[Charter Amendment - Population-Based Adjustment to General Fund Appropriation to Transportation Fund]

Describing and setting forth a proposal to the voters to amend the Charter of the City and County of San Francisco to adjust the required annual appropriation from the General Fund to the Transportation Fund annually to reflect increases in the population of San Francisco, subject to discontinuation by the Mayor if the voters enact a new general tax on vehicles registered to a San Francisco address, at an election to be held on November 4, 2014; and making environmental findings.

Section 1. The Planning Department has determined that the actions contemplated in this proposed Charter Amendment comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 140556 and is incorporated herein by reference.

Section 2. The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 4, 2014, a proposal to amend the Charter of the City and County by revising Section 8A.105 to read as follows:

NOTE: **Unchanged Charter text and uncodified text** are in plain font.
Additions are *single-underline italics Times New Roman font*.
Deletions are ~~*strike-through italics Times New Roman font*~~.
Asterisks (* * * *) indicate the omission of unchanged Charter subsections.

SEC. 8A.105. MUNICIPAL TRANSPORTATION FUND.

(a) There is hereby established a fund to provide a predictable, stable, and adequate level of funding for the Agency, which shall be called the Municipal Transportation Fund. The fund shall be maintained separate and apart from all other City and County funds. Monies therein shall be appropriated, expended, or used by the Agency solely and exclusively for the operation

including, without limitation, capital improvements, management, supervision, maintenance, extension, and day-to-day operation of the Agency, including any division subsequently created or incorporated into the Agency and performing transportation-related functions. Monies in the Fund may not be used for any other purposes than those identified in this Section.

(b) Beginning with the fiscal year 2000-2001 and in each fiscal year thereafter, there is hereby set aside to the Municipal Transportation Fund the following:

1. An amount (the "Base Amount") which shall be no less than the amount of all appropriations from the General Fund, including all supplemental appropriations, for the fiscal year 1998-1999 or the fiscal year 1999-2000, whichever is higher (the "Base Year"), adjusted as provided in subsection (c), below, for (1) the Municipal Railway; and (2) all other City and County commissions, departments and agencies providing services to the Municipal Railway, including the Department of Human Resources and the Purchasing Department, for the provision of those services. The Base Amount for the Department of Parking and Traffic and the Parking Authority shall be established in the same fashion but using fiscal years 2000-2001 and 2001-2002 for the services being incorporated into the Agency.

2. Subject to the limitations and exclusions in Sections 4.113, the revenues of the Municipal Railway, and, upon their incorporation into the Agency, the revenues of the Department of Parking and Traffic, and the Parking Authority; and

3. All other funds received by the City and County from any source, including state and federal sources, for the support of the Agency.

(c) The Base Amount shall initially be determined by the Controller. Adjustments to the Base Amount shall be made as follows:

1. The Base Amount shall be adjusted for each year after fiscal year 2000-2001 by the Controller based on calculations consistent from year to year, by the percentage increase or decrease in aggregate City and County discretionary revenues. In determining aggregate City and

County discretionary revenues, the Controller shall only include revenues received by the City which are unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any lawful City purpose. Errors in the Controller's estimate of discretionary revenues for a fiscal year shall be corrected by adjustment in the next year's estimate.

2. An adjustment shall also be made for any increases in General Fund appropriations to the Agency in subsequent years to provide continuing services not provided in the Base Year, but excluding additional appropriations for one-time expenditures such as capital expenditures or litigation judgments and settlements.

3. Commencing with the fiscal year beginning on July 1, 2015, the Controller shall also adjust the Base Amount annually by the percentage increase in the San Francisco population based on data from the source(s) the Controller, in his or her sole discretion, finds most reliable for the most recent available calendar year. The Controller's population growth adjustment shall be based on the greater of the increase in daytime or night-time population. For any year in which the Controller determines that neither the daytime nor night-time population has increased, the Controller shall make no adjustment under this subparagraph 3 to the Base Amount. For purposes of the initial adjustment for the year commencing July 1, 2015, the Controller shall adjust the Base Amount based on the increase in City daytime or night-time population for the most recent ten-year period for which data are available instead of the most recent available calendar year. The Agency shall use the amount of any increase in the Base Amount resulting from the adjustment required by this subparagraph 3 exclusively as follows: 75 per cent shall be used to make transit system improvements to the Municipal Railway to improve the system's reliability, frequency of service, capacity, and state of good repair, and 25 per cent shall be used for transportation capital expenditures to improve street safety for all users.

(d) The Treasurer shall set aside and maintain the amounts required to be set aside by this Section, together with any interest earned thereon, in the Municipal Transportation Fund, and any amounts unspent or uncommitted at the end of any fiscal year shall be carried forward, together with interest thereon, to the next fiscal year for the purposes specified in this Article.

(e) It is the policy of the City and County of San Francisco to use parking-related revenues to support public transit. To that end, the following parking-related revenues deposited in the Transportation Fund shall be used to support the capital and operating expenses arising from the Agency's transit functions:

1. Revenues from parking meters, except those amounts collected from parking meters operated by the Recreation and Park Department and the Port Commission and except to the extent that they are required by law to be dedicated to other traffic regulation and control functions;

2. Revenues from off-street parking facilities under the jurisdiction of the Agency (excluding facilities owned by the Parking Authority), including facilities leased to private owners and non-profit corporations, except those amounts generated from any parking on or below any land or facilities under the jurisdiction of the Recreation and Park Department and except those amounts obligated by contract executed before 1993 to pay debt service;

3. Revenues from fines, forfeited bail, or penalties for parking violations, except those amounts to be credited to the courthouse construction fund as provided in Administrative Code Section *10.100-353.*~~*10.117-35.*~~

(f) In addition, there is hereby set aside from the general revenues of the City and County and deposited in the Transportation Fund to support the Agency's transit services an amount equivalent to 80 percent of the revenues received from the City's tax on occupation of parking spaces. Additional amounts appropriated as a result of this subsection after July 1, 2008 which were not previously available to support transit service shall be used exclusively to:

1. support implementation of the transit service improvements recommended by the Transit Effectiveness Project or any subsequent system-wide route and service evaluation, with first priority given to the hiring of full time on-going staff and expansion of training for Agency employees, supervisors and managers; and

2. support the creation of a Labor-Management Implementation and Service Improvement Committee consisting of the Director of Transportation and a designated representative of each union representing Agency employees. This committee shall meet quarterly to discuss implementation of this Section and ongoing system challenges.

Section 3. For any fiscal year commencing after the San Francisco voters approve imposition of a Voter Approved Local Assessment (as authorized by Part 5.7 of Division 2 of the California Revenue and Taxation Code) on vehicles registered to a San Francisco address as a new general tax generating revenues to be deposited in the City's General Fund and used for any lawful City purpose, as appropriated by the Mayor and the Board of Supervisors, the Mayor, after consulting with the Director of Transportation, the Mayor's Budget Director and the Controller, and after taking into account the City's projected revenues and expenditures in the City's financial plans, may by January 1 discontinue permanently further population-based adjustments to the Base Amount as prescribed in Subsection 8A.105(c)(3) by issuing a written notice to the Director of Transportation, the Board of Supervisors and the Controller. The Mayor's issuance of this notice shall be irrevocable and upon issuance of the notice the Controller's duties under Subsection 8A.105(c)(3) shall cease. Thereafter, the Controller shall return the Base Amount to the amount it would have been if Subsection 8A.105(c)(3) had not been enacted and continue to adjust the Base Amount only according to the terms of Subsections 8A.105(c)(1) and 8A.105(c)(2) and any other applicable law. The Mayor's issuance of this

notice shall have the effect of repealing Subsection 8A.105(c)(3), making it thereafter inoperative with no further force and effect. Following the Mayor's issuance of the notice, the City Attorney shall take all actions necessary to remove Subsection 8A.105(c)(3) from the City Charter.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: Julia M. C. Friedlander
Deputy City Attorney

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City and County of San Francisco
Tails
Charter Amendment

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 140556 **Date Passed:** July 22, 2014

Charter Amendment (Second Draft) to amend the Charter of the City and County of San Francisco to adjust the required annual appropriation from the General Fund to the Transportation Fund annually to reflect increases in the population of San Francisco, subject to discontinuation by the Mayor if the voters enact a new general tax on vehicles registered to a San Francisco address, at an election to be held on November 4, 2014; and making environmental findings.

June 30, 2014 Rules Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

June 30, 2014 Rules Committee - CONTINUED TO CALL OF THE CHAIR AS AMENDED

July 10, 2014 Rules Committee - REFERRED WITHOUT RECOMMENDATION AS COMMITTEE REPORT

July 15, 2014 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

July 22, 2014 Board of Supervisors - ORDERED SUBMITTED

Ayes: 6 - Breed, Campos, Chiu, Cohen, Kim and Wiener

Noes: 4 - Farrell, Mar, Tang and Yee

Excused: 1 - Avalos

File No. 140556

I hereby certify that the foregoing Charter Amendment was ORDERED SUBMITTED on 7/22/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board