate inventory control,
- Implement electronic management system to track and resolve payroll and employee relations issues,
- Implement scanning technology to make payroll processing more efficient,
- Identify and implementing best practices for project delivery and ridership recovery, and
- Audit utility use (water, natural gas, power) to reduce energy costs.

Agency Wide

Approximately ten percent of the proposed SFMTA budget funds agency wide expenses such as debt service, retiree pension and health care, and services from other city departments that support the entire agency such as information technology and risk management.

Year-Over-Year Comparison (YOY)

The proposed FY24-25 and FY25-26 budget reflects a significant re-alignment to increase transparency and more accurately reflect historic expenditure patterns.

On the revenue side, General Fund growth estimates are consistent with City projections and are much lower than previous budgets due to weak local economic fundamentals. Notably, the FY24-25 shows a significant increase in Operating Grants when compared to the FY23-24. This change reflects a correction to be more consistent with grantor projections. Growth in Operating Grants in FY25-26 is a reversion to the mean following the FY24-25 correction and is therefore much lower than FY24-25 growth relative to FY23-24. Federal and State Relief revenue is expected to be fully expended in FY25-26. Both Parking and Transit Revenue show significant decreases in FY24-25 relative to FY23-24, reflecting an increased understanding of post-pandemic transportation patterns. FY25-26 growth reflects a reversion to the mean following the FY24-25 correction. Due to the use of \$60.0 million in fund balance over the two years, Other Revenue is higher than in FY23-24.

Table 6: Year Over Year Revenue Sources

Category	FY23-24 Budget	FY24-25 Proposed Budget (\$M)	FY25-26 Proposed Budget (\$M)	Yr1 Growth (%)	Yr2 Growth (%)
General Fund	542.3	543.2	558.4	0.2	2.8
Operating Grants	193.3	232.0	235.7	20.0	1.6
Federal and State Relief	201.1	236.0	256.6	17.3	8.8
Parking Revenue	282.0	248.8	258.1	-11.8	3.7
Transit Revenue	140.6	108.6	113.6	-22.8	4.6
Other Revenue *	48.2	76.8	67.3	59.2	-12.4
Total	1,407.6	1,445.5	1,489.8	2.7	3.1

*Includes use of one-time fund balance in FY24-25 and FY25-26

On the expenditure side, the FY24-25 budget and FY25-26 budget reflect a significant re-alignment to increase transparency and more accurately reflect historic expenditure patterns. In FY24-25, Labor expenditure is lower than FY23-24 budget authority, despite proposed wage increases, which are offset by 418 positions being placed on budget hold. This decrease acknowledges the pace of hiring relative to budgeted, vacant positions. In FY25-26 growth in labor expenditure reflects proposed wage increases. The FY24-25 and FY25-26 budget includes allowances for inflation over FY22-23 actuals in non-personnel costs, professional services, and materials and supplies. The significant increase in materials and supplies reflects materials needed to maintain light rail vehicle brakes coming off warranty. The significant increase in Other in both FY24-25 and FY25-26 is driven by expenditure authority for equipment. FY25-26 Other expenditure is lower than FY24-25 due to greater investment in one-time equipment purchases in the first year of the two-year budget cycle.

Table 7: Year Over Year Expenditure by Type

Category	FY23-24 Budget (\$M)	FY24-25 Proposed Budget (\$M)	FY25-26 Proposed Budget (\$M)	Yr1 Growth (%)	Yr2 Growth (%)
Labor	969.4	919.1	954.2	-5.2	3.8
Professional Services	259.5	271.4	274.1	4.6	1.0
Overhead Recoveries	(34.0)	(22.1)	(22.5)	-34.9	1.8
Materials & Supplies	74.6	99.5	105.5	33.4	6.0
Debt Service	27.9	27.8	27.8	0.0	-0.1
Services of Other Departments	109.7	123.6	130.6	12.6	5.7
Other *	0.4	26.3	20.4	6486.3	-22.6
Total	1,407.6	1,445.5	1,489.8	2.7	3.1

* Includes onetime equipment and transfers to Capital projects

Small FY24-25 increases in the Transit and Streets Divisions are offset by decreases in the Taxi, Access, and Mobility Division. The decrease in Taxi, Access and Mobility reflects a rightsizing of the professional services contract for paratransit services to reflect actual historic usage, plus an assumed 5 percent increase. The FY24-25 decrease in Agency Wide and increase in Administrative Support reflects transferring expenditure, such as transit fares due to other transit agencies for shared rides, from Agency to Administrative Support. The growth in Administrative Support also reflects transfers of function, such as the consolidation of contracting and Equal Employment Opportunity functions, and consolidation of agency-wide Real Estate and Worker's Compensation expenditures. The FY25-26 decrease in Streets reflects a return to baseline following large one-time enhancements in FY24-25, including \$6.0 million for elevator repairs and \$3.0 million for cameras for automatic speed enforcement.

Table 8: YOY Expenditure by Division

Category	FY23-24 Budget (\$M)	FY24-25 Proposed Budget (\$M)	FY25-26 Proposed Budget (\$M)	Yr1 Growth (%)	Yr2 Growth (%)
Transit	754.0	779.8	812.9	3.4	4.2
Streets	227.3	239.6	232.6	5.4	-2.9
Taxi and Mobility	39.9	35.7	37.2	-10.3	4.0
Administrative Support	179.9	245.8	249.3	36.6	1.4
Agency Wide	206.5	144.5	157.9	-30.0	9.3
Total	1,407.6	1,445.5	1,489.8	2.7	3.1

Reserves and Fund Balance

In 2007, the SFMTA Board approved a Contingency Reserve Policy, which directed the establishment of an operating reserve with the goal of setting aside a total of 10% of operating expenditures. Based on the proposed FY24-25 and FY25-26 budget, the 10% operating reserve is \$141.5 million in FY24-25 and \$145.0 million FY25-26.

As of the City of San Francisco Six-Month Budget Status Report Report, the SFMTA projected year-end fund balance of \$60.0 million. The FY24-25 and FY25-26 operating budget appropriates all \$60.0 million of this fund balance as described below. One-time operating expenditures reflect one-time investments such as upgrading the SFPark operating system to the most current software version. One-time capital expenditures backfill lower than projected transfers from the General Fund (Population Baseline) that typically support capital improvements. On-going operating expenditures reflect upgrades for critical software systems. Use of fund balance to support on-going operating expenditures indicates a structural budget weakness and underscores the need to increase revenues to match expenditure in future budget years.

Table 9: Use of Fund Balance

Category	FY24-25 (\$M)	FY25-26 (\$M)
Beginning Fund Balance	60.0	21.3
One-Time Capital Expenditures	4.7	6.2
One-Time Operating Expenditures	22.8	4.0
On-going Operating Expenditures	11.1	11.1
Ending Fund Balance	21.3	0.0

Capital Budget

On November 16, 2021, the SFMTA Board approved the Agency's 20-Year Capital Plan for FY 2022-23 through FY 2042-43. The Capital Plan represents the Agency's *fiscally unconstrained capital needs* for the next 20 years. The 20-year Capital Plan serves as the basis for developing the fiscally constrained five-year Capital Improvement Program (CIP), the first two years of which comprise the two-year capital budget. Given limited funding availability, the SFMTA prioritizes the capital projects that can be advanced during each two-year capital budget.

The SFMTA has prepared a two-year balanced capital budget for FY24-25 and FY25-26 in the amount of \$423.3 million and \$586.3 million for submittal by May 1, 2024, to the Mayor and Board of Supervisors as required by Charter Section 8A.106. The proposed SFMTA FY24-25 and FY25-26 capital budget is the agency's two-year capital financial plan and consolidated capital program.

The two-year capital budget recommends a variety of capital projects addressing infrastructure needs related to transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility. These recommended projects continue to reflect the SFMTA Board of Directors' adopted policies and plans, including Vision Zero, Transit First, the San Francisco Pedestrian Strategy, the SFMTA Bicycle Strategy, the City and County of San Francisco Adopted Area Plans, the SFMTA Strategic Plan, and the San Francisco County Transportation Plan. Complete scope and funding plans for recommended projects will be reflected in the SFMTA CIP 2024-2029, also presented for adoption on April 16, 2024. Projects recommended through this two-year budget include infrastructure investments, as well as various procurements and other one-time initiatives and are allocated across eleven programs.

Development Fees and Population-Based General Fund Allocation

The proposed SFMTA two-year capital budget includes expenditure authority of \$76.5 million in FY24-25 and \$78.0 million in FY25-26 in the operating budget. The majority of this funding comes from the General Fund Population Baseline, which is received through the operating budget but legislatively allocated 75 percent to projects that improve Muni's reliability, frequency of service, or pay for Muni repairs and 25 percent to capital street safety improvements. Other funding includes annual state of good repair funds received from the region and commuter shuttle fee revenue. The operating budget also appropriates fund balance to back-fill General Fund Population Baseline funds that were assumed when developing the capital budget but whose projections were subsequently decreased due to lower General Fund projections. Finally, the operating budget appropriates Transit Congestion Management Tax received but unappropriated in a prior year. These funds must be appropriated before they can be expended. Funds appropriated in the operating budget to support capital are summarized below.

Table 10: Consolidated Budget Support for Capital

Revenue Source	FY24-25 (\$M)	FY25-26 (\$M)
Population Baseline	57.0	59.2
State of Good Repair	11.8	12.1
Fund Balance	4.7	6.2
Transit Congestion Management Tax	2.5	0.0
Commuter Shuttle Permit Fees	0.6	0.6
Total	76.5	78.0

Fares, Fees, Fines, Rates, and Charges

The Operating Budget includes transit fare revenue of \$108.6 million in FY24-25 and \$113.6 million in FY25-26. Transit fare projections include revenue generated by the fare, fee and fine changes described below.

Fare Changes

- **Single Ride Fares** – Beginning in January 2017, the SFMTA Board suspended indexing of single ride cash fares purchased on Clipper and MuniMobile, creating the current \$0.50 discount. The purpose of this change was to incentivize pre-payment of fares and the transition of more customers to the regional Clipper regional fare payment system. The initial discount was \$0.25 in FY 2017-18 and increased to \$0.50 in FY 2019-20. SFMTA data shows that this behavior change has occurred. Only 20% of SFMTA single-ride fares are currently paid with cash.

While the Clipper Discount was effective in supporting the transition to Clipper, it is unequitable. SFMTA demographic data shows riders who pay the single-ride cash fare have the fewest economic resources. To make the fare structure more equitable, SFMTA proposes reducing the Clipper discount by \$0.25 in FY24-25 and index all fares, excluding the single ride cash fare, in FY25-26. The single ride Clipper fare serves as the basis for single ride fares paid with Clipper or Muni Mobile for seniors and people with disabilities, paratransit group van service, and monthly, daily and visitor passes, so these fares will also increase accordingly.

- **Multi-Day Visitor Passes** - In 2018, the MTAB Board approved discount fares for the multi-day passes valid for use on all Muni service, including cable car, when purchased on MuniMobile versus Clipper or cash. The goal of the discount was to encourage pre-payment and to reduce in-person sales at the SFMTA sales kiosk, as well as to reduce cash handling on board cable cars. The MuniMobile fare model is based on an assumption of reasonable usage of the pass. For example, the one-day pass price assumes one cable car ride (\$8) and one all day Muni pass (\$5), for a total of \$13.00. The Clipper and cash fare model is based on the indexing formula, which over time, has resulted in the price of the pass exceeding the value to customers, with the one-day pass currently priced 73 percent higher at \$24.00.

The two-tier price structure has led to two problems. First, the mismatch between price and value for the Clipper and cash multi-day passes has depressed sales. Second, staff report that the current fare structure results in on-going complaints from customers who purchase at the

higher fare, unaware of the discount option. To address these problems, a pilot program was implemented in November 2023 to eliminate the fare differential. Based on the results to date, revenue loss associated with the fare decrease of these products have been largely offset by an increase in sales.

- California Cable Car Line All Day pass – From July 1, 2023 to December 31, 2024, the SFMTA introduced a pilot program for an all-day pass limited to use on the California Cable Car route. Priced at \$5.00 this pilot was intended to induce demand on an underutilized cable car route, allowing customers to travel round-trip or make stops along the route. The six-month pilot was highly successful in generating additional ridership which offset potential revenue loss by offering this pass at a rate less than the standard Cable Car fare. Due to the success of this pilot program, the SFMTA has proposed to adopt this as a permanent product.

Staff is also recommending the approval of free service on New Year's Eve 2025 and 2026 consistent with other regional operators to promote transit use and safe travel.

All fare changes for FY24-25 will take effect January 1, 2025 and July 1, 2026 for FY25-26.

Parking Fines

SFMTA policy is to increase parking and transit violation fines by its Indexing policy. In order to generate additional revenue, SFMTA proposes to increase parking and other finest fines by eight percent.

Residential Parking Permits

Historically, SFMTA policy has been to set the price of permits to recover the cost of providing the permitted service. Historically, the cost of a residential parking permit (RPP) has not included the costs of processing and adjudicating citations, or policy staff who oversee changes and expansions of the RPP program. To cover these additional costs, the SFMTA proposes to increase the RPP permit fee from \$170.00 to \$190.00 in FY24-25 and to \$215.00 in FY25-26, an increase of 12% and 13% respectively. The RPP fee will then be subject to Indexing beginning in FY26-27 on an ongoing basis.

Taxi Fees

During the pandemic all Taxi fees were suspended because, like nearly all industries in San Francisco, demand for taxis were severely impacted due to shelter in place. Fees were suspended to provide relief to the taxi industry to allow the industry sufficient time to recover.

At this time, staff are recommending reinstating fees, except for those assessed to drivers. Continuing to waive driver fees supports driver recruitment and retention, which are necessary in the face of a continued driver shortage.

Re-instated fees include fees associated with Taxi companies (Color Schemes, Dispatch Services) and Medallions. Renewal fees for Transferable Medallions (“Purchased” Medallions) are already eliminated, thus those Medallion Holders will not be impacted. The taxi permit fees will be set for FY24-25 and then subject to Indexing beginning in FY25-26.

Other Fees

The SFMTA is also proposing the following routine parking fee increases:

- Exclusive use of parking meter fee – Increasing the daily fee charged for taking parking meters out of service for construction related activities by \$1 per 25 linear feet of construction frontage each year on an on-going basis,
- Parking meter use fee – Increasing the daily fee charged for taking parking meters out of service for non-construction related activities by \$1 per day each fiscal year on an on-going basis,
- City-wide variable parking meter rates – Increasing the maximum hourly rate that may be charged in parking meter areas by \$1 each fiscal year on an on-going basis to increase occupancy.

PUBLISHED NOTICE

Charter Section 16.112 requires published notice and a hearing before the SFMTA may institute or change any schedule of rates or charges which affect the public. The Board's Rules of Order require that the advertisement run for at least five days and not less than five days prior to the public hearing. In compliance with both Charter Section 16.112 and the SFMTA Board's Rules of Order, advertisements were placed in the City's official newspaper beginning on March 20, 2024 to provide notice that the Board of Directors will hold public hearings on April 2, 2024, April 16, 2024, and April 23, 2024 (if needed) to consider the above modifications.

TITLE VI

As a federally funded agency, the SFMTA must comply with Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color or national origin in programs and activities receiving Federal financial assistance. Before the SFMTA Board can approve the Agency's fare policy and pricing or a service change, a Title VI fare equity analysis must be approved by the SFMTA Board in accordance with the Federal Transit Administration's (FTA) Circular 4702.1B, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients," to determine whether those changes will have a disparate impact based on race or a disproportionate burden on low-income communities. (FTA Circular 4702.1B, Chapter IV-11)

Based on FTA Circular 4702.1B, Chapter IV-19, transit providers are required "to evaluate the impacts of their proposed fare changes (either increases or decreases) on minority and low-income populations separately." In order to make an appropriate assessment of disparate impact on communities of color or disproportionate burden on low-income communities with regard to the proposed fare changes, the analysis compares available customer survey data and shows the number and percent of minority riders and low-income riders using a particular fare media in order to establish whether minority and/or low-income riders are disproportionately more likely to use the mode of service, payment type or payment media that would be subject to the fare change.

A Title VI Analysis addressing the potential fare changes is included as Enclosure 3, which includes a cumulative analysis of proposed fare changes based on available customer survey data

for changes to current fare types. For the proposed fare increases, including the Clipper Card single-ride fare of \$0.25 in FY24-25, the equity analysis resulted in no finding of disparate impact based on race or a finding of disproportionate burden on low-income communities. For the proposed decrease of the surcharge on multi-day visitor passes, which reduces the overall cost for all users and brings the passes in line with the same visitor passes purchased on MuniMobile, the analysis resulted in both a finding of disparate impact based on race and a disproportionate burden on low-income communities. The finding of disparate impact was a result of the elimination of the surcharge, which benefited more non-minority and non-low-income users of the pass based on 2017 on-board survey data (the most recently available data) than protected users of the pass. It's important to note that 2017 survey data indicated 88% of the pass users self-identified as visitors, which is a constantly changing population and therefore difficult to capture an accurate demographic profile and fully ascertain impacts on protected versus non-protected populations.

When a disparate impact is found, FTA Circular 4702.1B, Chapter IV-20 states: "If a transit provider chooses not to alter the proposed fare changes despite the disparate impact on minority ridership, or if the transit provider finds, even after the revisions, that minority riders will continue to bear a disproportionate share of the proposed fare change, the transit provider may implement the fare change only if (i) the transit provider has a substantial legitimate justification for the proposed fare change, and (ii) the transit provider can show that there are no alternatives that would have a less disparate impact on minority riders but would still accomplish the transit provider's legitimate program goals."

When a disproportionate burden is found, FTA Circular 4702.1B, Chapter IV-21 provides: "At the conclusion of the analysis, if the transit provider finds that low-income populations will bear a disproportionate burden of the proposed fare change, the transit provider should take steps to avoid, minimize or mitigate impacts where practicable. The transit provider should describe alternatives available to low-income populations affected by the fare changes."

Staff recommends moving forward with this discount as there are no practicable steps to avoid, minimize or mitigate the impacts of the reduced surcharge or alternatives that would have a less disparate impact on minority riders while still accomplishing the SFMTA's legitimate program goals of providing improved access to the discounted product, bringing the price of the Clipper and cash passes in line with the price of the passes that are purchased on MuniMobile, and encouraging transit use among visitors to San Francisco, which was validated via the current six-month pilot program. As discussed above, the vast majority of the users of the visitors' passes are an ever-fluctuating population and it is difficult to ascertain exactly which groups are benefiting from the proposed decrease of the surcharge; all users of this pass, including those who pay with cash, will benefit from the discount. Although a small percentage of overall users, regular Muni riders who purchase this pass will also benefit from the reduced surcharge, as well as Muni's free and reduced fares for which they qualify. A full discussion is included in the attached analysis.

If the SFMTA Board chooses not to move forward with any of the proposed fare changes as analyzed, or if additional fare proposals are made for consideration, the required analysis will need to be updated to analyze whether the changes result in a disparate impact finding or a finding of disproportionate burden.

STAKEHOLDER ENGAGEMENT

The following schedule summarizes the major outreach efforts for the SFMTA Operating and Capital Budget:

Action	Date
SFMTA Board Informational Presentation: FY22-23 Financial Year in Review SFMTA Board Informational Presentation: Transportation 2050 Program Initiatives and Capital Needs and Requirements; State of Good Repair; Unconstrained Capital Plan Report	December 5, 2023
Citizens' Advisory Council (CAC) Meeting #1	December 7, 2023
Board Information: Budget Overview & Strategic Approach	January 16, 2024
SFMTA Board Workshop	January 30, 2024
Citizens' Advisory Council (CAC) Meeting #2	February 1, 2024
Public Listening Session (Virtual)	February 22, 2024
Public Listening Session (In-person)	March 2, 2024
SFMTA Board Informational Presentation: Revenue Options – Fares & Parking Policy, Fees and Fines	March 5, 2024
Citizens' Advisory Council (CAC) Meeting #3	March 7, 2024
SFMTA Board Adoption of Fees and Fines	March 19, 2024
SFMTA Board Public Hearing: FY24-25 & FY25-26 Budget	April 2, 2024
SFMTA Board Adoption of FY24-25 & FY25-26 Budget (first opportunity)	April 6, 2024
SFMTA Board Adoption of FY24-25 & FY25-26 Budget (second opportunity, if needed)	April 23, 2024

Outreach strategies also included a comprehensive multilingual strategy including:

- Informational cards posted on all Muni vehicles,
- Ads placed in 13 neighborhood and city-wide newspapers,
- Social media posting on official SFMTA accounts and advertising campaigns,
- An on-line budget balancing tool to help members of the public learn about the tradeoffs our agency is considering as we develop the budget,
- Direct email to members of the public signed up for agency updates,
- Individual briefings were offered to over 50 community organizations and stakeholders, including Board of Supervisors' offices, formal advisory councils and committees, and multiple advocacy groups.

A detailed list of the outreach strategy is included in the Title VI Fare Equity Analysis (Enclosure 3).

ALTERNATIVES CONSIDERED

The SFMTA Board considered various options at the January 30, 2024 Workshop, and at the SFMTA Board meetings on March 5, 2024, March 19, 2024, and April 2, 2024.

FUNDING IMPACT

Operating Budget

The proposed FY24-25 and FY25-26 Operating Budgets will provide 1,445.5 million and \$1,489.8 million, respectively, for operating expenditures and a portion of capital projects funded through City and County of San Francisco sources.

Capital Budget

The Proposed FY24-25 and FY25-26 consolidated budget will provide \$76.5 million and \$78.0 million respectively for capital projects out of a total capital budget of \$423.3 million and \$586.3 million. Approval of the budget resolution appropriates City and County of San Francisco and regional sources outside of the authority of the SFMTA to accept and expend absent budget approval.

ENVIROMENTAL REVIEW

On April 5, 2024, the SFMTA, under authority delegated by the Planning Department, determined that the SFMTA Consolidated Capital and Operating Budget for Fiscal Years 24-25 and FY25-26 is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

The adoption of this resolution does not constitute the approval of any specific project recommended in the budget. Rather, recommended projects would be subject to CEQA review, and other approvals as applicable, as determined according to their scopes.

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

Proposition J Certifications

Section 10.104.15 of the San Francisco Charter allows City departments to contract for services where such services can be practically performed under private contract at a lesser cost than similar work performed by City employees as determined by the Controller. The Board of Supervisors has requested that all Proposition J certifications be included as part of the SFMTA’s budget. In response to this request, six contracts (listed below) were identified as requiring Proposition J certifications. The following certifications are being reviewed by the Controller’s Office and are pending:

- Facility Security Services
- Transit Shelter Maintenance Services
- Paratransit Services
- Citation Processing Services
- Vehicle Towing, Storage and Disposal Services; and
- Parking Meter Payment Collection and Coin Counting Services.

For the two-year capital budget, the SFMTA Board and Board of Supervisors will approve contracts as necessary for completion of capital projects.

The City Attorney has reviewed this calendar item.

RECOMMENDATION

SFMTA staff recommend that the Board of Directors approve the San Francisco Municipal Transportation Agency Fiscal Year (FY) 24-25 and FY25-26 Operating Budget, in the amounts of \$1,445.5 million and \$1,489.8 million, respectively, for operating expenditures; \$76.5 million and \$78.0 million, respectively, for capital expenditures inclusive of a transfer of operating funds of \$5.3 million in FY24-25 and \$6.7 million in FY25-26; for a combined total appropriation of \$1,516.7 million and \$1,561.1 million respectively; and the Capital Budget in the amounts of \$423.3 million and \$586.3 million respectively; and taking related actions including (a) certifying that the FY24-25 and FY25-26 Operating and Capital budgets are adequate in making substantial progress towards meeting the performance standards established pursuant to Charter Section 8A.103; (b) acting as both the SFMTA Board of Directors and the Parking Authority Commission approving increases to various fines, fees, rates, and charges beginning July 1, 2024, and July 1, 2025 in excess of the Automatic Indexing Implementation Plan (Indexing) including, among other things adopting a higher indexing rate for parking and other penalties, increasing the daily non-construction related parking meter rate, the construction-related parking meter use fee, and parking meter use fees annually, increasing the residential parking permit fees to a set amount for FY24-25 and FY25-26 and applying an automatic index beginning July 1, 2026, reinstating a base fee for taxi permits and applying an automatic index to those fees beginning July 1, 2025, and changing transit fares including increasing the Clipper Fare and decreasing the surcharge on multi-day visitor passes; (c) authorizing the Director to implement short-term experimental fares and parking rates and fees under certain conditions; (d) concurring with the Controller's certification that parking citation processing and collection services, facility security services, paratransit services, parking meter collection and coin counting services, transit shelter maintenance services, and vehicle towing, storage and disposal services can be practically performed by private contractors at a lesser cost than to provide the same services with City employees; (e) approving the Title VI Fare Equity Analysis for proposed fare changes, resulting in no finding of disparate impact based on race or disproportionate burden on low-income communities with the proposed fare increases and a finding of disparate impact based on race and a disproportionate burden on low-income communities related to decreasing the surcharge on multi-day visitor passes; (f) authorizing the Director to make necessary technical and clerical corrections to the approved FY24-25 and FY25-26 Operating budget of the SFMTA and to allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating budget, provided that the Director of Transportation shall return to the SFMTA Board of Directors for approval of technical or clerical corrections that, in aggregate, exceed a ten percent change to the SFMTA operating budget; and (g) authorizing the

Director to work with the City Controller to conform the SFMTA's budgets to any change in citywide budget submission schedules submitted to ensure that interim appropriations are available for the SFMTA to continue operations after July 1, 2024 until October 1, 2024, when the SFMTA budget for the period ending June 30, 2025 will be finally operative.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The Fiscal Year (FY) 24-25 and FY25-26 Operating and Capital Budgets for the SFMTA are being prepared in accordance with the City Charter Section 8A.106 with the Operating Budget, in the amounts of \$1,445.5 million and \$1,489.8 million, respectively, for operating expenditures; \$76.5 million and \$78.0 million, respectively, for capital expenditures inclusive of a transfer of operating funds of \$5.3 million in FY24-25 and \$6.7 million in FY25-26; for a combined total appropriation of \$1,516.7 million and \$1,561.1; and the Capital Budget in the amounts of \$423.3 million and \$586.3 million respectively; and,

WHEREAS, The FY24-25 and FY25-26 Operating Budgets include a \$141.5 million and \$145.0 million Contingency Reserve, representing 10% of operating expenditures, pursuant to the Contingency Reserve Policy established in SFMTA Board Resolution No. 07-038; and,

WHEREAS, Under Charter Section 8A.106(b) the SFMTA Board of Directors has received various presentations, staff reports and comments from the public and certifies that the budget is adequate in all respects to make substantial progress towards meeting the performance standards established pursuant to Charter Section 8A.103 for the fiscal years covered by the budget; and,

WHEREAS, The SFMTA's FY24-25 and FY25-26 Operating Budget includes the revenue and expenditure adjustments to reflect the Municipal Railway fare change for free service on New Year's Eve 2025 and 2026; and,

WHEREAS, The SFMTA Board of Directors finds that authorizing the Director of Transportation to implement short-term experimental transit fares and parking rates and fees for up to six months, will enable the SFMTA to respond effectively to community requests and public health and safety emergencies; and,

WHEREAS, The Director of Transportation should be authorized to make any necessary technical and clerical corrections to the approved budgets of the SFMTA and to allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating and capital budget, provided that the Director of Transportation return to the SFMTA Board of Directors for approval of technical or clerical corrections or that allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating budget that, in aggregate, exceed ten percent of the total SFMTA FY24-25 or FY25-26 operating or capital budgets respectively; and,

WHEREAS, The SFMTA is proposing changes to various fines, fees, rates, and charges by amending the Transportation Code for the fiscal years beginning July 1, 2024 and July 1, 2025; and,

WHEREAS, The proposed amendments to the Transportation Code to address fees and penalties for the fiscal years beginning July 1, 2024, and July 1, 2025, include, among other

things, increase the amount that the SFMTA will escalate certain parking and other fines above the annual index for the next two years; increase the non-construction related parking meter fee daily rate annually; increase the fee for construction-related parking meter use annually; increase the Residential Parking Permit fees to a set amount for Fiscal Years 2024-2025 and 2025-2026 and apply an automatic index beginning July 1, 2026; reinstate a base fee for certain taxi permits and apply an automatic index to those permit fees beginning July 1, 2025; and increase Citywide Variable Parking Meter rates annually; and,

WHEREAS, The SFMTA is proposing changing transit fares including increasing the Clipper and Muni Mobile single ride fare and decreasing the surcharge on multi-day visitor passes; and authorizing all fare changes for FY24-25 to take effect January 1, 2025; and,

WHEREAS, The changes in various fees, fares, rates and charges are necessary to meet SFMTA operating expenses, including employee wages and benefits or to purchase and lease essential supplies, equipment and materials; and,

WHEREAS, Since Charter Section 16.112 requires published notice and a hearing before the SFMTA may institute or change any schedule of rates or charges which affect the public and the Board's Rules of Order require that the advertisement run for at least five days and not less than five days prior to the public hearing, advertisements were placed in the City's official newspaper on March 20, 2024, to provide notice of the public hearings held on April 5, 19, and 26, 2024, to consider the above modifications; and,

WHEREAS, The SFMTA held public hearings, in-person and online meetings to hear public comment on the two-year Operating and Capital Budgets, and the SFMTA's Citizens Advisory Council also held meetings to consider the two-year Operating and Capital Budget; and,

WHEREAS, As a result of the extensive, multilingual outreach campaign, the SFMTA collected over 500 instances of feedback, questions, comments, and concerns on its FY24-25 and FY25-26 budget; and, in response to the feedback received, adjusted its policy proposals and budget recommendations; and,

WHEREAS, On April 5, 2024, the SFMTA, under authority delegated by the Planning Department, determined that the SFMTA Consolidated Capital and Operating Budget for FY24-25 and FY25-26 is not a "project" under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, The adoption of this resolution does not constitute the approval of any specific project recommended in the budget. Rather, recommended projects would be subject to CEQA review, and other approvals as applicable, as determined according to their scopes; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; and,

WHEREAS, Title VI of the Civil Rights Act of 1964 (Title VI) applies to programs and services receiving federal funding and prohibits discrimination based on race, color, or national origin from federally funded programs such as transit; and,

WHEREAS, Pursuant to Federal Transit Administration's (FTA) Circular 4702.1B, as a federally funded agency that must comply with Title VI, the SFMTA has prepared a fare equity analysis that analyzes the impacts of proposed fare changes (both increases and decreases) in order to make an appropriate assessment of disparate impact on communities of color or disproportionate burden on low-income communities with regard to the proposed fare changes; and,

WHEREAS, For the proposed fare increases, the equity analysis resulted in no finding of disparate impact based on race or a finding disproportionate burden on low-income communities; and,

WHEREAS, For the proposed decrease of the surcharge on multi-day visitor passes, which would reduce the overall cost for all pass users and bring them in line with the same visitor passes purchased on MuniMobile, the analysis resulted in both a finding of disparate impact based on race and a disproportionate burden on low-income communities; and,

WHEREAS, When a disparate impact is found and a transit provider proposes to move forward with the fare change, under FTA Circular 4702.1B a transit provider must have (i) a substantial legitimate justification for the proposed fare change, and (ii) show that there are no alternatives that would have a less disparate impact on minority riders but would still accomplish the transit provider's legitimate program goals, and when a disproportionate burden is found, a transit provider should take steps to avoid, minimize or mitigate impacts where practicable and should describe alternatives available to low-income populations affected by the fare changes; and,

WHEREAS, Staff recommends moving forward with the proposed decrease of the surcharge on multi-day visitor passes as there are no practicable steps to avoid, minimize or mitigate the impacts of the reduced surcharge on low-income riders or alternatives that would have a less disparate impact on minority riders but would still accomplish the SFMTA's legitimate program goals of providing improved access to the discounted product, bringing the price of the Clipper and cash passes in line with the price of the passes that are purchased on MuniMobile, and encouraging transit use among visitors to San Francisco; and,

WHEREAS, Charter Section 10.104.15 allows City departments to contract for services where such services can be practically performed under private contract at a lesser cost than similar work performed by employees of the City and County, as determined by the Controller and approved annually by the Board of Supervisors; and,

WHEREAS, The SFMTA has ongoing contracts for parking citation processing and collection services; facility security services; paratransit services; parking meter collection and coin counting services; transit shelter maintenance services; and vehicle towing, storage and disposal services; and,

WHEREAS, The Controller has determined, or is expected to determine, that for FY24-25 and FY25-26, parking citation processing and collection services; facility security services; paratransit services; parking meter collection and coin counting services; transit shelter maintenance services; and vehicle towing, storage and disposal services can be practically performed by private contractors at a lesser cost than if they were performed by employees of the City; and,

WHEREAS, Charter Section 8A.106 provides that the SFMTA must submit a two-year budget by May 1 of each even year to the Mayor and Board of Supervisors; and now, therefore, be it

RESOLVED, That the SFMTA Board of Directors approves the San Francisco Municipal Transportation Agency FY24-25 and FY25-26 Operating Budget, in the amounts of \$1,445.5 million and \$1,489.8 million, respectively, for operating expenditures; \$76.5 million and \$78.0 million, respectively, for capital expenditures inclusive of a transfer of operating funds of \$5.3 million in FY24-25 and \$6.7 million in FY25-26; for a combined total appropriation of \$1,516.7 million and \$1,561.1 million respectively; and the Capital Budget in the amounts of \$423.3 million and \$586.3 million and be it further

RESOLVED, That in accordance with the requirements of Charter Section 8A.106(b), the SFMTA certifies that the FY24-25 and FY25-26 Operating and Capital budgets are adequate in making substantial progress towards meeting the performance standards established pursuant to Section 8A.103; and be it further

RESOLVED, That the SFMTA Board of Directors approves the Title VI analysis of the impact of the proposed fare change on low-income and minority communities in San Francisco, which, for fare increases, resulted in no finding of disparate impact based on race or a finding disproportionate burden on low-income communities and for the proposed decrease of the surcharge on multi-day visitor passes, resulted in both a finding of disparate impact based on race and a disproportionate burden on low-income communities; and be it further

RESOLVED, The SFMTA Board of Directors finds that there are no practicable steps to avoid, minimize or mitigate the impacts of the reduced surcharge on multi-day visitor passes on low-income riders or alternatives that would have a less disparate impact on minority riders but would still accomplish the SFMTA's legitimate program goals of providing improved access to the product, bringing the price of the Clipper and cash passes in line with the price of the passes that are purchased on MuniMobile, and encouraging transit use among visitors to San Francisco; and be it further

RESOLVED, That the SFMTA Board of Directors approves changes to transit fares including increasing the Clipper and Muni Mobile single ride fare and decreasing the surcharge on multi-day visitor passes; and authorizing all fare changes for FY24-25 to take effect January 1, 2025; and be it further

RESOLVED, That the SFMTA Board of Directors amends Transportation Code Division II to increase the amount that the SFMTA will escalate certain parking and other fines above the annual index for the next two years; increase the non-construction related parking meter fee daily rate annually; increase the fee for construction-related parking meter use annually; increase the Residential Parking Permit fees to a set amount for Fiscal Years 2024-2025 and 2025-2026 and apply an automatic index beginning July 1, 2026; reinstate a base fee for certain taxi permits and apply an automatic index to those permit fees beginning July 1, 2025; and increase Citywide Variable Parking Meter rates annually; and be it further

RESOLVED, That the SFMTA Board of Directors approves a waiver of fares on New Year's Eve 2025, between 8 PM on December 31, 2024 and 5 a.m. January 1, 2025 and on New Year's Eve 2026, between 8 PM on December 31, 2025 and 5 a.m. January 1, 2026; and be it further

RESOLVED, That the Director of Transportation is authorized to implement short-term experimental fares and parking rates and fees up to six months which enable the SFMTA to respond effectively to community requests and public health and safety emergencies; and be it further

RESOLVED, That the SFMTA Board of Directors concurs with the Controller's certification that parking citation processing and collection services; facility security services; paratransit services; parking meter collection and coin counting services; transit shelter maintenance services; and vehicle towing, storage and disposal services can be practically performed by private contractors at a lesser cost than to provide the same services with City employees; and be it further

RESOLVED, That the SFMTA Board of Directors will continue to work diligently with the Board of Supervisors and the Mayor's Office to develop new sources of funding for SFMTA operations pursuant to Charter Section 8A.109; and be it further

RESOLVED, That the FY24-25 and FY25-26 Operating Budget includes \$141.5 million and \$145.0 million Contingency Reserve, representing 10% of operating expenditures, pursuant to the Contingency Reserve Policy established in SFMTA Board Resolution No. 07-038; and be it further

RESOLVED, That the Director of Transportation is hereby authorized to work with the City Controller to conform the SFMTA's budgets to any change in citywide budget submission schedules submitted to ensure that interim appropriations are available for the SFMTA to continue operations after July 1, 2024 until October 1, 2024, when the SFMTA budget for the period ending June 30, 2025 will be finally operative; and be it further

RESOLVED, That the Director of Transportation is hereby authorized to make any necessary technical and clerical corrections to the approved FY25-26 and FY25-26 Operating budget of the SFMTA and to allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating budget, provided that the Director of Transportation shall return to the SFMTA Board of Directors for approval of technical or clerical corrections that allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the operating budget that, in aggregate, exceed a ten percent change to the SFMTA operating budget.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors and the Parking Authority Commission at their meeting of April 16, 2024.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Enclosure 1

TRANSPORTATION CODE AMENDMENT

RESOLUTION NO.

[Transportation Code – Division II Fees and Penalties]

Resolution amending the Transportation Code, Division II, to increase the amount that the SFMTA will escalate certain parking and other fines above the annual index for the next two years; increase the daily non-construction related parking meter fee rate annually; increasing the fee for construction-related parking meter use annually; increase the Residential Parking Permit fees to a set amount for Fiscal Years 2024-2025 and 2025-2026 and apply an automatic index beginning July 1, 2026; reinstate a base fee for certain taxi permits and apply an automatic index to those permit fees beginning July 1, 2025; and increase Citywide Variable Parking Meter rates annually.

NOTE: Additions are single-underline Times New Roman.
Deletions are ~~strike through Times New Roman~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

The Municipal Transportation Agency Board of Directors of the City and County of San Francisco enacts the following regulations:

Section 1. Article 300 of Division II of the Transportation Code is hereby amended by revising Sections 301, 302, 303, 312, and 320 to read as follows:

SEC. 301. FINES AND FEES, AUTOMATIC INDEXING, LATE PAYMENT; SPECIAL COLLECTIONS.

(a) Authorization to Charge Fees and Fines. The SFMTA shall charge reasonable fees for the cost to the SFMTA, including the cost of administrative enforcement and adjudication, of providing benefits or privileges, services or products, or licenses, permits, investigations, or inspections; or a fee for the entrance to or use of property or purchase, rental, or lease of its property. The SFMTA shall charge fines or penalties for violations of State or local law.

Notwithstanding the procedures set forth in this Article 300, the SFMTA Board may modify the fees or fines by resolution at any time.

(b) Base Fees and Fines, Automatic Index.

(1) Base Fee or Fine. The base fee or fine to be charged and collected by the SFMTA shall be the fees and fines in effect as of March 19, 2024, effective for Fiscal Year 2023-2024, as provided in SFMTA Board Resolution 240319-028 Section 3 and as amended April 16, 2024 to establish increased permit fees for Residential Parking Permits in Section 902 for Fiscal Years 2024-2025 and 2025-2026 and establish the base fees for purposes of calculating those permit fees for 2026-2027 as the fees in effect July 1, 2025; and to establish fees for Taxi Permits in Section 320 and establish those fees as the base fee for purposes of calculating the Taxi permits fees for Fiscal Year 2025-2026 as set forth in Section 34 of SFMTA Board Resolution No. _____, on file with the Secretary to the SFMTA Board.

(2) Annual Adjustment of Base Fees. Beginning with fiscal year 2024-2025, effective July 1 2024, the Base Fees shall be adjusted each year on July 1 using the Automatic Index in this subsection (b)(2) by the Director of Transportation or the Director's designee, in consultation with the SFMTA Chief Financial Officer and without further action by the SFMTA Board, unless otherwise specified in Article 300 or Article 900. The Director of Transportation or the Director's designee, in consultation with the SFMTA Chief Financial Officer, shall also be authorized to add to any fee or fine any additional penalty assessments or charges mandated by the State of California.

(A) The Automatic Index shall be calculated as follows: Automatic Index = [Bay Area Consumer Price Index for all Urban Consumers (CPI-U) ÷ 2] + [2-year Operating Budget Labor Cost Change ÷ 2]. The Bay Area CPI-U forecast used will be from the United States Department of Labor Bureau of Labor Statistics and Research and the Operating Budget Labor Cost Change shall be the San Francisco Controller's projections as of April 1 of

each year; and once calculated, the Automatic Index shall be rounded up to the nearest \$1.00. Fees for subsequent years will be based on the original calculated rate prior to rounding.

(B) As part of the Two-year SFMTA Budget process, the Director of Transportation or Director's designee, in consultation with the SFMTA Chief Financial Officer, shall:

(i) For certain fees subject to cost recovery, consider whether the current fees have produced or are projected to produce revenues sufficient to support the costs of providing the services for which the fees are assessed and that the fees will not produce revenue which is significantly more than the costs of providing the services for which the fees are assessed. If the Director of Transportation or the Director's designee, in consultation with the SFMTA Chief Financial Officer, determines that application of the Automatic Index is not warranted for either of these reasons, the Director shall recommend a modification to the SFMTA Board as part of the Two-year SFMTA Budget; and

(ii) Re-evaluate during each Two-year SFMTA Budget process the adequacy of the Automatic Index in subsection (b)(2)(A) and propose any changes to the SFMTA Board.

(3) Publication. The SFMTA shall publish the base fees and fines, additional penalty assessments mandated by the State of California, and annual adjustments made using the Automatic Index ~~in subsection (b)(2)(A) under this Section~~ on its website as the "SFMTA Fee and Fine Schedule" and shall update it annually by June 1, with any changes effective July 1. The SFMTA shall indicate which fees and fines are not subject to the Automatic Index. The SFMTA shall also make the SFMTA Fee and Fine Schedule available upon request at the main office of the SFMTA. If the SFMTA Board adopts by resolution a new base fee, or

modifies or deletes an existing base fee, the new or modified fee shall be included on the SFMTA Fee and Fine Schedule together with the applicable resolution number.

(c) Late Payment and Special Collection Penalties and Fees. Except as otherwise specified in this Code, the SFMTA may charge penalties and fees to persons to whom civil citations have been issued or to owners of cited vehicles for failure to either pay the citations or to contest the underlying citations by the due date affixed to the notice of violation. These fees include a DMV registration hold fee. The penalties and fees shall be published on the SFMTA Fee and Fine Schedule and adjusted by an Automatic Index under the provisions in subsection (b)(2).

SEC. 302. TRANSPORTATION CODE PENALTY SCHEDULE.

Violation of Article 7 of Division I of the Transportation Code shall be punishable by the fines set forth in the SFMTA Fee and Fine Schedule and, instead of being adjusted by an Automatic Index under the provisions in Section 301(b), shall be adjusted by 8% per year in Fiscal Years 2024-2025 and 2025-2026 and shall include any additional penalty assessment mandated by the State of California, except that in no event shall (a) any fine for an infraction subject to California Vehicle Code Section 42001, as amended from time to time, exceed the maximum amount for a first-time violation plus any additional penalty assessment mandated by the State of California; and (b) a civil penalty for on-street parking not otherwise authorized for an enhanced fine under State law exceed the maximum amount for a first-time violation of an infraction subject to California Vehicle Code Section 42001, as amended from time to time, plus any additional penalty assessment mandated by the State of California.

Notwithstanding the foregoing paragraph, the transit violations established by Transportation Code, Division 1, Sections 7.2.101 through 7.2.104 shall be adjusted by an Automatic Index under the provisions in Section 301(b) but are otherwise subject to this Section 302.

SEC. 303. CALIFORNIA VEHICLE CODE PENALTY SCHEDULE.

Violation of the California Vehicle Code shall be punishable by the fines set forth in the SFMTA Fee and Fine Schedule and, instead of being adjusted by an Automatic Index under the provisions in Section 301(b), shall be adjusted by 8% per year in Fiscal Years 2024-2025 and 2025-2026 and shall include any additional penalty assessment mandated by the State of California, except that in no event shall: (a) any fine for an infraction subject to California Vehicle Code Section 42001, as amended from time to time, exceed the maximum amount for a first-time violation plus any additional penalty assessment mandated by the State of California; and (b) a civil penalty for on-street parking not otherwise authorized for an enhanced fine under State law exceed the maximum amount for a first-time violation of an infraction subject to California Vehicle Code Section 42001, as amended from time to time, plus any additional penalty assessment mandated by the State of California.

SEC. 312. PARKING METER USE FEE.

(a) A fee charged for rendering Parking meters inaccessible to parking due to activities that are non-construction related and do not require either a Temporary Exclusive Use Parking Meter Permit issued pursuant to Section 904 of this Code, or a Temporary Use or Occupancy of Public Streets permit issued pursuant to Article 6 of this Code.

(b) The Parking Meter Use Fee shall be as set forth in the SFMTA Fee and Fine Schedule and shall not be subject to Automatic Indexing under Section 301(b); but the daily fee shall be increased by \$1 each year, effective July 1, 2024 and each July 1 thereafter.

SEC. 320. TAXI PERMIT FEES.

(a) The following shall be the schedule of fees ~~is the schedule~~ for taxi-related permit and permit renewal fees effective July 1, 2024:

Permit Type	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024
Driver Permit Application	N/A	N/A	\$0
Monthly Ramp Taxi Medallion Use Fee	N/A	N/A	\$0
Monthly Taxi Medallion Use Fee (8000 series)	\$0	\$0	\$1,016
Dispatch Application	\$0	\$0	\$8,229
Color Scheme Change	\$0	\$0	\$570
Lost Medallion	\$0	\$0	\$150
New Color Scheme - 1 to 5 Medallions	\$0	\$0	\$3,795
New Color Scheme - 6 to 15 Medallions	\$0	\$0	\$4,233
New Color Scheme - 16 to 49 Medallions	\$0	\$0	\$7,924
New Color Scheme - 50 or more Medallions	\$0	\$0	\$9,990
Renewal Application:			
Driver Renewal	\$0	\$0	\$0
Medallion Holder Renewal for Pre-K Medallions and Pre-K Corporate Medallions	\$0	\$0	\$1,369
Medallion Holder Renewal for Post-K Medallions	\$0	\$0	\$685
Color Scheme Renewal - 1 to 5 Medallions	\$0	\$0	\$1,248
Color Scheme Renewal - 6 to 15 Medallions	\$0	\$0	\$2,873
Color Scheme Renewal - 16 to 49 Medallions	\$0	\$0	\$6,520
Color Scheme Renewal - 50 to 149 Medallions	\$0	\$0	\$9,779
Color Scheme Renewal - 150 or More Medallions	\$0	\$0	\$13,039
Dispatch Renewal	\$0	\$0	\$9,034

(b) For purposes of calculating the taxi permit fees for Fiscal Year 2025-2026, the base taxi permit fees shall be the fees effective July 1, 2024 as set forth in this subsection (a) and set forth in the SFMTA Fee and Fine Schedule and adjusted by an Automatic Index under the provisions in Section 301(b).

Section 2. Article 400 of Division II of the Transportation Code is hereby amended by revising Section 402 to read as follows:

SEC. 402. CITYWIDE VARIABLE PARKING METER RATES.

The rates for parking meters located anywhere within the boundaries of the City and County of San Francisco as described in Appendix A, not under the jurisdiction of the Port of San Francisco, the Recreation and Park Department, the Golden Gate National Recreation Area, the Presidio of San Francisco, or the Treasure Island Development Authority, shall be between \$0.50 an hour and \$1~~1~~2 an hour effective July 1, 202~~2~~4, and \$1~~2~~13 an hour effective July 1, 202~~3~~5. Each year thereafter, the SFMTA shall increase the maximum rate by \$1 per year. Within that range, the rates may be adjusted periodically based on vehicle occupancy on any block or set of blocks during the hours of parking meter operation according to the following criteria: (a) if occupancy is 80% or above, rates will be increased by \$0.25 per hour; (b) if occupancy is 60% or above but below 80%, rates will not be changed; (c) if occupancy is below 60%, rates will be lowered by \$0.25 per hour. Rates shall be adjusted for any particular block or set of blocks not more than once every 28 days.

Section 3. Article 900 of Division II of the Transportation Code is hereby amended by revising Section 902 to read as follows:

SEC. 902. GENERAL PERMIT CONDITIONS.

The following general provisions apply to all permits issued under this Article 900.

* * * *

(d) Permit Fees.

(1) Fees for permits issued pursuant to this Article 9 shall be set forth in the SFMTA Fee and Fine Schedule and adjusted by an Automatic Index under the provisions in Section 301(b)~~, except that the~~

(2) Notwithstanding subsection (d)(1):

(A) The fee for Temporary Exclusive Use of Parking Meters under Section 904 shall not be adjusted by an Automatic Index under Section 301(b), but beginning July 1, 2024 the fee shall be increased every July 1 by \$1 per 25 linear feet of construction frontage per day.

(B) The fee for Residential Parking Permits (RPP) in Section 905 shall be as follows for Fiscal Years 2024-2025 and 2025-2026 and then subject to an Automatic Index under Section 301(b), with the base fee for purposes of establishing the fee for Fiscal Year 2026-2027 being the fee effective July 1, 2025:

<u>Residential Area Parking Permit (§ 905)</u>	<u>Effective July 1, 2024</u>	<u>Effective July 1, 2025</u>
<u>Motorcycle (Annual)</u>	<u>\$95</u>	<u>\$108</u>
<u>Motorcycle (Less than 6 months)</u>	<u>\$50</u>	<u>\$51</u>
<u>Resident/Business/School/Fire Station/Foreign Consulate/Medical & Childcare Provider Base Permit Fee:</u>		
<u>(1 year):</u>	<u>\$190</u>	<u>\$215</u>
<u>(Less than 6 months):</u>	<u>\$95</u>	<u>\$108</u>
<u>Permit Transfer:</u>	<u>\$25</u>	<u>\$25</u>
<u>1-Day Flex Permit (purchased within one calendar year):</u>		
<u>1-5 permits</u>	<u>\$8</u>	<u>\$9</u>
<u>6-15 permits</u>	<u>\$10</u>	<u>\$11</u>
<u>16-20 permits</u>	<u>\$16</u>	<u>\$17</u>
<u>Short-Term Permits</u>		
<u>2 weeks:</u>	<u>\$63</u>	<u>\$66</u>
<u>4 weeks:</u>	<u>\$90</u>	<u>\$94</u>
<u>6 weeks:</u>	<u>\$115</u>	<u>\$120</u>
<u>8 weeks:</u>	<u>\$149</u>	<u>155</u>

* * * *

Section 4. The base fee or fine to be charged and collected by the SFMTA shall be the fees and fines in effect as of March 19, 2024, effective for Fiscal Year 2023-2024 (contained in SFMTA Board Resolution 240319-028) and as amended April 16, 2023 as follows:

Taxi permit fees are reinstated in Transportation Code, Division II, Section 320 for Fiscal Year 2024-2025. For purposes of calculating the taxi permit fees for Fiscal Year 2025-2026, the base taxi permit fees shall be as set forth here:

Permit Type	Effective July 1, 2024
Driver Permit Application	\$0
Monthly Ramp Taxi Medallion Use Fee	\$0
Monthly Taxi Medallion Use Fee (8000 series)	\$1,016
Dispatch Application	\$8,229
Color Scheme Change	\$570
Lost Medallion	\$150
New Color Scheme - 1 to 5 Medallions	\$3,795
New Color Scheme - 6 to 15 Medallions	\$4,233
New Color Scheme - 16 to 49 Medallions	\$7,924
New Color Scheme - 50 or more Medallions	\$9,990
Driver Renewal	\$0
Medallion Holder Renewal for Pre-K Medallions and Pre-K Corporate Medallions	\$1,369
Medallion Holder Renewal for Post-K Medallions	\$685
Color Scheme Renewal - 1 to 5 Medallions	\$1,248
Color Scheme Renewal - 6 to 15 Medallions	\$2,873
Color Scheme Renewal - 16 to 49 Medallions	\$6,520
Color Scheme Renewal - 50 to 149 Medallions	\$9,779
Color Scheme Renewal - 150 or More Medallions	\$13,039
Dispatch Renewal	\$9,034

RPP Base Fees are removed and shall be as set forth in Transportation Code Section 902, effective July 1, 2024 and the Base Fee for purposes of calculating the 2026-2027 fees will be:

Residential Area Parking Permit (§ 905)	Effective July 1,2025
Motorcycle (Annual)	\$108
Motorcycle (Less than 6 months)	\$51
Resident/Business/School/Fire Station/Foreign Consulate/Medical & Childcare Provider Base Permit Fee:	
(1 year):	\$215
(Less than 6 months):	\$108
Permit Transfer:	\$25
1-Day Flex Permit (purchased within one calendar year):	
1-5 permits	\$9
6-15 permits	\$11
16-20 permits	\$17
Short-Term Permits	
2 weeks:	\$66
4 weeks:	\$94
6 weeks:	\$120
8 weeks:	\$155

Section 5. Effective Date. This resolution shall become effective 31 days after enactment. Enactment occurs when the San Francisco Municipal Transportation Agency Board of Directors approves this resolution.

Section 6. Scope of Resolution. In enacting this resolution, the San Francisco Municipal Transportation Agency Board of Directors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, letters, punctuation marks, charts, diagrams, or any other constituent parts of the Transportation Code that are explicitly shown in this resolution as additions or deletions in accordance with the "Note" that appears under the official title of the resolution.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: _____
SUSAN CLEVELAND-KNOWLES
Deputy City Attorney

n:\legana\as2024\2400236\01750400.docx

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 16, 2024.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

**Enclosure 2
Fare Policy and Pricing**

FARE TABLE

FARE DESCRIPTION	PAYMENT METHOD	FY24	FY24-25	FY25-26
Full Fare Single Ride	Clipper/MuniMobile	\$2.50	\$2.75	\$2.85
Full Fare Single Ride	Farebox/Limited Use Ticket	\$3.00	\$3.00	\$3.00
Senior/People with Disabilities Single Ride	Clipper/MuniMobile	\$1.25	\$1.35	\$1.40
Senior/People with Disabilities Single Ride	Farebox/Limited Use Ticket	\$1.50	\$1.50	\$1.50
Clipper START Single Ride Fare	Clipper	\$1.25	\$1.35	\$1.40
One-Day Pass (No Cable Car)	MuniMobile/Farebox	\$5.00	\$5.50	\$5.70
Adult "M" Monthly Pass	Clipper	\$81.00	\$85.00	\$86.00
Adult "A" Monthly Pass (+ BART within SF)	Clipper	\$98.00	\$102.00	\$104.00
Senior/People with Disabilities Monthly Pass	Clipper	\$40.00	\$43.00	\$43.00
Lifeline Monthly Pass	Limited Locations	\$40.00	\$43.00	\$43.00
Cable Car Single Ride	All	\$8.00	\$8.00	\$9.00
Off-Peak Cable Car Fare (Seniors/People with Disabilities) from 9:00 p.m. to 7:00 a.m.	On-Board	\$4.00	4.00	\$4.00
One Day Visitor Pass	All	\$13	\$14.00	\$15.00
Three Day Visitor Pass	All	\$31	\$33.00	\$35.00
Seven Day Visitor Pass	All	\$41	\$44.00	\$47.00
California Cable Car Line Day Pass	All	N/A	5.00	5.00
Paratransit Van Services	All	\$2.50	\$2.75	\$2.85
Paratransit Taxi Services	Paratransit Debit Card	\$6 (\$30 Value)	\$6 (\$30 Value)	\$6 (\$30 Value)

FARE CATEGORIES

1. FULL FARE – Adults aged 19 to 64 years of age.
2. SENIOR – 65 years of age or older.
3. PEOPLE WITH DISABILITIES – Customers with qualifying disabilities. Regional Transit Connection (RTC) card required for use on Clipper. For farebox or limited use ticket payment, RTC or Medicare card, state DMV issued Disability parking placard or discount transit card issued by another transit agency is accepted for eligibility. Disability attendants are eligible for same reduced fare when accompanying a qualified RTC card holder.
4. LIFELINE – Customers at or below 200% of poverty. Application and certification requirements apply.
5. PARATRANSIT – Customers who are unable, due to their disability, to independently use accessible fixed route services some, or all, of the time. Services include shared ride, group van, and taxi services. Application and certification requirements apply.

FREE FARES

1. Children/Youth under 19 years old.
2. Seniors and People with Disabilities at or below 100% Bay Area Median Income (San Francisco residents only).
3. Individuals experiencing homelessness as certified by the Department of Homelessness and Supportive Services.
4. San Francisco Police and Sheriff Deputies presenting a regulation seven-pointed star and in full uniform.
5. Active employees of the SFMTA.
6. Dependents of active full-time SFMTA TWU Local 250A employees.
7. SFMTA TWU Local 250A retirees.

INTER-AGENCY DISCOUNTS

1. INTER-AGENCY TRANSFERS - A fifty-cent discount is provided to Full Fare customers transferring from any connecting agency to Muni within specified time limits when using Clipper.
2. DALY CITY BART TRANSFER – A free round-trip transfer is provided to all customers transferring from the Daly City BART station to Muni lines serving that station when using Clipper.

3. SAMTRANS ROUTE 122 Pass – Pass holders eligible for free access to board and alight SamTrans Route 122 within the City and County of San Francisco.
4. REGIONAL INSTITUTIONAL PASS PROGRAM – Multi-agency pass program authorizing unlimited travel on all transit agencies participating in the Clipper program and under agreement with the Metropolitan Transportation Commission. Program subject to cost sharing agreement between all transit agencies and Title VI equity analysis.

INSTITUTIONAL PASS PROGRAM

The SFMTA may enter into agreements with schools, government agencies, residential buildings, athletic facilities and other organizations to establish revenue neutral institutional pass programs. Groups must have a minimum of 500 participants (all members are required to participate and cannot “opt-out”). Fares will be set based on estimated fare revenue based on transit use across the entire group and divided by the total population. The formula for establishing the revenue neutral fare will be based on demographic and organization specific data, and actual Clipper usage (where available) as part of the individual agreements with participating organizations.

BULK DISCOUNT

The following bulk rate discounts shall be applied to purchases of available fare media:

- 1) 10% - 100 to 499 items
- 2) 15% - 500 to 999 items
- 3) 20% - 1,000 and above

Bulk rate purchases are non-refundable.



Enclosure 3
SFMTA Title VI Fare Equity Analysis
FY24-25 & FY25-26
Proposed Fare Changes

I. Background

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color or national origin in programs and activities receiving Federal financial assistance. Specifically, Title VI provides that "no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance" (42 U.S.C. Section 2000d).

Pursuant to the requirements contained in the Federal Transit Administration's (FTA) Circular 4702.1B, "Title VI Requirements and Guidelines for FTA Recipients," as a federally funded agency that must comply with Title VI of the Civil Rights Act of 1964, the SFMTA must evaluate the impacts of proposed fare changes of any amount (both increases and decreases), including fare media and products, at the planning stage in order to make an appropriate assessment of disparate impact on communities of color. The FTA also requires that transit providers evaluate the effects of fare changes on low-income populations to make an appropriate assessment a disproportionate burden, in addition to the Title VI-protected categories of race, color and national origin (FTA Circular 4702.1B, Chapter IV).

Upon completion of the fare equity analysis, the SFMTA is required to brief its Board of Directors as the entity responsible for policy decisions regarding the proposed fare change(s) and any equity impacts. The analysis below will be forwarded to the MTA Board of Directors for review and approval on April 16, 2024, and the appropriate documentation, including the Board resolution, will be submitted as required with the SFMTA's next triennial Title VI Program update as evidence of the Board's awareness and approval of the fare equity analysis. (FTA Circular 4702.1B, Chapter IV-12).

Agency Overview

The San Francisco Municipal Transportation Agency (SFMTA), a department of the City and County of San Francisco, was established by voter proposition in 1999. One of the SFMTA's primary responsibilities is operating the San Francisco Municipal Railway, known universally as "Muni." Muni is the largest transit system in the Bay Area and pre-pandemic, had over 700,000 passenger boardings per weekday and over 220 million customers a year. Ridership continues to recover and in Fall 2023, Muni had approximately 480,000 passenger boardings per weekday. The Muni fleet includes historic streetcars, renewable biodiesel and electric hybrid buses and electric trolley coaches, light rail vehicles, paratransit cabs and vans and the world-famous cable cars. As of January 2024, Muni has 51 bus routes, six light rail lines, one historic streetcar line, and three cable car lines in service and provides regional connections to other Bay Area public transit systems such as BART, AC Transit, Golden Gate Transit and Ferries, SamTrans, and Caltrain.

This Title VI analysis includes:

- SFMTA's Board-approved Title VI-related policies and definitions, including the Disparate Impact and Disproportionate Burden Policies.
- A description of the proposed fare changes and background on why the changes are being proposed.

- A data analysis based on available customer survey data to determine the percentage of users of each fare media proposed for increase or decrease, including a profile of fare usage by protected group – minority and low-income – and comparison to their representation system-wide.
- An analysis of potential impacts on minority and/or low-income customers.
- Any required analysis of alternative transit modes, fare payment types or fare media availability for customers who may be impacted by the proposed fare changes.
- A summary of public outreach and engagement efforts to seek public comment.

II. SFMTA’s Title VI-Related Definitions and Policies

On October 1, 2012, FTA issued updated Circular 4702.1B, which requires a transit agency’s governing board to adopt the following policies related to fare and service changes:

- Major Service Change Definition – establishes a definition for a major service change, which provides the basis for determining when a service equity analysis needs to be conducted.
- Disparate Impact and Disproportionate Burden Policies – establishes thresholds to determine when proposed major service changes or fare changes would adversely affect communities of color and/or low-income populations and when alternatives need to be considered or impacts mitigated.

In response to Circular 4702.1B, the SFMTA developed the recommended Disparate Impact and Disproportionate Burden Policies, detailed below. As part of the SFMTA’s process to develop the disparate impact and disproportionate burden policies, SFMTA conducted a multilingual stakeholder outreach campaign to receive input on the proposed policies and engage the public in the decision-making process for adoption of these policies by the SFMTA Board. This effort included presentations to the SFMTA Citizens Advisory Council (CAC) and Muni Accessible Advisory Committee (MAAC), as well as two public workshops. The workshops were promoted through email, telephone calls to community groups and in 10 languages on the SFMTA website. Outreach was also targeted to approximately 30 Community Based Organizations and transportation advocates with broad representation among low-income and minority communities. Staff also offer to meet with some community groups if they were unable to attend the public workshops. In addition, staff presented the Title VI recommendations at the SFMTA Board of Directors meeting on Tuesday, July 16, 2013. The policies were approved at the Board of Directors meeting on August 20, 2013.

The following definitions and policies were used to conduct this Title VI fare equity analysis:

- People and Communities of Color/Minority Populations
- Low-income Populations
- Disparate Impact Policy
- Disproportionate Burden Policy
- Adverse Effect

People and Communities of Color / Minority Populations

It is important to note that the 2012 FTA Title VI Circular uses the term “minority” in comparison to “non-minority” populations and includes the following race and ethnicity

identities in its definition for those who are considered “minority persons” and members of “minority populations”: American Indian and Alaska Native, Asian, Black or African American, Hispanic or Latino, or Native Hawaiian or other Pacific Islander. As an agency, the SFMTA is dedicating efforts to continuous process improvement to normalize and sustain terminology which centers racial equity and affirms the cultures of racialized people. For the purpose of this Title VI analysis, the SFMTA considers individuals to be a person of color if they self-identify as any race/ethnicity other than White, Not Hispanic or Latino. An individual who self-identifies as multi-racial including White, is also considered to be a person of color.” As the FTA Circular is the controlling document for this analysis, the terms contained therein are used solely for the purposes of this document and expanded upon when possible. Use of the term “person of color” in this report should be considered as coextensive with the term “minority” as that term is defined in FTA Circular 4702.1B.

Low-income Populations

The SFMTA defines low-income individuals as those whose total household income is below 200% of the federal poverty level per household size. This definition of low-income households matches SFMTA’s criteria for Lifeline Muni passes for low-income households in San Francisco. Table 1 shows the 2024 household incomes that meet the 200% Federal poverty level threshold for different household sizes.

Table 1: 2024 Poverty Designations by Household Size

Household Size	200% of Poverty Guideline
1	\$30,120
2	\$40,880
3	\$51,640
4	\$62,400
5	\$73,160
6	\$83,920
7+ <i>add for each additional household member</i>	10,760

Disparate Impact Policy

The SFMTA’s Disparate Impact Policy determines the point (“threshold”) when adverse effects of fare or service changes are borne disparately by minority populations. Under this policy, a fare change, or package of changes, or major service change, or package of changes, will be deemed to have a disparate impact on minority populations if the difference between the percentage of the minority population impacted by the changes and the percentage of the minority population system-wide is eight percentage points or more. Packages of major service changes across multiple routes will be evaluated cumulatively and packages of fare increases across multiple fare instruments will be evaluated cumulatively.

Disproportionate Burden Policy

The SFMTA's Disproportionate Burden Policy determines the point when adverse effects of fare or service changes are borne disproportionately by low-income populations. Under this policy, a fare change, or package of changes, or major service change, or package of changes, will be deemed to have a disproportionate burden on low-income populations if the difference between the percentage of the low-income population impacted by the changes and the percentage of the low-income population system-wide is eight percentage points or more. Packages of major service changes across multiple routes will be evaluated cumulatively and packages of fare increases across multiple fare instruments will be evaluated cumulatively.

III. Assessing Impacts of the Proposed Fare Changes on Minority and/or Low-Income Communities

As detailed in FTA Circular 4702.1B, transit providers shall evaluate the impacts of their proposed fare changes (either increases or decreases) on Title VI-protected populations (minority populations) and low-income populations separately, and within the context of their Disparate Impact and Disproportionate Burden policies, to determine whether minority and/or low-income riders will bear a disproportionate impact of the change between the existing cost and the proposed cost. The impact may be defined as a statistical percentage. The disparate impact and disproportionate burden thresholds must be applied uniformly, regardless of fare media. Title VI also requires that positive changes, such as fare reduction (and major service improvements) are evaluated for their effect on communities of color and low-income communities. The SFMTA separately evaluates fare increases and fare decreases.

Minority Disparate Impact: If after analyzing the proposed fare changes, the SFMTA determines that minority riders will bear a disproportionate impact of the change between the existing cost and the proposed cost and chooses not to alter the proposed fare changes despite the disparate impact on minority ridership, or if it finds, even after modifications are made, that minority riders will continue to bear a disproportionate share of the proposed fare change, the fare change may only be implemented if:

- (i) There is a substantial legitimate justification for the proposed fare change, and
- (ii) SFMTA can show that there are no alternatives that would have a less disparate impact on minority riders but would still accomplish its legitimate program goals.

In order to make this showing, any alternatives must be considered and analyzed to determine whether those alternatives would have less of a disparate impact on the basis of race, color, or national origin, and then only the least discriminatory alternative can be implemented.

Low-Income Disproportionate Burden: If at the conclusion of the analysis the SFMTA finds that low-income populations will bear a disproportionate burden of the proposed fare change, steps must be taken to avoid, minimize or mitigate impacts where practicable and descriptions of alternatives available to low-income populations affected by the fare changes must be provided.

IV. Data Analysis and Methodology

In order to make an appropriate assessment of disparate impact or disproportionate burden in regard to fare changes, the transit provider must compare available customer survey data and show the number and percentage of minority riders and low-income riders using a particular fare

media, or aggregated categories if applicable, in order to establish whether minority and/or low-income riders are disproportionately more likely to use the mode of service, payment type or payment media that would be subject to the fare change. (Circular 4702.1B, Chapter IV-19). For the purposes of this Title VI analysis, demographic data for ridership by fare type was used from the comprehensive 2017 System-wide On-Board Survey, conducted in Fall 2016 through Summer 2017. (It is important to note that the SFMTA is in the process of conducting a comprehensive onboard survey, which began in February 2024 and is anticipated to conclude in May 2024 if it reaches its goal of 25,000 surveys collected. It is anticipated that the updated ridership data will be available by Fall 2024 and will be used for all future analyses.)

The survey asked demographic questions for race/ethnicity, English proficiency, gender, income bracket and travel information such as payment type, trip purpose, origin and destination and mode to transit access. Consultants collected over 41,000 survey responses, of which over 39,000 were weekday responses, providing a statistically significant snapshot of ridership patterns. This provides the basis for determining the potential impacts of fare changes on our customers. A copy of the survey is available upon request.

As noted above, the SFMTA Board approved a methodology for analyzing Title VI impacts. In the case of fare changes, both increases and decreases of any amount, this methodology relies on comparing the percentage of protected customers using particular fare products or instruments, as a package of changes, to their representation system wide.

When Title VI-protected customers' usage of said fare products or instruments, as a package of changes, exceeds their system-wide average by eight percent or more, and the cost of those products or instruments in the package is being increased, then a finding of disparate impact (minority populations) and/or disproportionate burden (low-income populations) is indicated.

Conversely, Title VI also requires that fare decreases be evaluated to determine whether they disproportionately benefit populations that are not protected by Title VI, thereby diverting the allocation of transit resources away from Title VI-protected groups. As a result, when Title VI-protected customers' usage of fare products or instruments, as a package of changes, falls below their system-wide average by eight percent or more, and the cost of those products or instruments in the package is being reduced, then a finding of disparate impact (minority-based impact) and/or disproportionate burden (low income-based impact) is indicated.

Respondents who declined to answer questions about income or ethnicity are excluded from the analysis when calculating minority or low-income percentages. The overall system-wide averages were determined from National Transit Database and Automatic Passenger Counter (APC) data weighted by the weekly ridership share by line. The system-wide average for minority customers was determined to be 57%, and the system-wide average for low-income customers was determined to be 39%.

In order to protect privacy, survey respondents were asked to report their income bracket as opposed to their specific income. As a result, the analysis made assumptions about whether the combination of a particular respondent's household size and income bracket fell into a "low-income" category based on the Agency's definition of low-income described above. Generally, the analysis erred on the side of caution and placed possibly low-income respondents into the low-income category.

V. Description of Proposed Fare Changes and Summary of Impacts

Fare Increases

The SFMTA adopted an Automated Indexing Implementation Plan (Indexing) in 2009 that set forward a policy of incremental and predictable increases to transit fares based on a combination of cost of living and labor increases. In response to the pandemic, this policy was suspended in Fiscal Year 2020 and since that time fares have remain unchanged. During this time, SFMTA revenues have decreased by 25%. The SFMTA was able to balance the budget, as required by the San Francisco Charter, through the use of Federal, State and Local relief funds that are projected to be exhausted by the end of the FY25-26 budget year and a \$12.7 million budget deficit is projected in FY24-25, increasing to \$240 million in FY 2026-27. In order to maintain existing transit service levels critical to the customers we serve, the SFMTA is proposing reinstating fare increases as part of the FY24-25 and FY25-26.

Fare Increases

The initial proposal for fare increases, presented to the Board of Directors on January 30, 2024, included the following:

- Increase single ride fares paid on MuniMobile and Clipper by \$0.25 each of the two years oof the budget to be consistent with fares paid using cash
- Monthly passes and multi-day visitor passes would increase consistent with the underlying formula based on single ride Clipper and MuniMobile fare.
- No change to single ride cash fares

Beginning in January 2017, the SFMTA Board suspended indexing of single ride cash fares purchased on Clipper and MuniMobile, creating the current \$0.50 discount. The purpose of this change was to incentivize pre-payment of fares and the transition of more customers to the regional Clipper regional fare payment system. The initial discount was \$0.25 in FY 2017-18 and increased to \$0.50 in FY 2019-20. SFMTA data shows that this behavior change has occurred. Only 20% of SFMTA single-ride fares are currently paid with cash. Staff proposed the elimination of this discount, while suspending any increases to cash fares to create a more equitable and consistent fare structure.

As a result of the feedback received from an extensive, multilingual outreach campaign, as well as from the Board of Directors, staff adjusted its policy proposals and presented additional options at the March 5, 19, and April 2, 2024 meetings, The final recommendation includes:

- Reducing the discount for single ride fares on Clipper and MuniMobile by \$0.25 in the first year of the budget, followed by a \$0.10 increase the second year.
- Increasing the Cable Car single ride ticket in the second year of the budget based on Indexing.
- Reduce the number of single ride trips that set the monthly pass fare from 32 to 30 over two years.

- No change is proposed for the single ride cash fare.

Fare Decreases

In 2018, the MTAB Board approved discount fares for the multi-day visitor passes valid for use on all Muni service, including cable car, when purchased on MuniMobile versus Clipper or cash. The goal of the discount was to encourage pre-payment and to reduce in-person sales at the SFMTA sales kiosk, as well as reducing cash handling on board cable cars. The MuniMobile fare model is based on assumption of reasonable usage of the pass. For example, the one-day pass price assumes one cable car ride (\$8) and one all day Muni pass (\$5), for a total of \$13.00. The Clipper and cash fare model is based on the indexing formula that, over time, has resulted in the price of the pass exceeding the value to customers, with the one-day pass currently priced 73% higher at \$24.00. This fare is the equivalent of three cable car trips. Based on the 2017 Muni Onboard Survey, primary usage of the Passport and City Pass (88%) was by those who self-identified as visitors. Given the fluctuating nature of this particular group, it is difficult to ascertain which group will benefit more than others from this discount, but all users of this pass will be benefit from this discount regardless of demographic profile, including those who pay with cash.

The two-tier price structure has led to two problems. First, the mismatch between price and value for the Clipper and cash multi-day passes has depressed sales. Second, staff report that the current fare structure results in ongoing complaints from customers who purchase at the higher fare, unaware of the discount option. To eliminate these problems, staff recommended a pilot to eliminate the fare differential for these passes purchased on Clipper or by cash. The SFMTA launched a pilot program in November 2023 to reduce the fare for all multi-day visitor passes to the same price as MuniMobile to evaluate the impact. In the first three months, this change resulted in a 30% increase in one day pass sales from the same time the previous year demonstrating that the differential price had significantly suppressed usage for this product, and transit use as a result. Revenue loss associated with the fare decrease of these products has been largely offset by an increase in sales.

Table 1 through Table 4 below include proposed fares by planned year of implementation, as well as the demographic characteristics of the customers who use each fare type. They also include a comparison of the cumulative usage of these fare types by minority and low-income customers to their representation system wide. Consistent with SFMTA's disparate impact and disproportionate burden policies, a disparate impact and/or disproportionate burden finding is indicated if the total usage by minority and/or low-income customers deviates from their system-wide averages by eight percent or more.

Table 1 and Table 2 provide disparate impact analysis for the cumulative effects of the proposed fare changes. Table 3 and Table 4 provide disproportionate burden analysis for the cumulative effects of the proposed fare changes.

Table 2: Estimated Riders by Fare Media – Disparate Impact Analysis for Fare Increases

Fare Type	FY24 Fares	FY25 Proposed Fares	FY26 Proposed Fares	FY26 Change	FY26 % Change	Estimated Ridership ¹	Total Responses ²	Minority Riders ³	Percent Minority⁴
Adult Single Ride Fare – Clipper/MuniMobile	2.50	2.75	2.85	0.35	14%	199,565	198,750	97,130	49%
Senior Single Ride Fare – Clipper/MuniMobile	1.25	1.35	1.40	0.15	12%	3,738	3,727	1,168	31%
Disabled Single Ride Fare – Clipper/MuniMobile	1.25	1.35	1.40	0.15	12%	569	566	353	62%
Adult Monthly Pass – Muni+BART in SF)	98.00	102.00	103.00	5.00	5%	202,947	201,541	113,477	56%
Adult Monthly Pass – Muni Only	81.00	85.00	86.00	5.00	6%				
Senior Monthly Pass	40.00	43.00	43.00	2.00	8%	8,201	8,146	4,364	54%
Disabled Monthly Pass	40.00	43.00	43.00	2.00	8%	46	46	34	74%
Lifeline Monthly Pass	40.00	43.00	43.00	2.00	8%	18,009	17,971	16,123	90%
Clipper START Single Ride Fare	1.25	1.35	1.40	0.15	12%	18,009	17,971	16,123	90%
Mult-Day Visitor Passes (Mobile Ticketing)	1-Day	13.00	14.00	15.00	2.00	262	247	105	43%
	3-Day	31.00	33.00	35.00	4.00				
	7-Day	41.00	44.00	47.00	6.00				
All Day Pass (MuniMobile only)	5.00	5.50	5.70	0.70	14%	N/A	N/A	N/A	N/A
Total Fare Increase						451,346	448,965	248,877	55%
Total Survey All Fare Media						663,236	659,292	376,000	57%

1. *Estimated Ridership includes all survey responses identified per fare media.*

2. *Total Responses for Disparate Impact analysis includes responses per fare media who choose to identify their ethnicity.*

3. *Minority Riders includes all responses per fare media who qualify per definition of minority in ethnicity.*

4. Percent Minority is a calculation of identified minority riders out of total known responses for ethnicity per fare media.

Table 3: Estimated Riders by Fare Media -- Disparate Impact Analysis for All Fare Decreases

Fare Type		FY24 Fares	FY 2025 Proposed Fares	FY 2026 Proposed Fares	FY 2026 Change	FY26 % Change	Estimated Ridership ¹	Total Responses ²	Minority Riders ³	Percent Minority ⁴
Multi-Day Visitor Passes - Vendor/Kiosk Sales	1-Day	\$24.00	14.00	15.00	(\$19.00)	-38%	8,091	8,016	2,627	33%
	3-Day	\$36.00	33.00	35.00	(\$1.00)	-3%				
Total Fare Decrease							8,091	8,016	2,627	33%
Total Survey All Fare Media							663,236	659,292	376,000	57%

1. Riders includes all survey responses per fare media.

2. Riders Who Reported Race/Ethnicity includes responses per fare media who choose to report race/ethnicity.

3. Minority Riders includes responses per fare media who choose to report race/ethnicity and fall in minority category per definition.

4. Percent Minority is a percentage calculation of Minority Riders out of Riders Who Reported Race/Ethnicity per fare media.

Table 4: Estimated Riders by Fare Media -- Disproportionate Burden Analysis for All Fare Increases

Fare Type	FY24 Fares	FY25 Proposed Fares	FY26 Proposed Fares	FY24 Change	FY24 % Change	Estimated Ridership¹	Total Responses²	Low Income Riders³	Percent Low Income⁴
Adult Single Ride Fare – Clipper/MuniMobile	2.50	2.75	2.85	0.35	14%	199,565	175,822	55,156	31%
Senior Single Ride Fare – Clipper/MuniMobile	1.25	1.35	1.40	0.15	12%	3,738	2,909	478	16%
Disabled Single Ride Fare – Clipper/MuniMobile	1.25	1.35	1.40	0.15	12%	569	496	295	59%
Adult Monthly Pass – Muni+BART in SF)	98.00	102.00	103.00	5.00	5%	202,947	176,181	50,177	28%
Adult Monthly Pass – Muni Only	81.00	85.00	86.00	5.00	6%				
Senior Monthly Pass	40.00	43.00	43.00	2.00	8%	8,201	6,585	2,085	32%
Disabled Monthly Pass	40.00	43.00	43.00	2.00	8%	46	46	46	100%
Lifeline Monthly Pass	40.00	43.00	43.00	2.00	8%	18,009	15,584	13,032	84%
Clipper START Single Ride Fare	1.25	1.35	1.40	0.15	12%	18,009	15,584	13,032	84%
Multi-Day Visitor Passes (Mobile Ticketing/ Clipper)	1-Day	14.00	15.00	2.00	15%	262	215	48	22%
	3-Day	33.00	35.00	4.00	13%				
	7-Day	44.00	47.00	6.00	15%				
All Day Pass (MuniMobile only)	5.00	5.50	5.70	0.70	14%	N/A	N/A	N/A	N/A
Total Fare Increase						451,346	393,422	134,349	34%
Total Survey All Fare Media						663,236	570,959	220,699	39%

1. *Riders* includes all survey responses per fare media.

2. *Riders Who Reported Income* includes responses per fare media who choose to report income bracket.
3. *Low Income Riders* includes responses per fare media who choose to report income bracket and fall in low-income category per definition.
4. *Percent Low Income* is a percentage calculation of *Low-Income Riders* out of *Riders Who Reported Income* per fare media.

Table 5: Estimated Riders by Fare Media -- Disproportionate Burden Analysis for All Fare Decreases

Fare Type		FY24 Fares	FY 2025 Proposed Fares	FY 2026 Proposed Fares	FY 2024 Change	FY24 % Change	Estimated Ridership ¹	Total Responses ²	Low Income Riders ³	Percent Low Income ⁴
Multi-Day Visitor Passes - Vendor/Kiosk Sales	1-Day	\$24.00	14.00	15.00	(\$19.00)	-38%	8,091	5,466	974	18%
	3-Day	\$36.00	33.00	35.00	(\$1.00)	-3%				
Total Fare Increase							8,091	5,466	974	18%
Total Survey All Fare Media							663,236	570,959	220,699	39%

1. *Riders* includes all survey responses per fare media.
2. *Riders Who Reported Race/Ethnicity* includes responses per fare media who choose to report race/ethnicity.
3. *Minority Riders* includes responses per fare media who choose to report race/ethnicity and fall in minority category per definition.
4. *Percent Minority* is a percentage calculation of *Minority Riders* out of *Riders Who Reported Race/Ethnicity* per fare media.

Table 6: Summary of Disparate Impact and Disproportionate Burden Analysis

Item	Minority	Disparate Impact?	Low Income	Disproportionate Burden?
All Fare Media	57%	-	39%	-
Fare Increases	55%	No	34%	No
Fare Decreases	33%	Yes	18%	Yes

A disparate impact or disproportionate burden is found if the total usage by minority and/or low-income customers deviates from their system-wide averages by eight percent or more.

All Fare Increases

Shown in Table 5, all fare increases will impact 55% of minority riders and 34% of low-income riders. Both are within eight percent of their respective system-wide averages of 57% minority and 39% low-income riders, so no disparate impact or disproportionate burden is found. If the MTA Board chooses not to move forward with any of the proposed fare increases, the analysis will need to be re-run to ensure the change does not result in a disparate impact, which would require further analysis, including an analysis of less discriminatory fare alternatives, or a finding of disproportionate burden, which would require the SFMTA to take steps to avoid, minimize or mitigate impacts where practicable, as well as describing alternatives available to low-income populations affected by the fare changes..

All Fare Decreases

Shown in Table 5, decreases to multi-day visitor passes will benefit 33% of minority riders and 18% of low-income riders. Both exceed the eight percent threshold of their respective system-wide averages of 57% minority and 39% low-income riders, so both a disparate impact and disproportionate burden is found when compared to Muni ridership as a whole. However, multi-day visitor passes are fare products used almost exclusively by visitors to San Francisco (based on the 2017 Muni Onboard Survey, primary usage of the Passport and City Pass (88%) was by those who self-identified as visitors), given the fluctuating nature of this group, it is difficult, if not impossible to ascertain which groups are primarily benefiting from this discount but all users, regardless of demographic profile, will benefit from the discounted fare. As the user population is transient in nature and generally one-time visitors, using sample on-board surveys during a limited period will only capture the ridership at that given time. This makes capturing an accurate user base profile to compare against the system-wide averages and evaluating impacts difficult, as well as ascertaining with any degree of certainty which group, at which time, benefits the most from the decrease.

The pricing of these passes, with the inclusion of cable car service, are intended for use by visitors in San Francisco. Based on the 2017 Muni Onboard Survey, primary usage of the Passport and City Pass (88%) was by those who self-identified as visitors, an ever-changing population in San Francisco.

An all-day pass on regular Muni service is currently \$5.00 compared to visitor passes, which range from \$13 to \$24 depending on method of payment. It is highly unlikely that a regular Muni rider would choose to utilize a visitor pass since the only additional benefit is the inclusion of cable car service, which is subject to long waiting times to board and serves a very limited part of the city.

As shown in Table 6 and 7, comparing this population based solely on combined Multi-Day Visitor Passes and Cable Car customers there is only a seven percent variation, which is within the eight percent threshold.

Table 6: Multi-Day Visitor Passes and Cable Car Riders – Disproportionate Burden for Fare Decreases

Fare Type	Riders	Riders Who Reported Race/Ethnicity	Minority Riders	Percent Minority
Cable Car Single Ride Ticket (On Board)	12,032	11,950	4,485	38%
Cable Car Single Ride Ticket (Pre-Paid)	1,758	1,758	850	48%
Multi-Day Visitor Passes (Clipper/Cash)	8,091	8,016	2,627	33%
Multi-Day Visitor Passes (Mobile Ticketing)	262	247	105	43%
Total All Fare Media Fare Increase	22,143	21,971	8,067	37%

Table 7: Multi-Day Visitor Passes and Cable Car Riders – Disproportionate Impact for Fare Decreases

Fare Type	Riders	Riders Who Reported Income	Low Income Riders	Percent Low Income
Cable Car Single Ride Ticket (On Board)	12,032	9,896	3,395	34%
Cable Car Single Ride Ticket (Pre-Paid)	1,758	1,520	464	31%
Multi-Day Visitor Passes (Clipper/Cash)	8,091	5,466	974	18%
Multi-Day Visitor Passes (Mobile Ticketing)	262	215	48	22%
Total All Fare Media Fare Increase	22,143	17,097	4,881	29%

When comparing the riders who reported low-incomes and minority status of the visitor products, the deviation is only seven percent, within the eight percent threshold established by the SFMTA. Fare Equity Analysis Conclusion:

Despite the fact that when comparing users of visitor passes based solely on combined multi-day visitor passes and Cable Car customers, no disparate impact or disproportionate burden is indicated, as detailed in FTA Circular 4702.1B, since the benefit of the decrease when compared against system-wide

demographics resulted in a disparate impact and a disproportionate burden, additional analysis is needed.

Disparate Impact Finding and Analysis

For the proposed decrease of the surcharge on multi-day visitor passes, which would reduce the overall cost for all users and bringing the passes in line with the same visitor passes purchased on MuniMobile, the analysis resulted in a finding of disparate impact based on race and a disproportionate burden on low-income communities, as elimination of the surcharge benefited more non-minority and non-low-income users of the pass based on 2017 on-board survey data (the most recently available data) than protected users of the pass. It's important to note that 2017 survey data indicated 88% of the pass users self-identified as visitors, which is a constantly changing population and therefore difficult to capture an accurate demographic profile and fully ascertain who is being impacted and who is benefiting as members of both protected and non-protected categories of users.

When a disparate impact is found, FTA Circular 4702.1B, Chapter IV-20 states: "If a transit provider chooses not to alter the proposed fare changes despite the disparate impact on minority ridership, or if the transit provider finds, even after the revisions, that minority riders will continue to bear a disproportionate share of the proposed fare change, the transit provider may implement the fare change only if (i) the transit provider has a substantial legitimate justification for the proposed fare change, and (ii) the transit provider can show that there are no alternatives that would have a less disparate impact on minority riders but would still accomplish the transit provider's legitimate program goals."

The SFMTA has evaluated the findings of equity analysis for eliminating the surcharge on the multi-day visitors passes and have proposed to move forward with this change in the interest of the elimination of the surcharge helping it meet the substantial program goal of encouraging transit use for visitors to San Francisco. Out of state or international customers may not be able to easily navigate the process to obtain passes in advance through our MuniMobile cell phone application, thus subjecting them to a significant price differential when purchasing through other methods. As noted above, the initial results of the current pilot program demonstrated a 30% increase in sales for the one-day pass compared to the same period the prior year, supporting the theory that the prior fare was suppressing usage. Making these passes more accessible and cost effective supports the Transit-First policy of the City and County of San Francisco by encouraging transit use.

The SFMTA also evaluated any alternatives that would have a less disparate impact on minority riders but would still accomplish our legitimate program goals. Given that the decrease was meant to bring into parity purchasing the visitor pass through Clipper/Cash versus MuniMobile and would result in a discount to all users of the pass regardless of how they pay or their protected status, it was difficult to find viable alternatives. The SFMTA considered the two options below, but neither is practical nor beneficial and would not help the SFMTA meet its program goals:

- 1) Eliminate the proposal to remove the surcharge: if this option were removed from the SFMTA's package of proposed fare changes as part of its two-year budget, there would be no analysis and no finding of a disparate impact or disproportionate burden, but it would not meet the SFMTA's legitimate program goals as detailed within this analysis and would maintain the disparity in price that visitors pay based on how they access the multi-day passes, as well as discourage transit use;
- 2) Establish a low-income visitor pass: while this would provide a lower cost option for those who qualify, given the transient population of visitors to San Francisco, there would be no reasonable or efficient way to administer this type of discount.

When a disproportionate burden is found, FTA Circular 4702.1B, Chapter IV-21 provides: "At the

conclusion of the analysis, if the transit provider finds that low-income populations will bear a disproportionate burden of the proposed fare change, the transit provider should take steps to avoid, minimize or mitigate impacts where practicable. The transit provider should describe alternatives available to low-income populations affected by the fare changes.”

SFMTA staff concluded that there are no practicable steps that would avoid, minimize or mitigate the impacts of eliminating the surcharge on multi-day visitor passes, resulting in a benefit to all users of this pass. For visitors of this pass, there are no alternatives that provide the same benefit of the multi-use passes. For regular riders of Muni who utilize the multi-day visitor pass, the SFMTA offers multiple low and moderate income fare programs as discussed below.

Conclusion:

Staff recommends moving forward with this discount as there are no practicable steps to avoid, minimize or mitigate the impacts of the reduced surcharge on low-income populations or alternatives that would have a less disparate impact on minority riders but would still accomplish the SFMTA’s legitimate program goals of providing improved access to the discounted product, bringing the price of the Clipper and cash passes in line with the price of the passes that are purchased on MuniMobile, and encouraging transit use among visitors to San Francisco, which was validated via the current six-month pilot program. The vast majority of the users of the visitors’ passes are an ever-fluctuating populations and it is difficult to ascertain exactly which groups are benefitting from the proposed decrease of the surcharge; all users of this pass, including those who pay with cash, will benefit from the discount. Although a small percentage of overall users, regular Muni riders who purchase this pass will also benefit from the reduced surcharge, as well as Muni’s free and reduced fares for which they qualify.

VI. Low and Moderate Income Fare Programs

The SFMTA has developed a number of programs geared specifically towards low-income customers including the Lifeline Adult Monthly Pass, low-income Clipper START single ride fare, and the Free Muni program for low and moderate income Seniors, and People with Disabilities. The SFMTA also provides free fares for all youth aged 18 and under, and people experiencing homelessness certified by the Department of Homelessness and Supportive Housing. Table 8 indicates the income eligibility thresholds for each of these programs.

Table 8: Muni Discount Programs

Household Size	Adult Lifeline Pass/Clipper START Program Eligibility: At or Below 200% Federal Poverty Level	Free Muni for Low and Moderate Income Seniors and People with Disabilities Eligibility: At or Below 100% Bay Area Median Income
1	\$30,120	\$100,850
2	\$40,880	\$115,300
3	\$51,640	\$129,700
4	\$62,400	\$144,100
5	\$73,160	\$155,650
6	\$83,920	\$167,150
7	\$94,680	\$178,700

X. Public Comment and Outreach

Pursuant to Title VI of the Civil Rights Act of 1964 and its implementing regulations, as well as state and local laws, the SFMTA takes responsible steps to ensure meaningful access to the benefits, services, information, and other important portions of SFMTA’s programs and activities for low-income, minority, and limited-English proficient (LEP) individuals, and regardless of race, color or national origin. Given the diversity of San Francisco and of Muni’s ridership, the SFMTA is strongly committed to disseminating information on both fare and service changes that is accessible to individuals who may have a limited ability to read, write or speak English (“Limited-English Proficient or LEP”). The SFMTA launched an extensive multilingual public outreach campaign at the beginning of the FY2025 and FY2026 process to gather and consider public input on the budget and the proposed fare changes. Feedback received during this process informed and influenced the final proposals submitted to the SFMTA Board of Directors for its consideration and approval. Outreach dates and activities are summarized below.

Notices for public comment opportunities were provided in multiple languages and included information on how to request free language assistance at the meetings with at least 48 hours’ notice. As required by the City Charter, advertisements publicizing the public hearing were placed in advance in San Francisco newspapers. Multilingual ads were placed in prominent Chinese, Spanish and Russian newspapers in San Francisco. Multilingual information has been available to the public through the SFMTA website throughout the budget process. Additional methods for keeping the public informed were conducted through blog posts, e-mail blasts to stakeholders and through SFMTA/Muni’s X and Facebook accounts. Feedback was compiled and forwarded to appropriate staff and to the MTAB for consideration in the decision-making process.

As a result of the extensive outreach campaign, the SFMTA collected over 500 instances of feedback, questions, comments, and concerns on its FY2025-FY2026 budget as of April 1, 2024. The feedback was compiled and sorted into topics/categories of concerns, the leading of which include transit fares, potential future revenue sources, Muni service, fare evasion, parking fines and fees, agency efficiency, expenditure programs, public outreach and engagement, and access to discounted fare programs.

In response to some of these questions and concerns, the agency adjusted its policy proposals and budget recommendations. Below is a summary of how the budget proposal specific to proposed fare changes were modified and expanded based on public feedback:

Public Comments	Budget Proposal 1/30/24	Budget Proposal 4/16/24
<ul style="list-style-type: none"> • Against raising fares; already too expensive • Want to increase ridership • Against fully removing the Clipper discount; would be a big fare increase for riders 	<ul style="list-style-type: none"> • Eliminate Clipper/Mobile discount over two years 	<ul style="list-style-type: none"> • FY25 - Reduce Clipper discount by \$0.25/no change to cash fare/index cable car/reduce multiplier from 32 to 31 • FY26 - Index/no change to cash fare/reduce multiplier from 31 to 30

Specific outreach activities included:

- Multilingual collateral on Muni vehicles publicizing budget feedback opportunities, including proposed fare and service changes, and notice of free language assistance in ten languages:
 - 1,400 information cards posted in all vehicles, buses and LRVs
 - 400 ads posted on LRV4s
 - 1,000 ads posted on buses
- Newspaper ads in 13 newspapers, including ethnic media, publicizing budget feedback opportunities:
 - SF Examiner
 - Bay Area Reporter
 - SFNNA Group
 - Marina Times
 - Noe Valley Voice
 - Potrero View
 - Richmond Review
 - San Francisco Bay View
 - Sunset Beacon
 - El Tecolote
 - Sing Tao Daily
 - World Journal
 - Wind Newspaper
 - Kstati
- Social media posting on official SFMTA accounts:
 - Total views of Facebook posts on the budget process: 301
 - Total views of Instagram posts on the budget process: 1,306
 - Total views of Twitter posts on the budget process: 7,037
 - Total views of LinkedIn posts on the budget process: 3,164
- A social media advertising campaign from February 7, 2024 to February 29, 2024 on Facebook, Instagram and Twitter publicizing budget feedback opportunities. This campaign had a reach of 200,854, with 473,096 total impressions in four languages:
 - English: 206,542 impressions
 - Spanish: 139,919 impressions
 - Chinese: 85,217 impressions
 - Filipino: 41,418 impressions
- An online budget balancing tool to help members of the public learn about the tradeoffs our agency is considering as we develop the budget. There was a total of 529 views of the tool in four languages:
 - English: 510 views
 - Spanish: 4 views
 - Chinese: 15 views
 - Filipino: 0 views
- Direct email updates to members of the public signed up for agency updates:
 - Emails on 2/15/2024, 2/22/2024, and 2/29/2024: 192,239 delivered
 - SMS/text messages on 2/15/2024, 2/22/2024, 2/29/2024, and 2/29/2024: 104,757 delivered
- Public listening sessions open to all members of the public:
 - Virtual Meeting on February 22 from 5:00-7:00pm on Zoom - included a presentation from SFMTA CFO, an invitation to try out the Budgeting Exercise, and

breakout rooms on Transit; Streets; Taxis, Mobility, and Accessibility; and General Topics

- Simultaneous interpretation provided in American Sign Language (ASL), Filipino (Tagalog), Spanish, and Cantonese
- 107 community members attended
- In-Person Meeting on March 2 from 11:30-1:30pm at the Richmond Library – included a presentation from SFMTA CFO, an invitation to try out the Budgeting Exercise, and a question-and-answer session
 - 3 community members utilized interpretation services (Cantonese)
 - Interpretation services were also available in American Sign Language (ASL), Filipino (Tagalog), Spanish, and Russian.
 - 32 community members attended

In addition to the outreach efforts identified above, individual briefings were offered to over 50 community organizations and stakeholders in January 2024 – April 2024, including Board of Supervisors’ offices, formal advisory councils and committees, and multiple advocacy groups. This list reflects the meeting list as of April 1, 2024 and we are still scheduling additional briefings as needed with prominent advocate groups and other stakeholders.

- Bay Area Council
- BMAGIC
- Calle 24
- Chinatown Community Development Corp TRIP
- Dogpatch Neighborhood Association
- Golden Gate Restaurant Association
- Labor Organizations
- Livable City
- Market and Octavia Citizens Advisory Committee
- Mayor’s Disability Council
- Metropolitan Transportation Commission (MTC)
- Multimodal Accessibility Advisory Committee (MAAC)
- New Community Leadership Foundation
- Paratransit Coordinating Committee
- Potrero Boosters
- Richmond Caregiver Group
- San Francisco Bicycle Coalition
- San Francisco Building Owners and Managers Association (BOMA)
- San Francisco City Administrator
- San Francisco Controller’s Office
- San Francisco Council of Community Housing Organizations
- San Francisco County Transportation Authority
- San Francisco Human Services Network
- San Francisco Interfaith Council
- San Francisco Transit Riders
- San Francisco Youth Commission
- SaveMUNI
- Senior Disability Action
- San Francisco Unified School District
- SFMTA Citizens’ Advisory Council (CAC)

- SFMTA Youth Transportation Advisory Board (YTAB)
- South of Market Community Action Network (SOMCAN)
- Sunset Neighbors
- Tenderloin Neighborhood Development Corporation
- Tenderloin Community Benefit District
- Union Street Merchants

The following organizations requested for report-outs on the Budget later in the spring:

- San Francisco Council of District Merchants
- San Francisco Chamber of Commerce

Table 7: Public Meetings

Action	Date
SFMTA Board Informational Presentation: FY22-23 Financial Year in Review SFMTA Board Informational Presentation: Transportation 2050 Program Initiatives and Capital Needs and Requirements; State of Good Repair; Unconstrained Capital Plan Report	December 5, 2023
Citizens' Advisory Council (CAC) Meeting #1	December 7, 2023
Board Information: Budget Overview & Strategic Approach	January 16, 2024
SFMTA Board Workshop	January 30, 2024
Citizens' Advisory Council (CAC) Meeting #2	February 1, 2024
Public Listening Session (Virtual)	February 22, 2024
Public Listening Session (In-person)	March 2, 2024
SFMTA Board Informational Presentation: Revenue Options – Fares & Parking Policy, Fees and Fines	March 5, 2024
Citizens' Advisory Council (CAC) Meeting #3	March 7, 2024
SFMTA Board Adoption of Transportation Code Amendment SFMTA Board Informational Presentation: FY 24-25 and 25-26 Operating and Capital Budget Update	March 19, 2024
SFMTA Board Public Hearing: Fiscal Year 2024-2025 and Fiscal Year 2025-2026 Operating and Capital Budget Update	April 2, 2024
SFMTA Board Adoption of Fiscal Year 2024-2025 and Fiscal Year 2025-2026 Operating and Capital Budget (first opportunity)	April 6, 2024

Action	Date
SFMTA Board Adoption of Fiscal Year 2024-2025 and Fiscal Year 2025-2026 Operating and Capital Budget (second opportunity, if needed)	April 23, 2024

XI. Conclusion

As a federally funded agency, the SFMTA must comply with Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color or national origin in programs and activities receiving Federal financial assistance. Before the SFMTA Board can approve the Agency’s fare policy and pricing or a service change, a Title VI fare equity analysis must be approved by the SFMTA Board in accordance with the Federal Transit Administration’s (FTA) Circular 4702.1B, “Title VI Requirements and Guidelines for Federal Transit Administration Recipients,” to determine whether those changes will have a disparate impact based on race or a disproportionate burden on low-income communities. (FTA Circular 4702.1B, Chapter IV-11)

Based on FTA Circular 4702.1B, Chapter IV-19, “Transit providers are required to evaluate the impacts of their proposed fare changes (either increases or decreases) on minority and low-income populations separately.” In order to make an appropriate assessment of disparate impact on communities of color or disproportionate burden on low-income communities with regard to the proposed fare changes, the analysis compares available customer survey data and shows the number and percent of minority riders and low-income riders using a particular fare media in order to establish whether minority and/or low-income riders are disproportionately more likely to use the mode of service, payment type or payment media that would be subject to the fare change.

As required, this Title VI Fare Equity Analysis includes a cumulative analysis of proposed fare changes based on available customer survey data for changes to current fare types. For the proposed fare increases, the equity analysis resulted in no finding of disparate impact based on race or a finding disproportionate burden on low-income communities. For the proposed decrease of the surcharge on multi-day visitor passes, thereby reducing the overall cost for all users and bringing the passes in line with the same visitor passes purchased on MuniMobile, the analysis resulted in both a finding of disparate impact based on race and a disproportionate burden on low-income communities, as elimination of the surcharge benefited more non-minority and non-low-income users of the pass based on 2017 on-board survey data (the most recently available data) than protected users of the pass.

Staff extended the analysis further given the disparate impact and disproportionate findings and recommends moving forward with this discount as there are no practicable steps to avoid, minimize or mitigate the impacts of the reduced surcharge or alternatives that would have a less disparate impact on minority riders but would still accomplish the SFMTA’s legitimate program goals of providing improved access to the discounted product, bringing the price of the Clipper and cash passes in line with the price of the passes that are purchased on MuniMobile, and encouraging transit use among visitors to San Francisco, which was validated via the current six-month pilot program. As discussed above, the vast majority of the users of the visitors’ passes are an ever-fluctuating populations and it is difficult to ascertain exactly which groups are benefitting from the proposed decrease of the surcharge; all users of this pass, including those who pay with cash, will benefit from the discount. Although a small percentage of overall users, regular Muni riders who purchase this pass will also benefit from the reduced surcharge, as well as Muni’s free and reduced fares for which they qualify. A full discussion is included in the attached analysis.

If the SFMTA Board chooses not to move forward with any of the proposed fare changes as analyzed, or if additional fare proposals are made for consideration, the required analysis will need to be updated to analyze whether the changes result in a disparate impact finding or a finding of disproportionate burden.