

Subcommittee conclusion: We recommend supporting the proposition to extend the half-cent sales tax to fund transportation.

Background

A 30 year extension of an existing 0.5% sales tax to fund city-focused transportation projects is on the November 2022 ballot. The specific identifier for the 2022 proposition is TBA.

The existing half-cent sales tax was approved by voters in 1989 and again in 2003 as Proposition K. A Prop K 30-year Expenditure Plan has guided how Prop K tax revenue has been spent, with the use of 5-year project plans. The tax revenue has funded a number of major transit capital projects over the last two decades, including the recently completed Geary Boulevard Bus Rapid Transit corridor (see below), the Van Ness Bus Rapid Transit corridor, the purchase of new Muni light rail vehicles, Central Subway and the Caltrain electrification project (infrastructure which will be eventually used by California High Speed Rail). Funds from the sales tax have also gone to street safety improvements, road repairs and to support paratransit.

The County Transportation Authority Board adopted a [2022 Expenditure Plan](#) as companion to the Sales Tax measure. If the Sales Tax measure is approved by the voters, it would replace the Prop K 30-year Expenditure Plan, as guided by the Prop K Strategic Plan, which was last updated in 2021.

Why is this sales tax on the November 2022 ballot?

In order to plan large-scale capital improvements and transportation system infrastructure improvements, San Francisco County Transportation Authority (SFCTA) and its partners develop long range transportation plans and funding needs. Supervisor Mandelman successfully introduced a measure to extend the city's 0.5% sales tax that helps fund transportation projects for another 30 years. The city Transportation Authority would be allowed to issue up to \$1.19 billion in bonds to be repaid with proceeds from the tax. The sales tax would also unlock potential matching State and Federal funds. The board of supervisors unanimously decided to send the measure to voters in November.

SFCTA and partners would like to extend the half-cent sales tax until 2053 in order to issue bonds and plan and fund future major capital and system improvements. Such projects include upgrading surface-level infrastructure to improve MUNI reliability and efficiency, as well as a new automatic train control system to support longer rail car configurations, and more ([see 2022 expenditure plan](#)).

The proposition will require two-thirds voter approval to pass.

JTF LUT subcommittee evaluation and recommendation

The [2022 Expenditure Plan](#), a companion piece to the proposed half-cent sales tax, contains a focus on racial equity and looks to serve “[Equity Priority Communities](#)” (EPC), which are census tracts with concentrations of low-income and/or people of color, or other populations including seniors or people with disabilities, or people without vehicles. One of the Equity Priority Communities (EPCs) identified by the SFMTA is the Western Addition, which includes Japantown.

Because sales taxes are generally considered to be regressive taxes, meaning that lower-income households pay a higher percentage of their income in taxes than do higher-income households, the CTA has constructed the Expenditure Plan with investments which will close some of the equity gaps in transportation. For example, the Expenditure Plan would make transit investments that will disproportionately benefit low-income households, and help people get around affordably.

The 2022 Expenditure Plan contains proposals that would affect Japantown as follows:

1. Reprogram of \$20M allocated to the Geary Boulevard Improvement Project (Bus Rapid Transit Phase 2) to other transit improvement projects in other neighborhoods, and leave \$10M programmed for the Geary Boulevard project. This was possible because the project was redesigned to save money (i.e. using a side-running alignment, instead of a center-running alignment).
2. Reprogram \$3,527,710 from other projects to Geary-19th Avenue Corridor Rail Strategy and Planning (West Side Rail) in FY 2021/22 and FY 2022/23. This includes \$802,264 of Transit Enhancement category funds for the Geary/19th Ave. Subway Strategic Case development.

A new underground rail line along Geary could improve social and business activity in the neighborhood. Furthermore, improved access in and out of Japantown becomes increasingly important as the neighborhood grows and evolves. The latest Expenditure Plan helps achieve this.

3. Reprogram \$6,372,336 in funds deobligated from other projects and advance \$6,2948,634 in funds from future years to increase programming and funding stability for the citywide Paratransit program (which serves seniors and people with disabilities) over three fiscal years (FY2022/23 through 2024/25) – the Paratransit program was running out of money, so the reprogramming provided funding stability for the program. Stable funding for the Paratransit program would directly benefit the seniors living in Japantown, by providing them with transportation for essential services, such as medical appointments.

Investments in other categories of expenditures as generally described in the 2022 Expenditure Plan are likely to benefit Equity Priority Communities (EPC) including the Western Addition/Japantown. For example, investments in transit reliability (e.g. new automatic train control system) and accessibility, streets and traffic safety, and neighborhood transportation planning as well as equity-oriented transportation demand management would be oriented around equity gaps by improving travel time and accessibility, improving traffic safety and public health, addressing transportation costs, and supporting community-based planning.

The 2022 Expenditure Plan also includes an Equity Priority Neighborhood Program, which would fund planning efforts with robust outreach and engagement in EPCs. The program aims to identify project pipelines and fund community-identified neighborhood-scale transportation improvements. Such pipeline projects would be fed into the 5-year Sales Tax project lists, as well as other funding administered by SFCTA based on community planning efforts or equity analyses.

Two public advisory committees, the Expenditure Plan Advisory Committee and the SFCTA Community Advisory Committee, exist to advise the CTA and the CTA Board on expenditures and administration of the CTA's programs, including the Sales Tax Expenditures programs. The former (Expenditure Plan Advisory Committee) includes a representative from District 5. It behooves Japantown to communicate with the District 5 representative on the Expenditure Plan Advisory Committee, as well as monitor the discussions and actions of the advisory committees, as well as the CTA Board.

We recommend supporting the proposition to extend the half-cent sales tax to fund transportation.

Additional resources

[2022 Expenditure Plan](#)
[Half-Cent Sales Tax \(SFCTA\)](#)