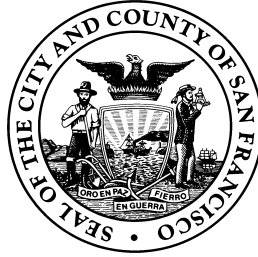


BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Nicole Wheaton, Mayor's Office
Jon Givner, Office of the City Attorney
Naomi Kelly, City Administrator
John St. Croix, Executive Director, Ethics Commission
John Rahaim, Director, Planning Department
Harvey Rose, Budget and Legislative Analyst
Ed Reiskin, Executive Director, Municipal Transportation Agency
Mohammed Nuru, Director, Department of Public Works
Adele Carpenter, Director, Youth Commission
Carla Johnson, Director, Mayor's Office on Disability

FROM: Alisa Somera, Clerk, Rules Committee
Board of Supervisors

DATE: September 4, 2014

SUBJECT: CHARTER AMENDMENT INTRODUCED
November 3, 2015 Election

The Board of Supervisors' Rules Committee has received the following Charter Amendment for the November 3, 2015, Election, introduced by Supervisor Avalos on June 10, 2014. This matter is being referred to you in accordance with Rules of Order 2.22.4.

File No. 131117 Charter Amendment - Municipal Transportation Agency (MTA): Equity Analysis and Expenditure Plan, Additional Appropriation, MTA Inspector General, Limits on Future Fare Increases, Extending Free Muni for Certain Populations

Charter Amendment (Second Draft) to amend the Charter of the City and County of San Francisco by revising Sections 8A.100, 8A.101, 8A.103, 8A.105, 8A.106, 8A.107, 8A.108, and adding 8A.116 to require the Municipal Transportation Agency (MTA) to reduce socio-economic inequities in the City's transportation system; create an Office of Inspector General to perform audits of MTA functions and operations; require a public hearing and written agreement before contracting with other City departments; require MTA and Board of Supervisors approval of an Equity Analysis Report and Expenditure Plan; annually

appropriate approximately \$75,000,000 from the City's General Fund, if fiscally feasible, to fund: 1) Municipal Railway transit vehicle procurement, overhaul, repair, and maintenance or any other MTA capital project to maintain, purchase, build, replace, or improve transportation infrastructure with the ability to reallocate funds if certain conditions exist or beginning in FY2021-2022, and 2) street repairs and reconstruction; limit future transit fare increases unless certain conditions are met; and require MTA to continue the Free MUNI for Youth program and provide Free Municipal Railway transit service for low and moderate income seniors and persons with physical or mental impairments who use fare media acceptable to the MTA beginning in FY2016-2017, at an election to be held on November 3, 2015.

Please review and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns, please call me at (415) 554-4447 or email: alisa.somera@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Debra Newman, Office of the Budget and Legislative Analyst
Severin Campbell, Office of the Budget and Legislative Analyst
Gabriela Loeza, Office of the Budget and Legislative Analyst
Kate Breen, Municipal Transportation Agency
Janet Martinsen, Municipal Transportation Agency
Dillon Auyoung, Municipal Transportation Agency
Frank Lee, Department of Public Works
Allen Lu, Youth Commission

1 [Charter Amendment - Municipal Transportation Agency (MTA): Equity Analysis and
2 Expenditure Plan, Additional Appropriation, MTA Inspector General, Limits on Future Fare
3 Increases, Extending Free Muni for Certain Populations]

4 **Describing and setting forth a proposal to the voters to amend the Charter of the City and**
5 **County of San Francisco to Describing and setting forth a proposal to the qualified voters**
6 **of the City and County of San Francisco to amend the Charter of the City and County of**
7 **San Francisco by revising Sections 8A.100, 8A.101, 8A.103, 8A.105, 8A.106, 8A.107,**
8 **8A.108, and adding 8A.116 to require the Municipal Transportation Agency (the**
9 **“Agency”) to reduce socio-economic inequities in the City’s transportation system; create**
10 **an Office of Inspector General to perform audits of Agency functions and operations;**
11 **require a public hearing and written agreement before contracting with other City**
12 **departments; require Agency and Board of Supervisors approval of an Equity Analysis**
13 **Report and Expenditure Plan; annually appropriate approximately \$75,000,000 from the**
14 **City’s General Fund, if fiscally feasible, to fund: 1) Municipal Railway transit vehicle**
15 **procurement, overhaul, repair, and maintenance or any other MTA capital project to**
16 **maintain, purchase, build, replace, or improve transportation infrastructure with the**
17 **ability to reallocate funds if certain conditions exist or beginning in FY2021-2022, and 2)**
18 **street repairs and reconstruction; limit future transit fare increases unless certain**
19 **conditions are met; and require the Agency to continue the Free MUNI for Youth program**
20 **and provide Free Municipal Railway transit service for low and moderate income seniors**
21 **and persons with physical or mental impairments who use fare media acceptable to the**
22 **Agency beginning in FY2016-2017.**

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

5 Section 2. The Board of Supervisors hereby submits to the qualified voters of the City
6 and County, at an election to be held on November 3, 2015, a proposal to amend the Charter of
7 the City and County by amending Sections 8A.100, 8A.101, 8A.103, 8A.105, 8A.106, 8A.107,
8 8A.108, and adding Section 8A.116 to read as follows

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

14 **SEC. 8A.100. PREAMBLE.**

15 (a) An effective, efficient, and safe transportation system is vital for San Francisco to
16 achieve its goals for quality of life, environmental sustainability, public health, social justice, and
17 economic growth. The Municipal Transportation Agency must manage San Francisco's
18 transportation system which includes automobile, freight, transit, bicycle, and pedestrian
19 networks to help the City meet those goals. Through this measure, the voters seek to provide the
20 Municipal Transportation Agency with improved resources and expanded independence and
21 authority in order to create a transportation system that is among the best in the world.

22 (b) This article requires the Municipal Transportation Agency to develop clear,
23 meaningful and quantifiable measures of its performance and goals and to regularly publicize
24 those standards. This article also recognizes that the workers of the Municipal Transportation
25 Agency are vital to the success of the Agency and to achieving the improvements voters seek.

1 Therefore, it authorizes incentives for excellence and requires accountability for both managers
2 and employees.

3 (c) Specifically, San Francisco residents require:

- 4 1. Reliable, safe, timely, frequent, and convenient transit service to all
5 neighborhoods;
- 6 2. A reduction in breakdowns, delays, over-crowding, preventable accidents;
- 7 3. Clean and comfortable transit vehicles and stations, operated by
8 competent, courteous, and well trained employees;
- 9 4. Support and accommodation of the special transportation needs of the
10 elderly and the disabled;

11 5. A focus on reducing the socio-economic inequities in the City's
12 transportation system:

- 13 56. Protection from crime and inappropriate passenger behavior on the
14 Municipal Railway;
- 15 67. Responsive, efficient, and accountable management;
- 16 78. Roads that are not gridlocked with congestion;
- 17 89. A safe and comprehensive network of bicycle lanes;
- 18 910. A safe and inviting environment for pedestrians;
- 19 1011. Efficient movement of goods and deliveries;
- 20 1112. A transportation sector that promotes environmental sustainability and
21 does not contribute to global warming; and
- 22 1213. A well-managed and well-coordinated transportation system that
23 contributes to a livable urban environment.

24 Through this measure, the voters seek to provide the transportation system with
25 the resources, independence and focus necessary to achieve these goals.

1 (d) The voters find that one of the impediments to achieving these goals in the past
2 has been that responsibility for transportation has been diffused throughout City government.
3 Accordingly, this Article places within the Municipal Transportation Agency the powers and
4 duties relating to transit now vested in other departments, boards, and commissions of the City
5 and County. This Article further requires that, to the extent other City and County agencies
6 provide services to the Municipal Transportation Agency, those departments must give the
7 highest priority to the delivery of such services.

8 (e) At the same time, this Article is intended to ensure sufficient oversight of the
9 Municipal Transportation Agency by, among other things, preserving the role of the City's
10 Controller as to financial matters, the City Attorney as to legal matters, and the Civil Service
11 Commission, as to merit system issues. In addition, this Article *promotes accountability through*
12 *the creation of an Office of Inspector General for the Agency and through the requirement*
13 *requires that the Inspector General perform independent audits of Agency functions and*
14 *operations outside audits to be performed* to ensure that required service levels are obtained with
15 a minimum of waste.

16 (f) Finally, this Article is intended to strengthen the Municipal Transportation
17 Agency's authority to: 1) manage its employees; 2) establish efficient and economical work rules
18 and work practices that maximize the Agency's responsiveness to public needs; and 3) protect
19 the Agency's right to select, train, promote, demote, discipline, layoff and terminate employees,
20 managers, and supervisors based upon the highest standards of customer service, efficiency and
21 competency.

22 (g) The effective management of traffic flow and parking are vital to the operation of
23 the Municipal Railway. Congestion on city streets causes delays in transit operations. Therefore,
24 the Municipal Transportation Agency must manage parking and traffic flow to ensure that transit
25 vehicles move through City streets safely and efficiently.

1 (h) In addition, the residents of San Francisco require that the Agency: 1) value and
2 protect the safety of pedestrians and bicyclists; 2) reduce congestion and air pollution through
3 efficient use of the streets; and 3) protect the City's economic health by giving priority to
4 commercial deliveries and access to local businesses.

5 (i) The voters find that reducing the carbon emissions from San Francisco's transit
6 sector is fundamental to the City's health and wellbeing and shall be among the Agency's policy
7 priorities. Because the Agency has significant influence on San Francisco's transportation sector,
8 which is responsible for fully half of the carbon emissions produced within the City, the voters
9 direct the Agency to develop and implement strategies for substantially reducing those
10 emissions. The voters further affirm the goals of the City's Climate Action Plan.

11 (j) This Article shall be interpreted and applied in conformance with the above goals.

12 **SEC. 8A.101. MUNICIPAL TRANSPORTATION AGENCY.**

13 (a) There shall be a Municipal Transportation Agency. The Agency shall include a
14 Board of Directors and a Director of Transportation. The Agency shall include the Municipal
15 Railway and the former Department of Parking and Traffic, as well as any other departments,
16 bureaus or operating divisions hereafter created or placed under the Agency. There shall also be
17 a Citizens Advisory Committee to assist the Agency.

18 (b) The Board of Supervisors shall have the power, by ordinance, to abolish the Taxi
19 Commission created in Section 4.133, and to transfer the powers and duties of that commission
20 to the Agency under the direction of the Director of Transportation or his or her designee. In
21 order to fully integrate taxi-related functions into the Agency should such a transfer occur, the
22 Agency shall have the same exclusive authority over taxi-related functions and taxi-related fares,
23 fees, charges, budgets, and personnel that it has over the Municipal Railway and parking and
24 traffic fares, fees, charges, budgets, and personnel. Once adopted, Agency regulations shall
25

1 thereafter ~~supersedes~~supersede all previously-adopted ordinances governing motor vehicles for
2 hire that conflict with or duplicate such regulations.

3 (c) Any transfer of functions occurring as a result of the above provisions shall not
4 adversely affect the status, position, compensation, or pension or retirement rights and privileges
5 of any civil service employees who engaged in the performance of a function or duty transferred
6 to another office, agency, or department pursuant to this measure.

7 (d) Except as expressly provided in this Article, the Agency shall comply with all of
8 the restrictions and requirements imposed by the ordinances of general application of the City
9 and County, including ordinances prohibiting discrimination of any kind in employment and
10 contracting, such as Administrative Code Chapters 12B et seq., as amended from time to time.
11 The Agency shall be solely responsible for the administration and enforcement of such
12 requirements.

13 (e) The Agency may contract with ~~a~~existing City and County departments if it
14 determines, after a public hearing, that such a contract is necessary to carry out or support any
15 of ~~the~~ the Agency's powers ~~and~~ duties. Any such contract shall be in writing and shall establish
16 performance standards for the department providing the services to the Agency, including
17 measurable standards for the quality, timeliness, and cost of the services provided. All City and
18 County departments must give the highest priority to the delivery of such services to the Agency.

19 (f) The Agency may not exercise any powers and duties of the Controller or the City
20 Attorney and shall contract with the Controller and the City Attorney for the exercise of such
21 powers and duties.

22 **SEC. 8A.103. SERVICE STANDARDS AND ACCOUNTABILITY.**

23 (a) The Municipal Railway shall provide a level of service measured in service hours
24 which is not less than that provided under the schedule of service published in the April 1996
25 timetable, although not necessarily in that configuration.

1 (b) By July 1 of each year, the Agency shall adopt mile-stones toward achievement of
2 the goals specified in subsections (c) and (d). Milestones shall be adopted for each mode of
3 transportation of the Municipal Railway, and for the Municipal Railway as a whole, with the
4 goal of full achievement of the standards set in subsection (c).

5 (c) The standards for the Agency with respect to the services provided by the
6 Municipal Railway shall include the following minimum standards for on-time performance and
7 service delivery:

8 1. On-time performance: at least 85 percent of vehicles must run on-time,
9 where a vehicle is considered on-time if it is no more than one minute early or four minutes late
10 as measured against a published schedule that includes time points; and

11 2. Service delivery: 98.5 percent of scheduled service hours must be
12 delivered, and at least 98.5 percent of scheduled vehicles must begin service at the scheduled
13 time.

14 (d) The Board of Directors shall adopt Agency rules setting additional measurable
15 standards for system reliability, system performance, staffing performance, and customer service,
16 including:

- 17 1. Passenger, public, and employee safety and security;
- 18 2. Coverage of neighborhoods and equitable distribution of service;
- 19 3. Level of crowding;
- 20 4. Frequency and mitigation of accidents and breakdowns;
- 21 5. Improvements in travel time, taking into account adequate recovery and
22 lay-over times for operators;
- 23 6. Vehicle cleanliness, including absence of graffiti;
- 24 7. Quality and responsiveness of customer service;
- 25 8. Employee satisfaction;

1 9. Effectiveness of the preventive maintenance program; *and*
2 10. Frequency and accuracy of communications to the public; ;
3 11. The Agency's duties related to parking and traffic functions and any other
4 functions that may be added to the Agency's responsibilities; *and*.

5 12. An Equity Analysis Report as set forth in Section 8A.116.

6 (e) The Board of Directors shall adopt Agency rules setting forth the methods by
7 which performance shall be measured with respect to each standard established pursuant to
8 subsections (c) or (d) above in accordance with industry best practices to enhance the Agency's
9 ability to compare its performance to that of other comparable transit systems. The Agency shall
10 regularly publish reports documenting the Agency's performance for each standard. Each
11 performance report shall note any changes in the rules governing the methods by which
12 performance is measured so as to inform interpretation of performance trends over time. Nothing
13 herein shall prohibit the Agency from using additional performance measures.

14 (f) The Agency shall issue a Climate Action Plan to the Board of Supervisors and the
15 Commission on the Environment by January 1, 2009, and every two years thereafter. The plan
16 shall describe measures taken and progress made toward the goal of reducing greenhouse gas
17 emissions from San Francisco's transportation sector to 80% of 1990 levels by 2012 and shall
18 further address progress toward the following goals:

- 19 1. Zero greenhouse gas emissions for Municipal Railway transit vehicles;
20 2. Lowering energy consumption in Agency facilities and by non-transit
21 vehicles;
22 3. Maximizing waste reduction in Agency operations;
23 4. Increasing transit trips and reducing private vehicle trips within the City;
24 5. Increasing the use of bicycling and walking as alternate forms of
25 transportation; and

1 6. Improving regional transit connections to reduce private vehicle use by
2 commuters.

3 No later than January 1, 2010, and no less than every ten years thereafter, the
4 Board of Supervisors shall adopt legislation setting goals for reducing greenhouse gas emissions
5 from San Francisco's transportation sector, and other climate action measures set forth above, for
6 periods after 2012.

7 **SEC. 8A.105. MUNICIPAL TRANSPORTATION FUND.**

8 (a) There is hereby established a fund to provide a predictable, stable, and adequate
9 level of funding for the Agency, which shall be called the Municipal Transportation Fund. The
10 fund shall be maintained separate and apart from all other City and County funds. Monies therein
11 shall be appropriated, expended, or used by the Agency solely and exclusively for the operation
12 including, without limitation, capital improvements, management, supervision, maintenance,
13 extension, and day-to-day operation of the Agency, including any division subsequently created
14 or incorporated into the Agency and performing transportation-related functions. Monies in the
15 Fund may not be used for any other purposes than those identified in this Section.

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

18 1. An amount (the "Base Amount") which shall be no less than the amount of
19 all appropriations from the General Fund, including all supplemental appropriations, for the
20 fiscal year 1998-1999 or the fiscal year 1999-2000, whichever is higher (the "Base Year"),
21 adjusted as provided in subsection (c), below, for (1) the Municipal Railway; and (2) all other
22 City and County commissions, departments and agencies providing services to the Municipal
23 Railway, including the Department of Human Resources and the Purchasing Department, for the
24 provision of those services. The Base Amount for the Department of Parking and Traffic and the
25

1 Parking Authority shall be established in the same fashion but using fiscal years 2000-2001 and
2 2001-2002 for the services being incorporated into the Agency.

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

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

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

10 1. The Base Amount shall be adjusted for each year after fiscal year 2000-
11 2001 by the Controller based on calculations consistent from year to year, by the percentage
12 increase or decrease in aggregate City and County discretionary revenues. In determining
13 aggregate City and County discretionary revenues, the Controller shall only include revenues
14 received by the City which are unrestricted and may be used at the option of the Mayor and the
15 Board of Supervisors for any lawful City purpose. Errors in the Controller's estimate of
16 discretionary revenues for a fiscal year shall be corrected by adjustment in the next year's
17 estimate.

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

22 (d) Beginning in fiscal year 2016-2017, the City shall annually appropriate an
23 additional amount ("the Additional Appropriation") to the Municipal Transportation Fund. For
24 fiscal year 2015-2016, the Additional Appropriation shall be \$75 million. The Additional
25

1 Appropriation shall be in addition to, and not in place of, any amount otherwise required to be
2 deposited into the Municipal Transportation Fund.

3 1. Beginning in fiscal year 2017-2018, the Additional Appropriation shall be
4 adjusted by the Controller based on calculations consistent from year to year, and by the
5 percentage increase or decrease in aggregate City and County of San Francisco discretionary
6 revenues. In determining discretionary revenues, the Controller shall only include revenues
7 received by the City and County of San Francisco which are unrestricted and may be used at the
8 option of the Mayor and the Board of Supervisors for any lawful City purpose. Any error in the
9 Controller's estimate of discretionary revenues for a fiscal year shall be corrected by adjustment
10 in the following fiscal year.

11 2. For fiscal years 2016-2017 through and including 2020-2021, the
12 Additional Appropriation shall be included in the Agency's budget according to the following
13 formula:

14 (A) Fifty percent (50%) for Municipal Railway transit vehicle
15 procurement, overhaul, repair, and maintenance or any other Agency capital project to
16 maintain, purchase, build, replace, or improve transportation infrastructure; and

17 (B) Fifty percent (50%) shall be transferred by the Agency to the
18 Department of Public Works for street repairs and reconstruction, with priority given for streets
19 with Municipal Railway transit service, and bicycles routes, bicycle infrastructure, and
20 pedestrian safety improvements.

21 (C) The Agency may reallocate any portion of the funds allocated
22 under subsection (A) for Municipal Railway operations if the projected number of total revenue
23 vehicle hours of Municipal Railway service for the upcoming fiscal year, excluding Special Event
24 services, is less than the total number of revenue vehicle hours scheduled for either of the two
25 preceding fiscal years.

1 3. Beginning in fiscal year 2021-2022 and every five years thereafter, the
2 Agency Board of Directors may adjust the allocation of funds prescribed in Section
3 8A.105(d)(2)(A) to provide funds for Municipal Railway operations, transit vehicle procurement,
4 overhaul, repair, and maintenance. The allocation shall be based on the projected need of the
5 Municipal Railway capital and operating budgets for the next five years.

6 4. This subsection (d) of Section 8A.105 shall become operative only if the
7 Board of Supervisors determines that the City will receive additional revenue that is eligible for
8 the uses described in the Additional Appropriation. The Board of Supervisors must make its
9 determination by motion within sixty days following the certification of the November 3, 2015
10 election results by the Director of Elections. Before making this determination, the Board of
11 Supervisors shall consult with the Mayor's Office and Controller and take into account the
12 City's projected revenues and expenditures. If the Board of Supervisors fails to pass a motion
13 finding the Additional Appropriation to be fiscally feasible within sixty days following the
14 certification of election results, this subsection (d) shall have no force of law or effect and the
15 City Attorney is authorized to take all steps necessary to remove this subsection (d) from the
16 Charter.

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

21 ~~(ef)~~ It is the policy of the City and County of San Francisco to use parking-related
22 revenues to support public transit. To that end, the following parking-related revenues deposited
23 in the Transportation Fund shall be used to support the capital and operating expenses arising
24 from the Agency's transit functions:
25

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

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

10 3. Revenues from fines, forfeited bail, or penalties for parking violations,
11 except those amounts to be credited to the courthouse construction fund as provided in
12 Administrative Code Section 10.100-35310.117-35.

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

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

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

1 **SEC. 8A.106. BUDGET.**

2 The Agency shall be subject to the provisions of Article IX of this Charter except:

3 (a) No later than May 1 of each even-numbered year, after professional review,
4 public hearing and after receiving the recommendations of the Citizens' Advisory Council, the
5 Agency shall submit its proposed budget with annual appropriation detail in a form approved by
6 the Controller for each of the next two fiscal years, along with the Equity Analysis Report and
7 Expenditure Plan defined in Section 8A.116 subsections (b) and (c). to the Mayor and the Board
8 of Supervisors for their review and consideration. The Agency shall propose a budget that is
9 balanced without the need for additional funds over the Base Amount, but may include fare
10 increases and decreases, and reductions or abandonment of service. The Mayor shall submit the
11 budget to the Board of Supervisors, without change. Should the Agency request additional
12 general fund support over the Base Amount and the Additional Appropriation, it shall submit an
13 augmentation request for those funds in the standard budget process and subject to normal
14 budgetary review and amendment under the general provisions of Article IX.

15 (b) At the time the budget is adopted, the Agency shall certify that the budget is
16 adequate in all respects to make substantial progress towards meeting the performance standards
17 established pursuant to Section 8A.103 for the fiscal year covered by the budget.

18 (c) No later than August 1, the Board of Supervisors may allow the Agency's budget
19 to take effect without any action on its part or it may reject but not modify the Agency's budget
20 by a seven-elevenths' vote, provided that the Agency's budget shall only take effect by operation
21 of law if both the Agency's Board of Directors and the Board of Supervisors have approved the
22 Equity Analysis Report and Expenditure Plan defined in Section 8A.116 subsections (b) and (c).

23 Any fare change, route abandonment, or revenue measure proposed in the budget shall be
24 considered accepted unless rejected by a seven-elevenths' vote on the entire budget. Should the
25 Board reject the budget, the Equity Analysis Report, or the Expenditure Plan, it shall make

1 additional interim appropriations to the Agency from the Municipal Transportation Fund
2 sufficient to permit the Agency to maintain all operations through the extended interim period
3 until a budget is adopted. Any request for appropriation of General Fund revenues in excess of
4 the Base Amount shall be approved, modified, or rejected under the general provisions of Article
5 IX.

6 (d) No later than May 1 of each odd-numbered year, the Agency shall submit any
7 budget amendment that may be required to increase appropriations over those approved in the
8 two year budget or as may be required by law, provided that such budget amendment shall
9 establish a detailed plan with appropriation detail only for those anticipated revenues and
10 expenditures exceeding those approved in the two year budget or as otherwise required by law.
11 The Agency may submit to the Board of Supervisors such additional budget amendments or
12 modifications during the term of the budget, including but not limited to amendments reflecting
13 fare changes, route abandonments and revenue measures, as may be required in the discretion of
14 the Agency. The Board of Supervisors may allow any budget amendment to take effect without
15 any action on its part or it may reject but not modify the budget amendment by a seven-
16 elevenths' vote taken within 30 days after its submission to the Board of Supervisors.

17 (e) For fiscal year 2016-2017, the Agency may submit a budget amendment no later
18 than May 1, 2016, along with the Equity Analysis Report and Expenditure Plan defined in
19 Section 8A.116 subsection (a). The Board of Supervisors may allow the budget amendment to
20 take effect without any action on its part or it may reject but not modify the budget amendment
21 by a seven-elevenths' vote taken within 30 days after its submission to the Board of Supervisors
22 provided that the Agency's budget shall not take effect if either the Agency's Board of Directors
23 or the Board of Supervisors have not approved the Equity Analysis Report and Expenditure Plan
24 defined in Section 8A.116 subsection (a).

1 (ef) Notwithstanding any other provisions of this Charter or requirements of the
2 Annual Salary Ordinance, the Controller may authorize the Agency to move funds within its
3 budget and hire personnel without specific Controller approval so long as the Agency's periodic
4 and verifiable projections of spending by the Agency show the Controller that the Agency's
5 spending will be within the approved budget. However, should the projections show that the
6 Agency spending is likely to exceed its budget, the Controller may impose appropriate controls
7 in his or her discretion to keep the Agency within budget.

8 **SEC. 8A.107. INSPECTOR GENERAL~~MUNICIPAL TRANSPORTATION QUALITY~~**
9 **REVIEW.**

10 (a) In consultation with the Controller, the Agency's Board of Directors shall appoint
11 an Inspector General who shall serve a five year term. The position shall be exempt from Civil
12 Service, and an at-will appointment subject to removal by the Board of Directors or Controller,
13 acting jointly or separately from each other. The Inspector General shall be compensated at a
14 salary at least equivalent to the average compensation paid to managers who report directly to
15 the Director of Transportation. The Agency's Board of Directors shall appoint the first
16 Inspector General no later than July 1, 2016.

17 (b) The purpose of the Office of Inspector General is to provide an independent unit,
18 reporting directly to the Controller, to: conduct and supervise audits, reviews and analyses
19 relating to the effectiveness, efficiency, and equity of Agency programs, operations, contracts
20 and internal controls; produce an annual Equity Analysis Report; receive and investigate
21 complaints from any source of alleged fraud, waste, or abuse of Agency resources; and detect,
22 investigate, deter, and prevent fraud, waste, or abuse in Agency programs and operations.
23 Notwithstanding Sections 3.105(c), 8A.101(f) and Appendix F of the Charter, the Inspector
24 General shall perform the functions and exercise the powers of the City Services Auditor with
25 respect to the Agency, including, but not limited to: (a) conducting management and

1 performance audits of Agency programs and operations; (b) reviewing and reporting on Agency
2 management practices; and (c) assessing the Agency's progress towards meeting Agency
3 performance, equity, and customer service standards.

4 (c) Nothing in this Section 8A.107 shall be construed to affect, limit or conflict with
5 the authority of the Controller to: (1) provide financial oversight and control for the Agency
6 according to any provision of Section 3.105 other than subsection (c); (2) conduct consumer
7 satisfaction surveys; (3) receive and investigate whistleblower complaints regarding the Agency
8 under Section F1.107 of Appendix F; (4) provide technical assistance requested by the Agency;
9 or (5) conduct any audits of Agency programs or operations requested by the Mayor, the Board
10 of Supervisors, the Agency's Board of Directors, or as determined by the Controller.

11 (d) The Inspector General shall have full, free and unrestricted access to all Agency
12 records, facilities, equipment, officers, employees and contractors as may be necessary to carry
13 out the responsibilities of the Inspector General. The Inspector General shall be the appointing
14 officer under the civil service provisions of this Charter for the appointment, removal, or
15 discipline of employees of the Inspector General.

16 (e) When, according to the terms of Section 8A.106, the Agency's Board of Directors
17 approves a two year budget in each even-numbered year or any budget amendment that may be
18 required in any odd-numbered year, the Board of Directors shall approve a rolling two year
19 audit plan ("Performance Audit Plan") and a budget sufficient to enable the Inspector General
20 and his or her staff to perform the audits included in the Performance Audit Plan and any other
21 duties assigned by the Board of Directors. The budget shall include any revenues that may be
22 available in accordance with subsection (f) of this Section 8A.107 as well as any additional
23 revenues from the Municipal Transportation Fund. Among other matters selected by the Board
24 of Directors after considering recommendations of the Citizens' Advisory Council, at least once
25 in each two year period, the Performance Audit Plan shall include a detailed analysis of:

1 1. The extent to which the Agency has met the goals, objectives, and
2 performance standards established by or in accordance with Section 8A.103 and the accuracy of
3 the Agency's reported performance under such goals, objectives and performance standards;

4 2. The extent to which the Agency has addressed the deficiencies in
5 Municipal Railway service and transportation infrastructure to low-income and transit-
6 dependent communities identified in the Equity Analysis Report set forth in Section 8A.116; and

7 3. The extent to which services provided to the Agency by one or more other
8 City departments have met the requirements set forth in Section 8A.101(e).

9 (f) Notwithstanding Section 3.105(b) and Appendix F of the Charter, 50% of the
10 amount budgeted for the Controller's Audit Fund from the Municipal Transportation Fund shall
11 be allocated by the Controller to support the functions of the Inspector General.

12 ~~(a) — The Agency shall biennially contract with a nationally recognized management or~~
13 ~~transportation consulting firm with offices in the City and County for an independent review of~~
14 ~~the quality of its operations. The contract shall be competitively bid and approved by the~~
15 ~~Controller and Board of Supervisors. The review shall contain:~~

16 ~~1. — A detailed analysis of the extent to which the Agency has met the goals,~~
17 ~~objectives, and performance standards it is required to adopt under Section 8A.103, and the~~
18 ~~extent to which the Agency is expected to meet those goals, objectives, and performance~~
19 ~~standards in the two fiscal years for which the review is submitted, and independent verification~~
20 ~~of the Agency's reported performance under the performance measures adopted pursuant to~~
21 ~~Section 4 of this measure; and~~

22 ~~2. — Such recommendations for improvement in the operation of the Agency as~~
23 ~~the firm conducting the review deems appropriate.~~

24 ~~(b) — The results of the review shall be presented promptly to the Citizens' Advisory~~
25 ~~Council, the Agency, the Board of Supervisors, and the Mayor by the reviewing firm; and the~~

1 *Citizens' Advisory Council, the Agency, and the Board of Supervisors shall each promptly hold*
2 *at least one public hearing thereon.*

3 **SEC. 8A.108. FARE CHANGES, ~~AND~~ ROUTE ABANDONMENTS, AND FREE**
4 **TRANSIT SERVICE FOR CERTAIN POPULATIONS.**

5 (a) Except as otherwise provided in this Section, any proposed change in fares or
6 route abandonments shall be submitted to the Board of Supervisors as part of the Agency's
7 budget or as a budget amendment under Section 8A.106, and may be rejected at that time by a
8 seven-elevenths vote of the Board on the budget or budget amendment. Any changes in fares or
9 route abandonments proposed by the Agency specifically to implement a program of service
10 changes identified in a system-wide strategic route and service evaluation such as the Transit
11 Effectiveness Project may only be rejected by a single seven-elevenths' vote of the Board of
12 Supervisors on the budget or budget amendment.

13 (b) No fare increase shall be approved as part of the Agency's budget or as a budget
14 amendment unless:

15 1. The Controller certifies that the increase in the amount of a fare after
16 January 1, 2016, would not exceed the projected rate of increase in the "transportation"
17 expenditure category of the Consumer Price Index (CPI) for All Urban Consumers in the San
18 Francisco-Oakland-San Jose Region since January 1, 2016, based on data made available by
19 the State of California's Department of Finance; or

20 2. The Controller certifies that the fare increase is necessary to comply with
21 the requirements of the State of California's Transit Development Assistance or any other
22 required performance metric in order to remain eligible to receive state or other funding.

23 (bc) The Agency shall base any proposed change in Municipal Railway fares on the
24 following criteria:
25

1 1. The Municipal Railway's need for additional funds for operations and
2 capital improvements and optimal maintenance of assets.

3 2. The extent to which the increase is necessary to meet the goals, objectives,
4 and performance standards previously established by the Agency pursuant to Section 8A.103.

5 3. The extent to which the Agency has diligently sought other sources of
6 funding for the operations and capital improvements of the Municipal Railway.

7 4. The need to keep Municipal Railway fares low to encourage maximum
8 patronage.

9 5. The need to increase fares gradually over time to keep pace with inflation
10 and avoid large fare increases after extended periods without a fare increase.

11 (*ed*) For purposes of this Article, a "route abandonment" shall mean the permanent
12 termination of service along a particular line or service corridor where no reasonably comparable
13 substitute service is offered. If the Agency proposes to abandon a route at any time other than as
14 part of the budget process as provided in Section 8A.106, it shall first submit the proposal to the
15 Board of Supervisors. The Board of Supervisors may, after a noticed public hearing, reject the
16 proposed route abandonment by a seven-elevenths vote of its members taken within 30 days after
17 the proposal is submitted by the Agency.

18 (*e*) With the goal of promoting transit ridership among San Francisco youth and to
19 lessen the economic burden of transportation costs on vulnerable communities, beginning in
20 fiscal year 2016-2017, the Agency shall not charge the following populations who use fare media
21 acceptable to the Agency to ride the Municipal Railway:

22 1. Youth age 18 years old and under from families with low and moderate
23 income.

24 2. Persons age 65 years old and over with low and moderate income.

1 3. Persons with low and moderate income who have a physical or mental
2 impairment that substantially limits one or more major life activities or persons with low and
3 moderate income who have a record of such impairment.

4 The Agency's Board of Directors shall establish a threshold to define "low and moderate
5 income," such as families with a gross annual family income at or below 100 percent of the Bay
6 Area Median Income level.

7 **SEC. 8A.116. EQUITY ANALYSIS REPORT ON EXISTING TRANSIT SERVICE**
8 **AND EXPENDITURE PLAN APPROVAL.**

9 (a) In consultation with the Board of Supervisors, the Agency shall approve on or
10 before February 1, 2016, an "Equity Analysis Report" to evaluate the fairness and justness of
11 Municipal Railway service and infrastructure, pedestrian safety and infrastructure, and bicycle
12 safety and infrastructure in the neighborhoods and communities of San Francisco, with
13 particular attention to low-income and transit-dependent communities, youth, seniors, and
14 people with disabilities. The Equity Analysis Report shall include at least the following elements:

15 1. A set of equity performance metrics to be used to establish a baseline of
16 existing transit service and infrastructure, pedestrian safety and infrastructure, and bicycle
17 safety and infrastructure in the neighborhoods and communities of San Francisco.

18 (A) For Municipal Railway service, the equity performance metrics
19 may include such metrics as the percentage of trips with service gaps, percentage of trips over
20 capacity, travel time to important destinations, and average number of transfers needed to reach
21 important destinations. Ridership information may include such information as census
22 demographic information along Municipal Railway routes, ridership surveys, and information
23 collected from fare media. The performance metrics may be applied to entire Municipal Railway
24 routes, segments of routes in individual neighborhoods, and combinations of routes in
25 neighborhoods to analyze the total available transit service.

1 (B) For pedestrian safety and infrastructure, the equity performance
2 metrics may include such metrics as total number of pedestrian injury collisions, number of
3 pedestrian injury collisions per capita, average automobile speed on streets determined to be
4 major pedestrian corridors, and the recent history of pedestrian safety improvements.

5 (C) For bicycle safety and infrastructure, the equity performance
6 metrics may include such metrics as total number of bicycle injury collisions, number of bicycle
7 injury collisions per capita, measure of pavement condition index, proximity to protected and
8 unprotected bicycle lanes, and the ease of access to important destinations by way of bicycle
9 facilities.

10 2. A list of any deficiencies in transit service and infrastructure, pedestrian
11 infrastructure, and bicycle infrastructure provided to low-income and transit-dependent
12 communities compared to the transit service and infrastructure, pedestrian infrastructure, and
13 bicycle infrastructure provided to the rest of the City as a whole.

14 3. A list of recommended measures to be implemented in the next two-year
15 budget to mitigate the identified deficiencies.

16 (b) Starting in calendar year 2017, the Agency shall update and approve the Equity
17 Analysis Report on or before February 1 of each even-numbered year. The updated Equity
18 Analysis Report shall document the measures that were implemented in the previous two-year
19 budget to mitigate service and infrastructure deficiencies in transit service and infrastructure
20 provided to low-income and transit-dependent communities that were identified in the previous
21 Equity Analysis Report. The Equity Analysis Report shall use equity performance metrics to
22 measure the progress made towards mitigating these deficiencies, and identify any new service
23 or infrastructure deficiencies.

24 (c) No later than February 1 of each even-numbered year, and as part of the
25 Agency's deliberation on its budget as defined in Section 8A.106(a), the Agency shall develop a

1 two-year expenditure plan to address any deficiencies in transit service and infrastructure to
2 lessen or mitigate such deficiencies identified in the Equity Analysis Report (the “Expenditure
3 Plan”).

4 (d) The Agency’s Board of Directors and the Board of Supervisors, or subcommittees
5 of one or both respective bodies, shall hold a joint hearing to review the proposed Equity
6 Analysis Report and Expenditure Plan by March 1 of each even-numbered year. The Board of
7 Supervisors must take action on the proposed Equity Analysis Report and Expenditure Plan by
8 April 1, and shall adopt findings to support its decision. The Agency shall respond to these
9 findings and re-submit a revised Equity Analysis Report and Expenditure Plan by May 1, along
10 with its proposed budget. If the Board of Supervisors does not reject the Equity Analysis Report
11 or Expenditure Plan by June 1, they shall be deemed approved.

12 (e) If the Board of Supervisors rejects the re-submitted Equity Analysis Report or
13 Expenditure Plan by June 1, the Agency’s budget shall not go into effect until the Board of
14 Supervisors approves a re-submitted Equity Analysis Report and Expenditure Plan. In this
15 interim period, the Board of Supervisors shall make additional interim appropriations to the
16 Agency from the Municipal Transportation Fund sufficient to maintain all operations at the level
17 provided by the Agency as of June 30, given costs applicable on or after July 1 as certified by the
18 Controller, until a budget is adopted. Any request for appropriation of General Fund revenues
19 in excess of the adjusted Base Amount shall be approved, modified, or rejected under the general
20 provisions of Article IX.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

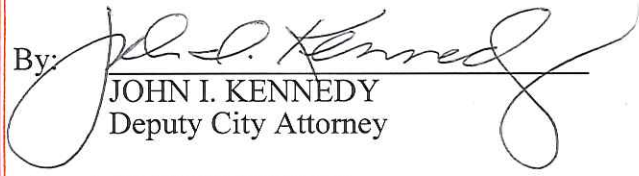
APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
JOHN I. KENNEDY
Deputy City Attorney

n:\legal\as2014\1400263\00933987.doc

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

By: 
JOHN I. KENNEDY
Deputy City Attorney

n:\legana\as2014\1400263\00933987.doc