



SFMTA

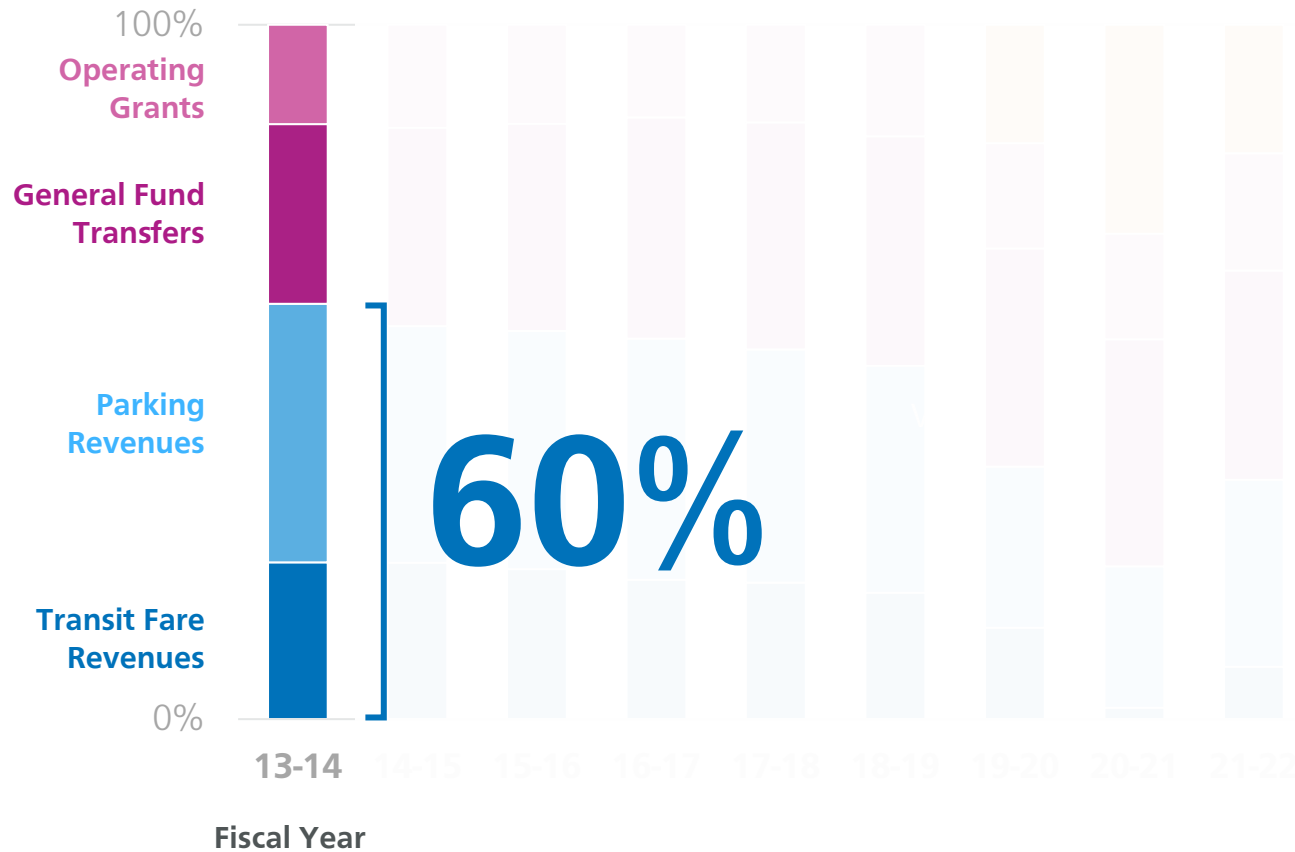


San Francisco Municipal Transportation Agency **Consolidated Budget**

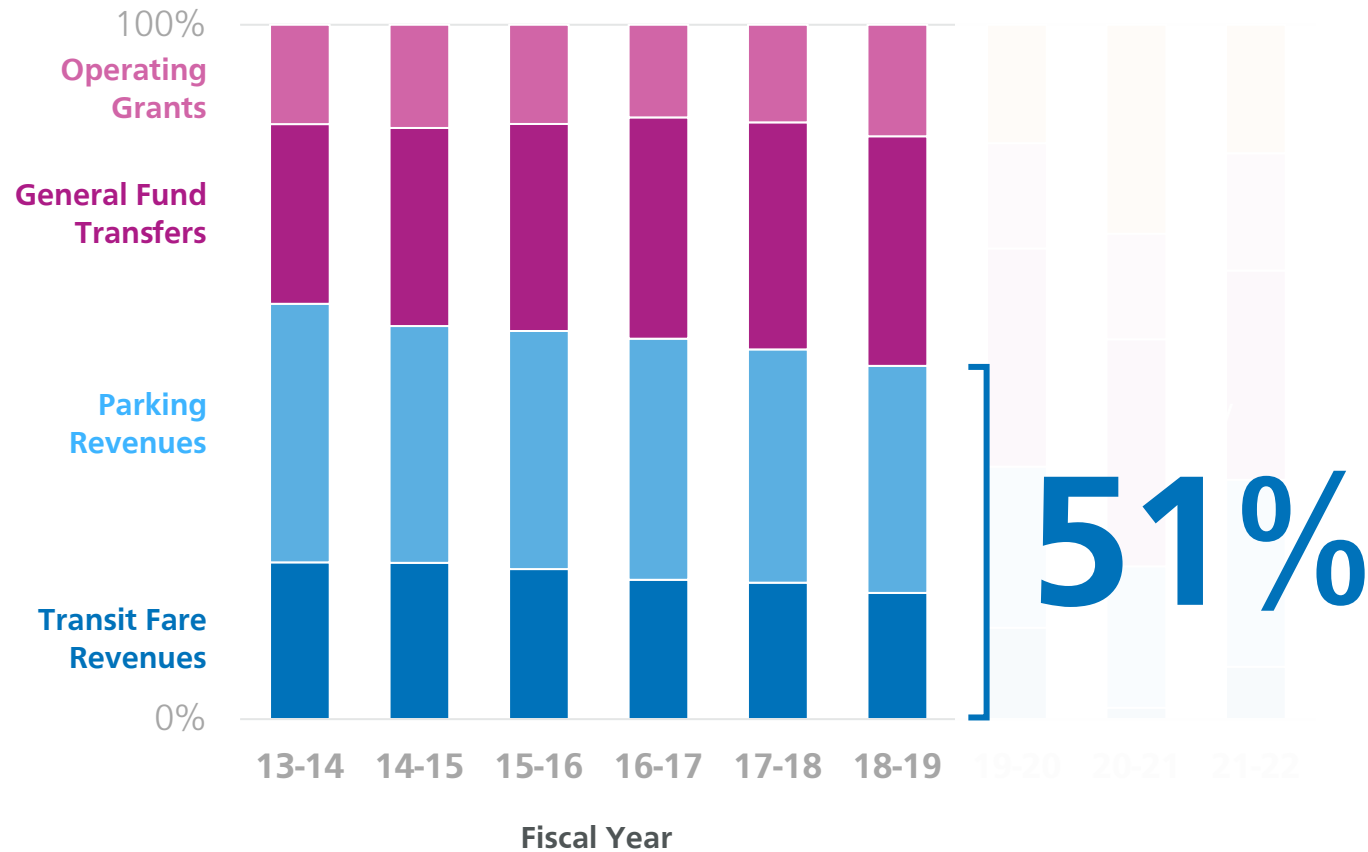
Market Octavia Community Advisory Committee
August 16, 2021

Before the pandemic, parking and transit revenues were declining as a share of the overall Muni budget ...

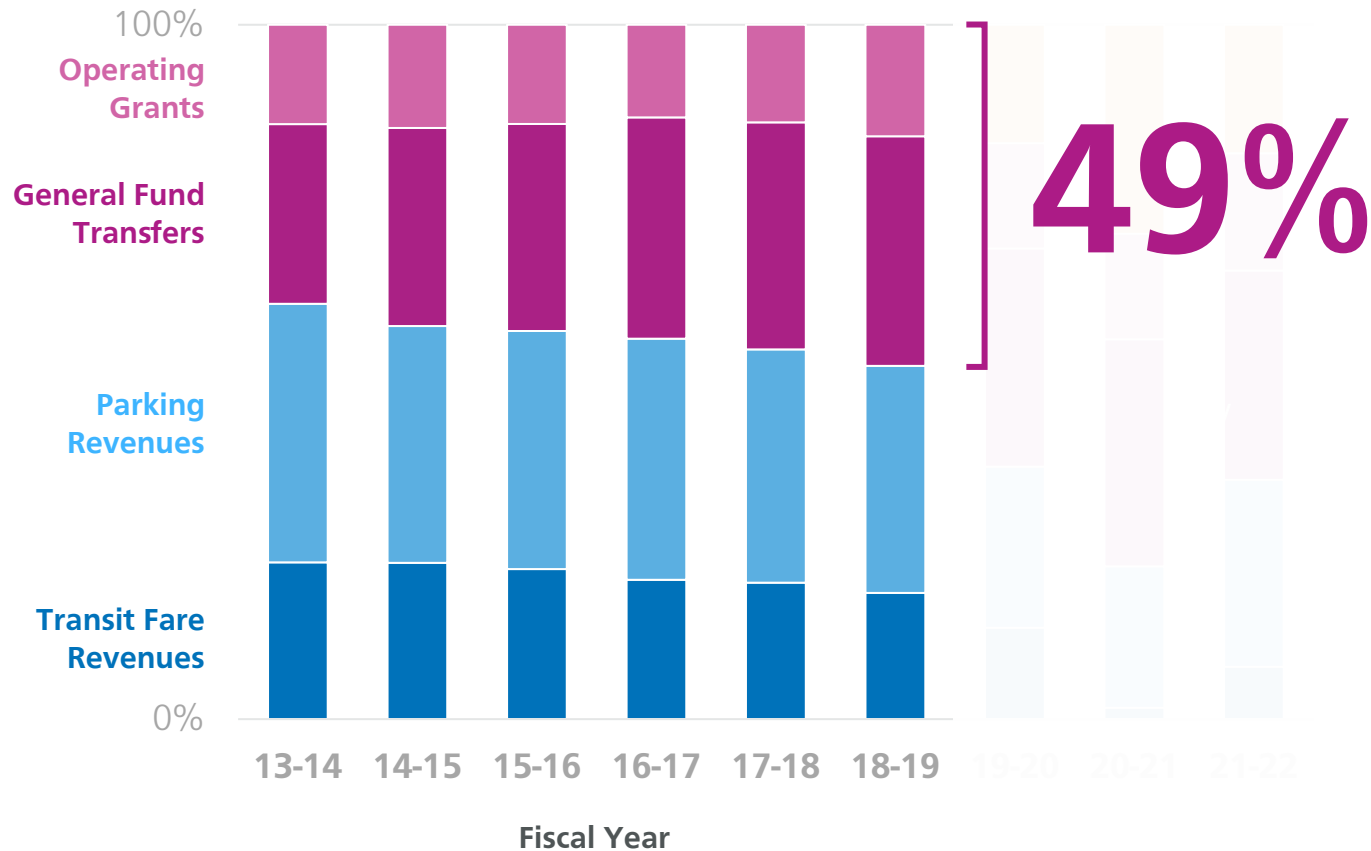
... from 60% of the Muni budget in FY13-14 ...



... to 51% in FY18-19

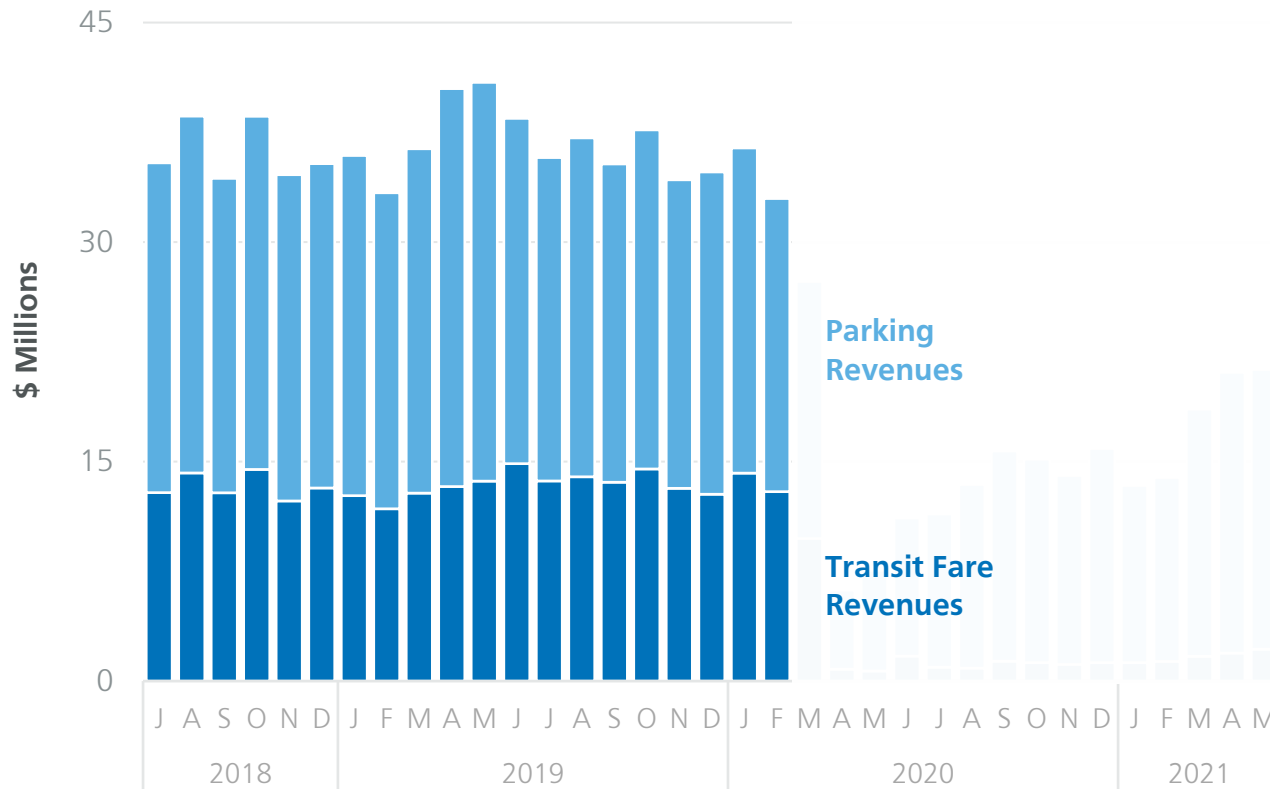


This has led to increased, unsustainable, reliance on non-enterprise revenue

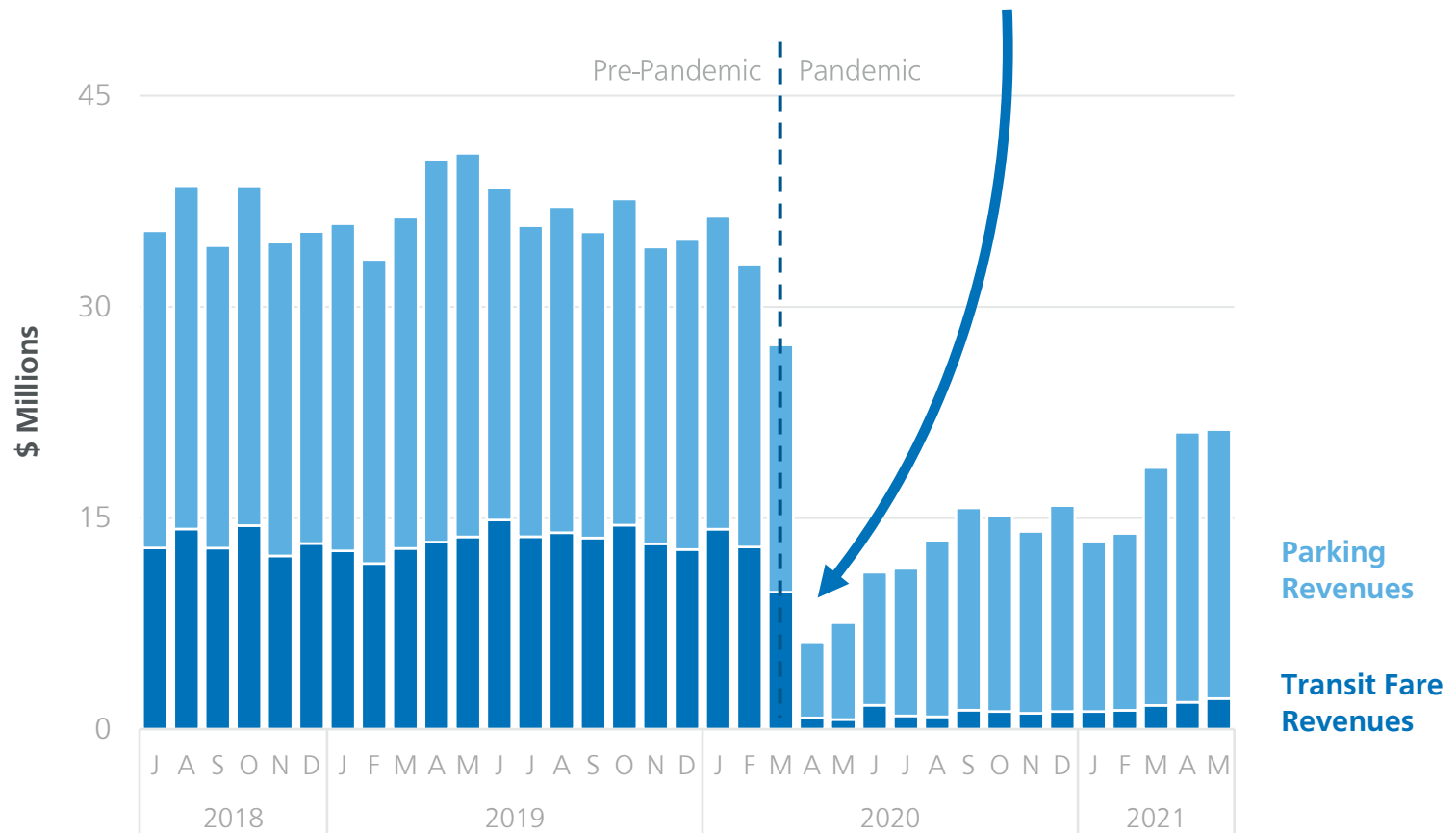


Which brings us to FY19-20

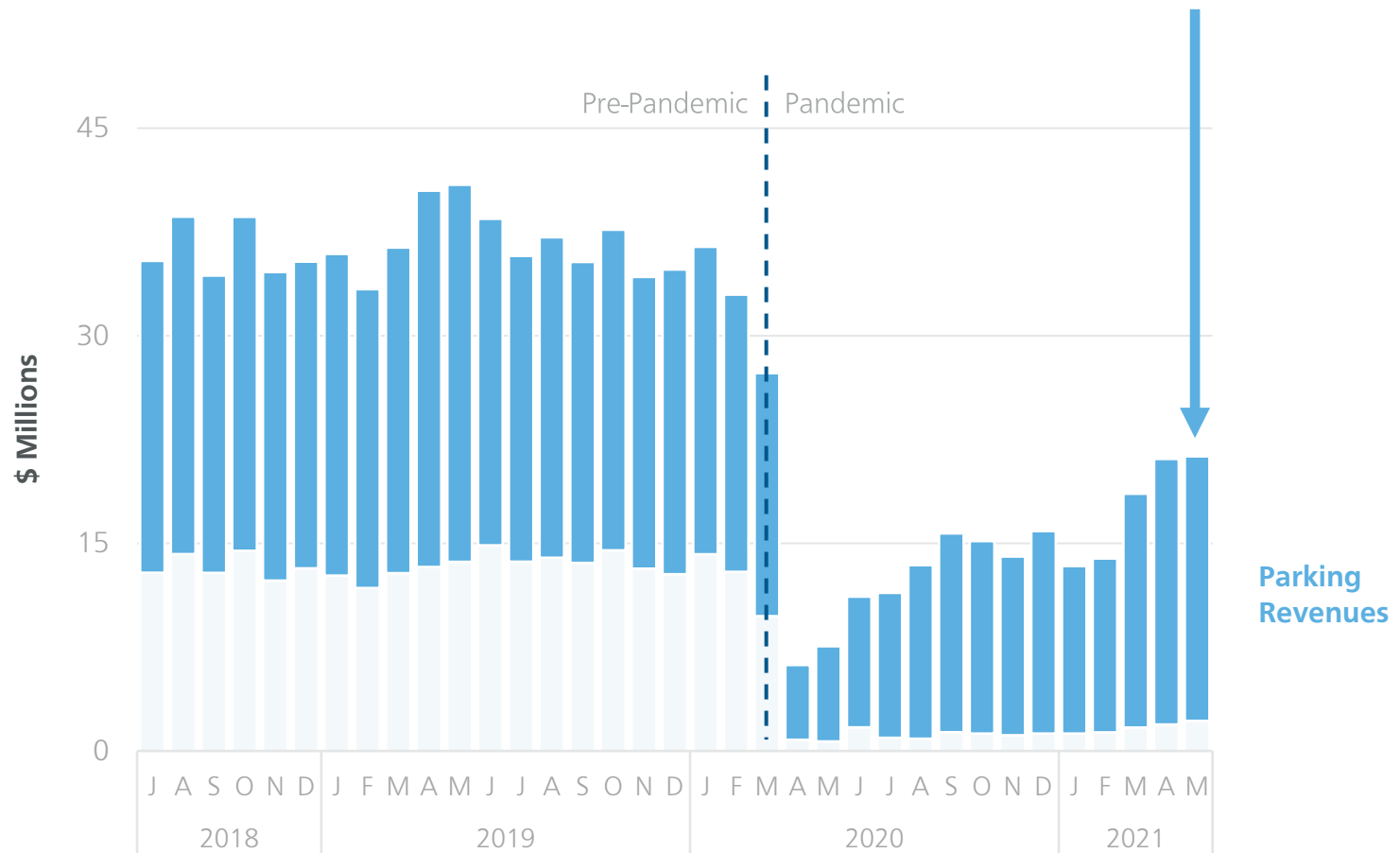
Parking and transit revenues were relatively flat in the months leading up to February 2020



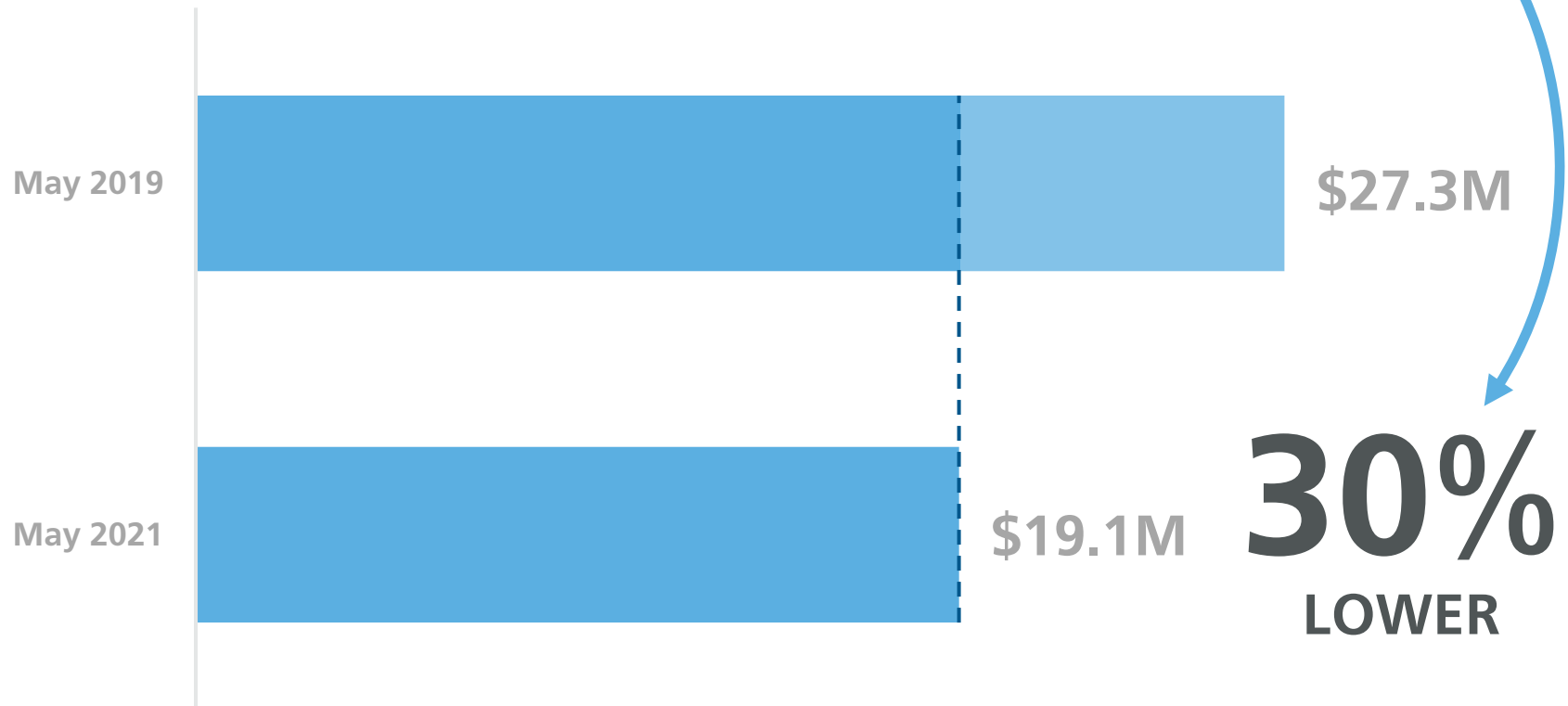
But after March 2020, the pandemic cratered both revenue sources



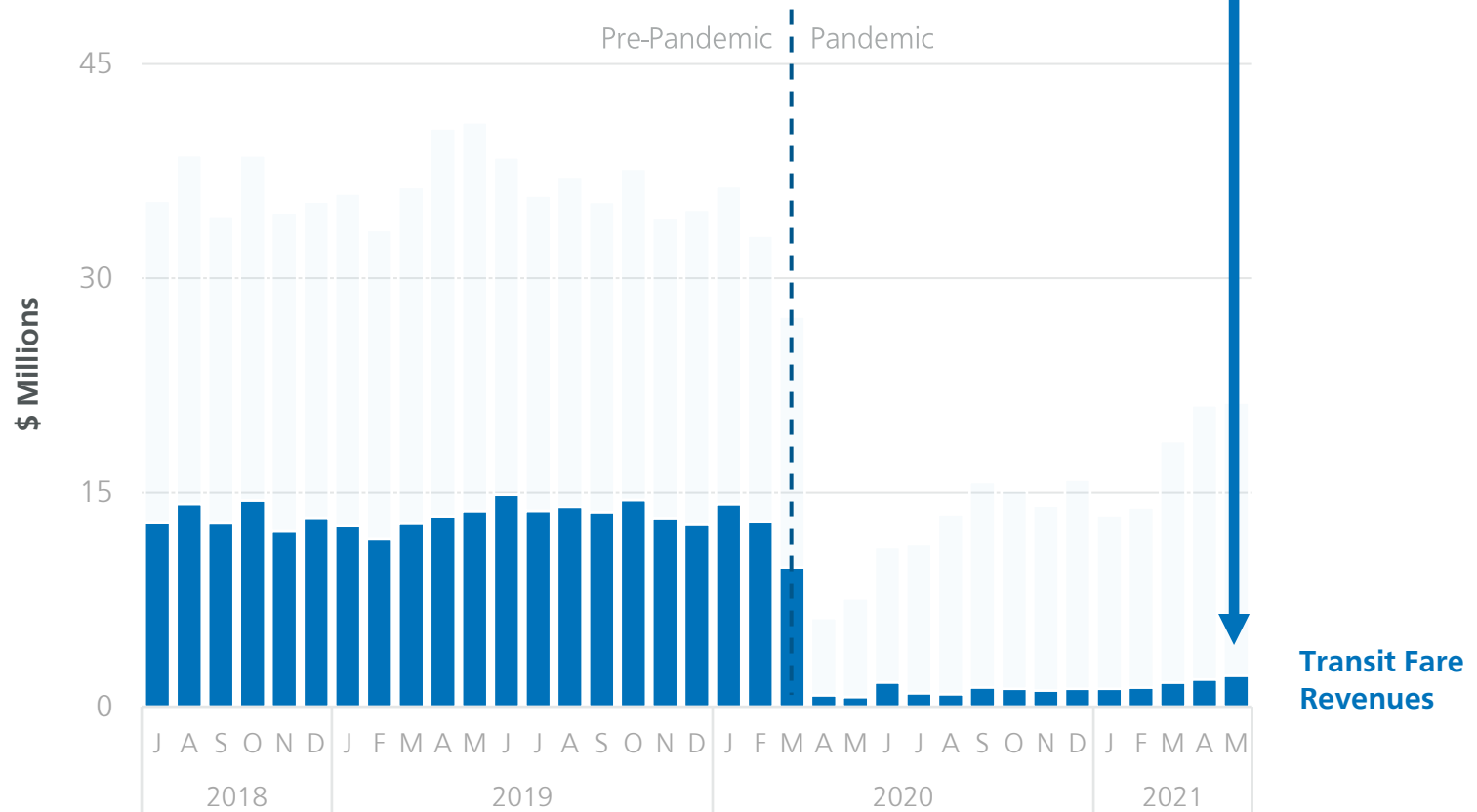
Parking revenue has partly bounced back



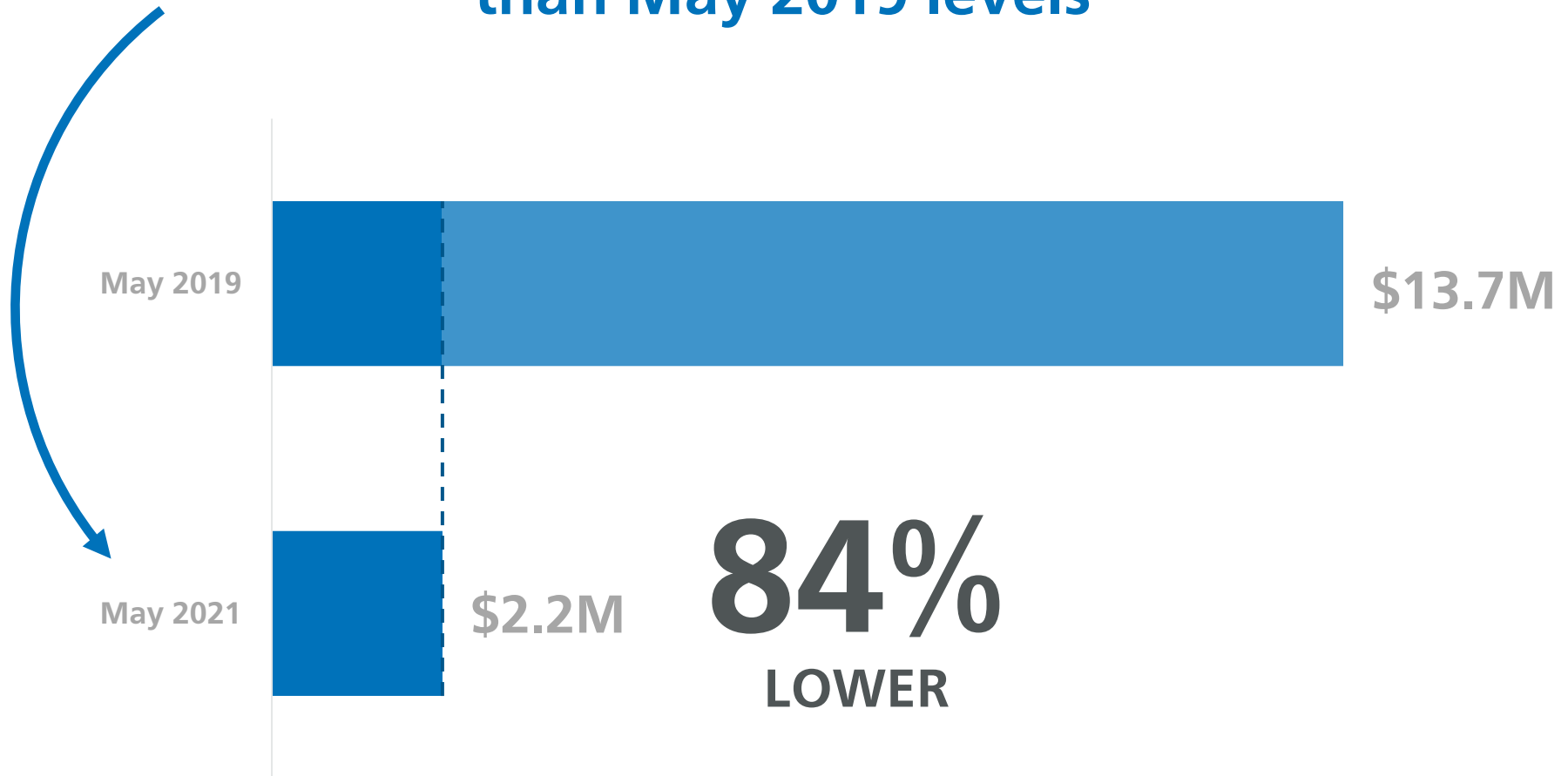
But May 2021 parking revenues were 30% lower than May 2019 levels



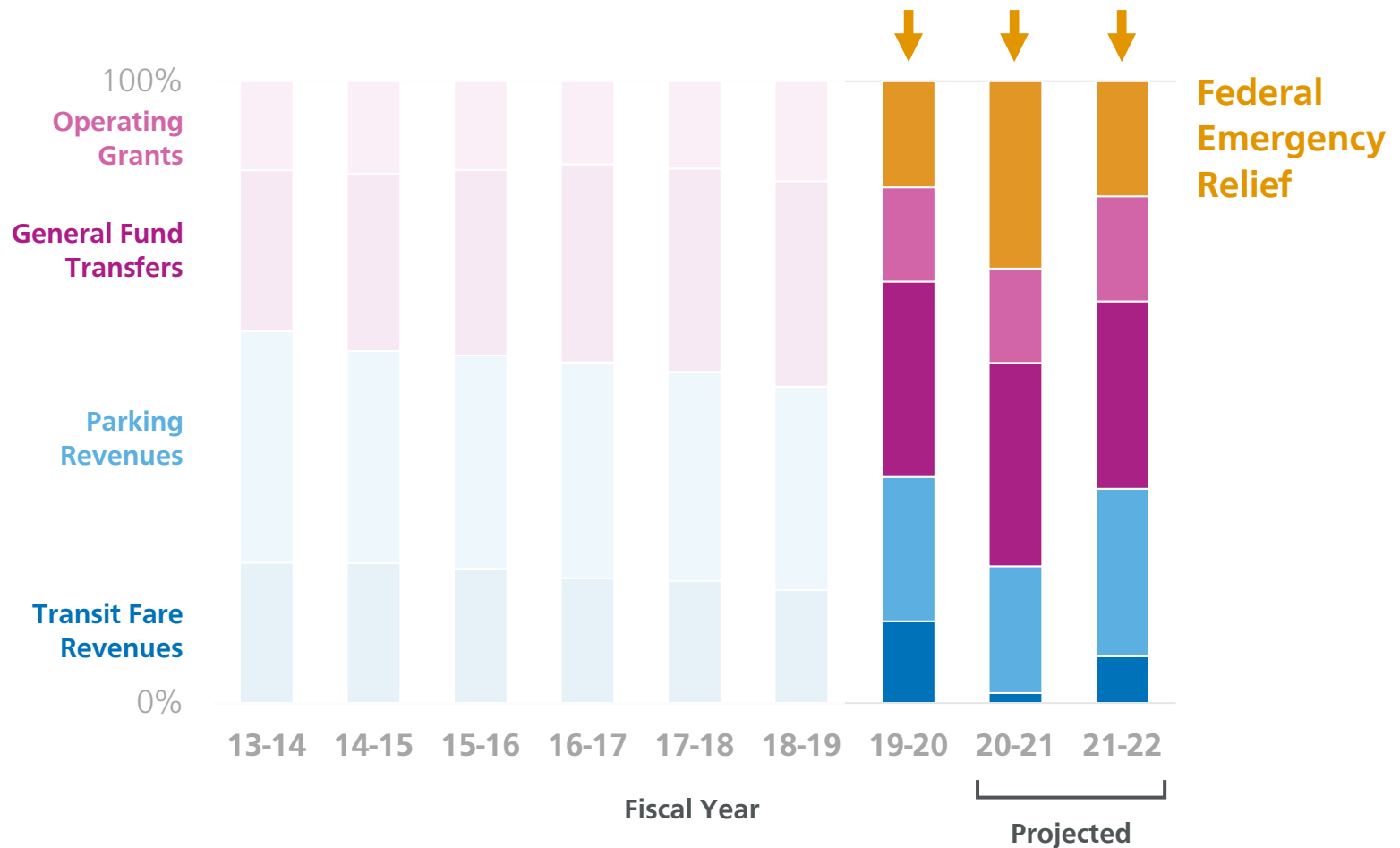
Meanwhile, transit revenues have been much slower to return



May 2021 transit revenues were 84% lower than May 2019 levels



In the near term, federal emergency relief funding will be a necessary stopgap



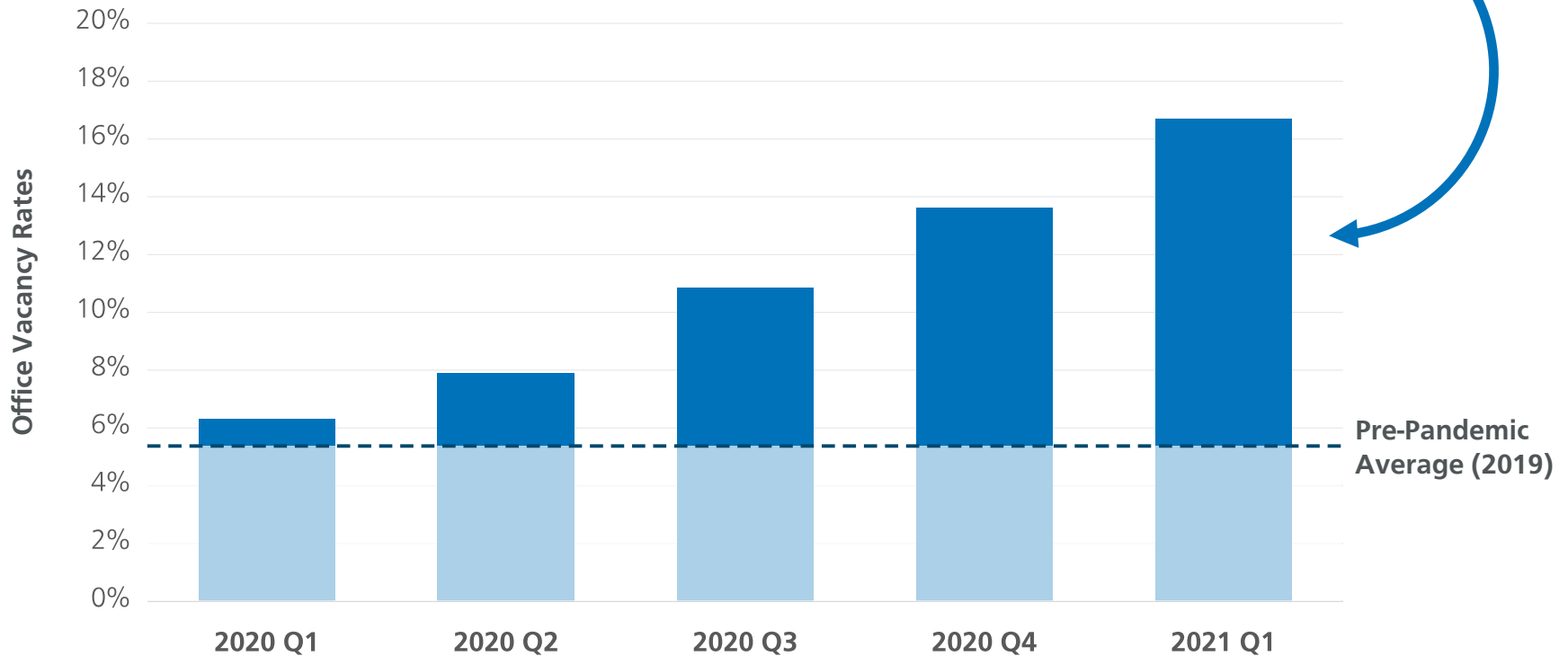
**But we need to make our
federal funding last much
longer than other cities**

**Jumping to 100% pre-pandemic
service levels now could have
disastrous long-term impacts—on
Muni finances and ultimately service**

Why?

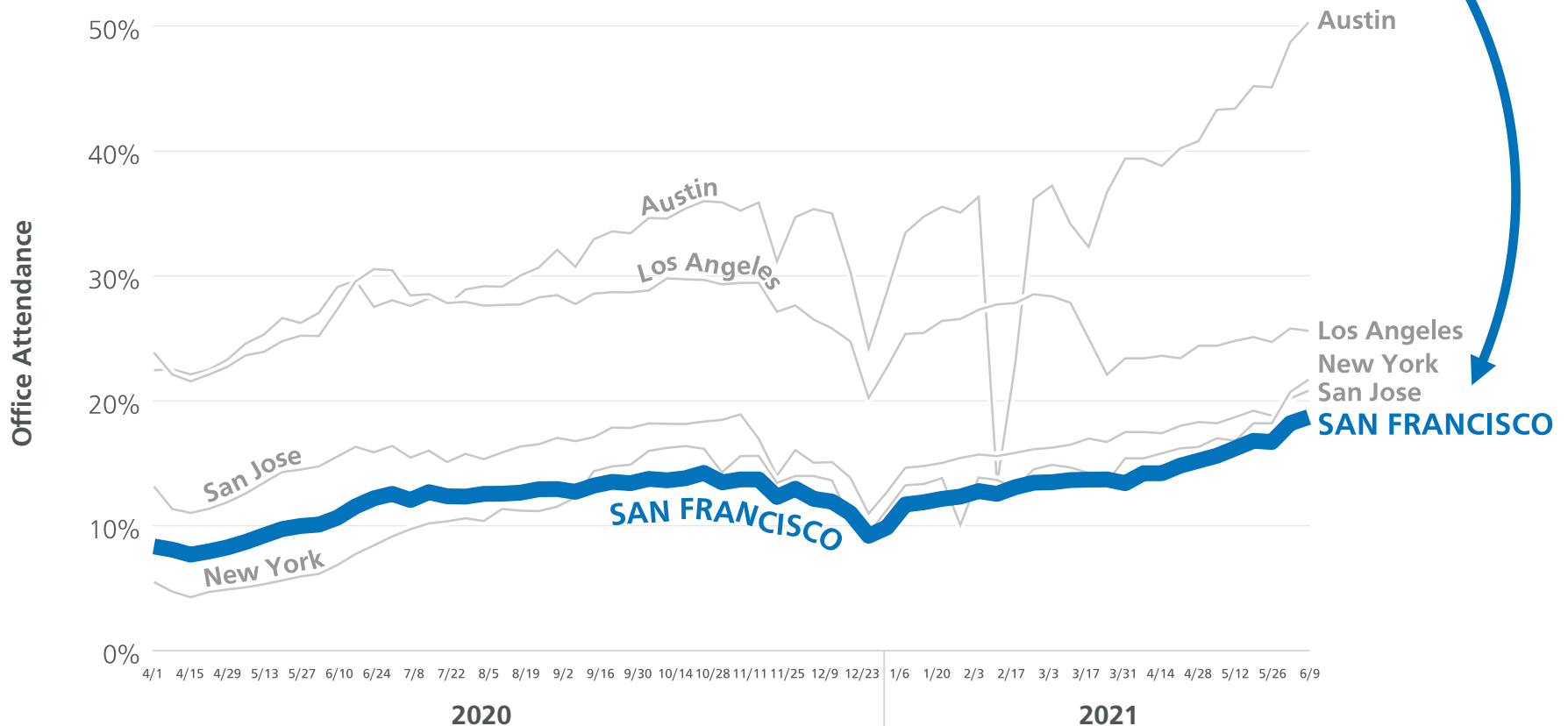
**Because all signs point
to a slow recovery for
Downtown San Francisco**

Office vacancy rates in San Francisco are at “historic highs” and “still rising in Q1”



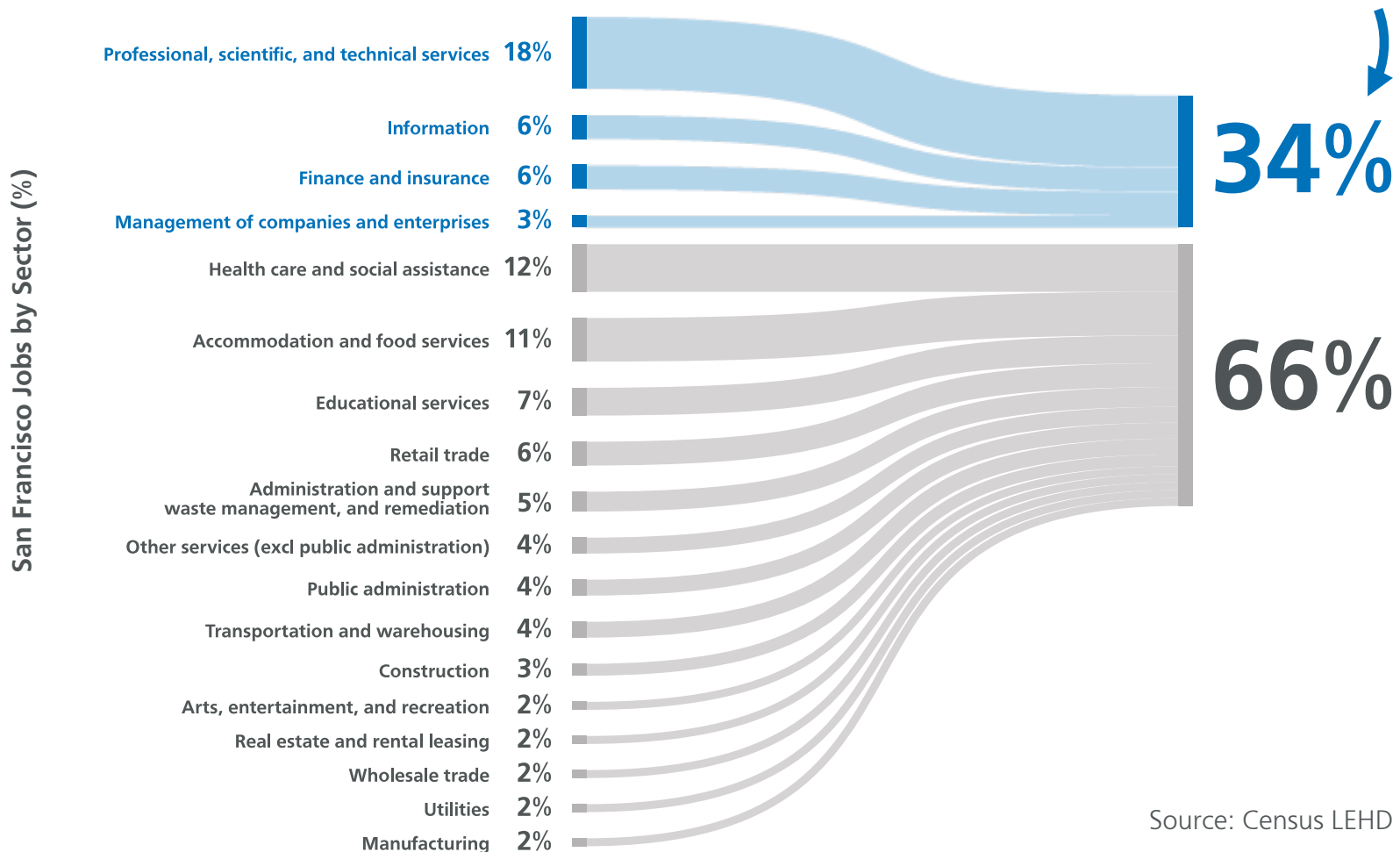
Source: Jones Lang LaSalle, via [SF Office of the Controller](#)

"San Francisco metro area continues to lag comparable metro areas in office attendance"



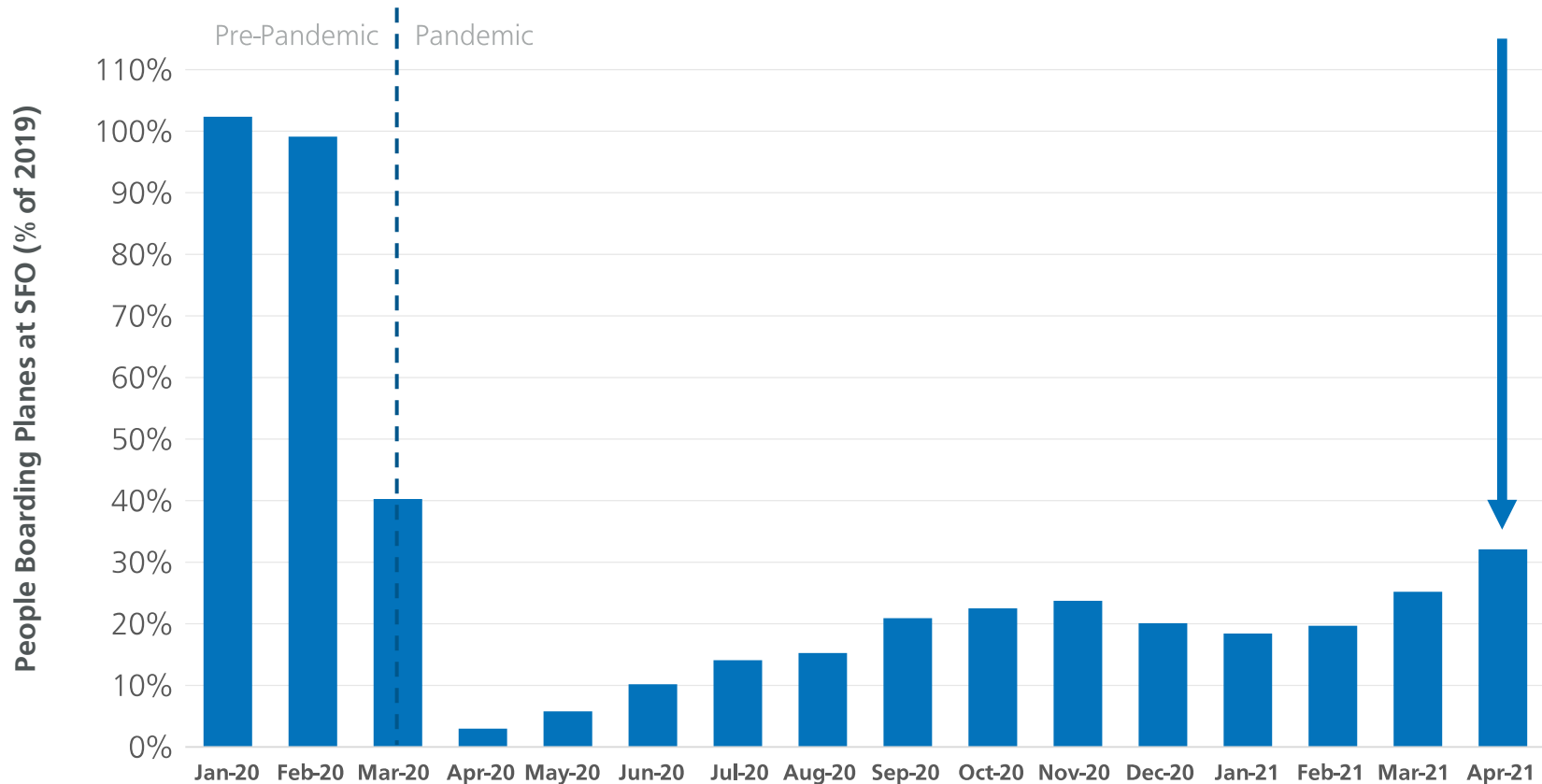
Source: Kastle Systems, via [SF Office of the Controller](#)

More than one-third of all jobs in San Francisco are in sectors that are well-suited to working from home



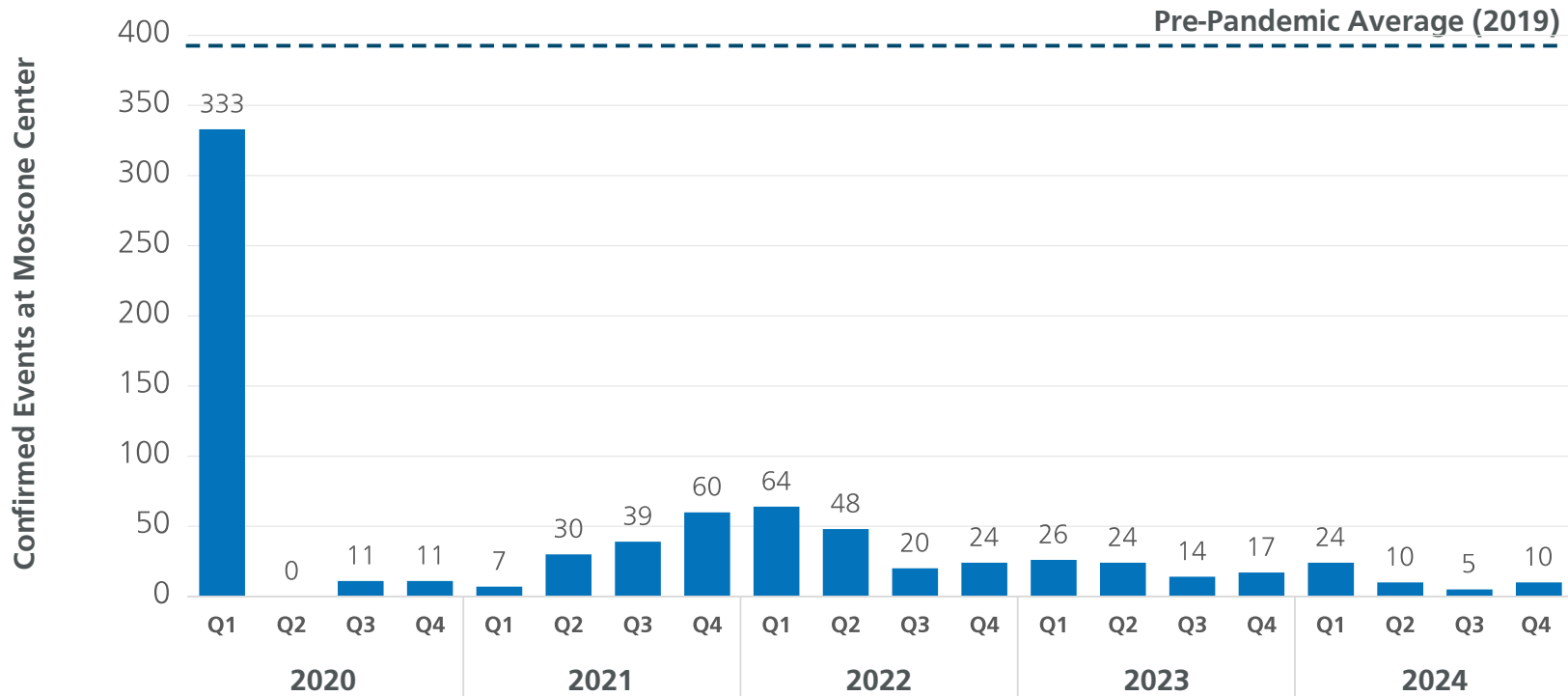
Source: Census LEHD (2018)

The number of people boarding planes at SFO was at “30% pre-pandemic levels as of April”



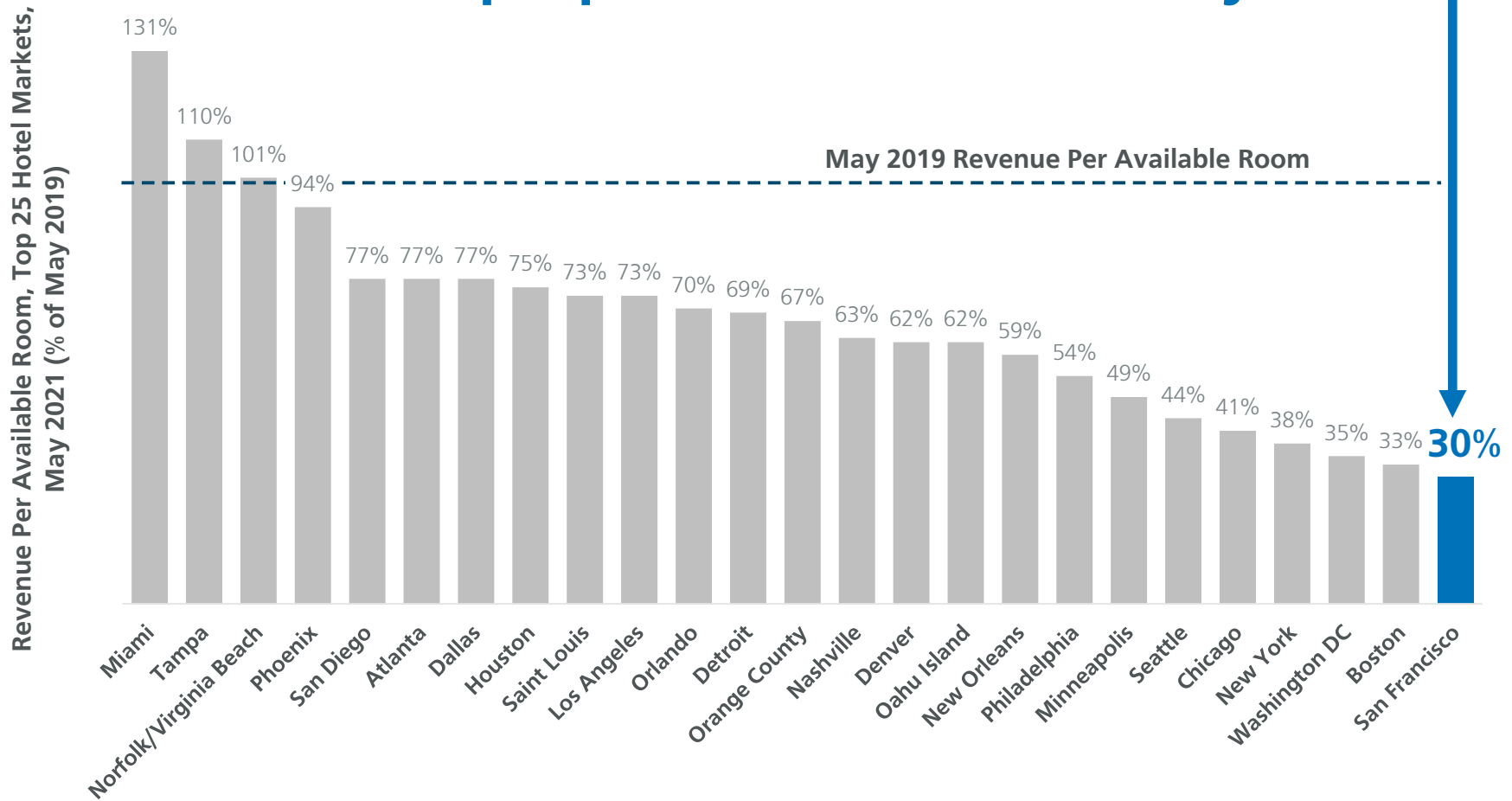
Source: San Francisco International Airport (SFO), via [SF Office of the Controller](#)

Future bookings at the Moscone Center are “significantly below pre-pandemic levels”



Source: SF Travel, via [SF Office of the Controller](#)

San Francisco's hotel recovery is the worst in the nation—30% of pre-pandemic levels as of May 2021



Source: [American Hotel & Lodging Association](#)

Visitor spending “will not be back to 2019 levels before 2025”

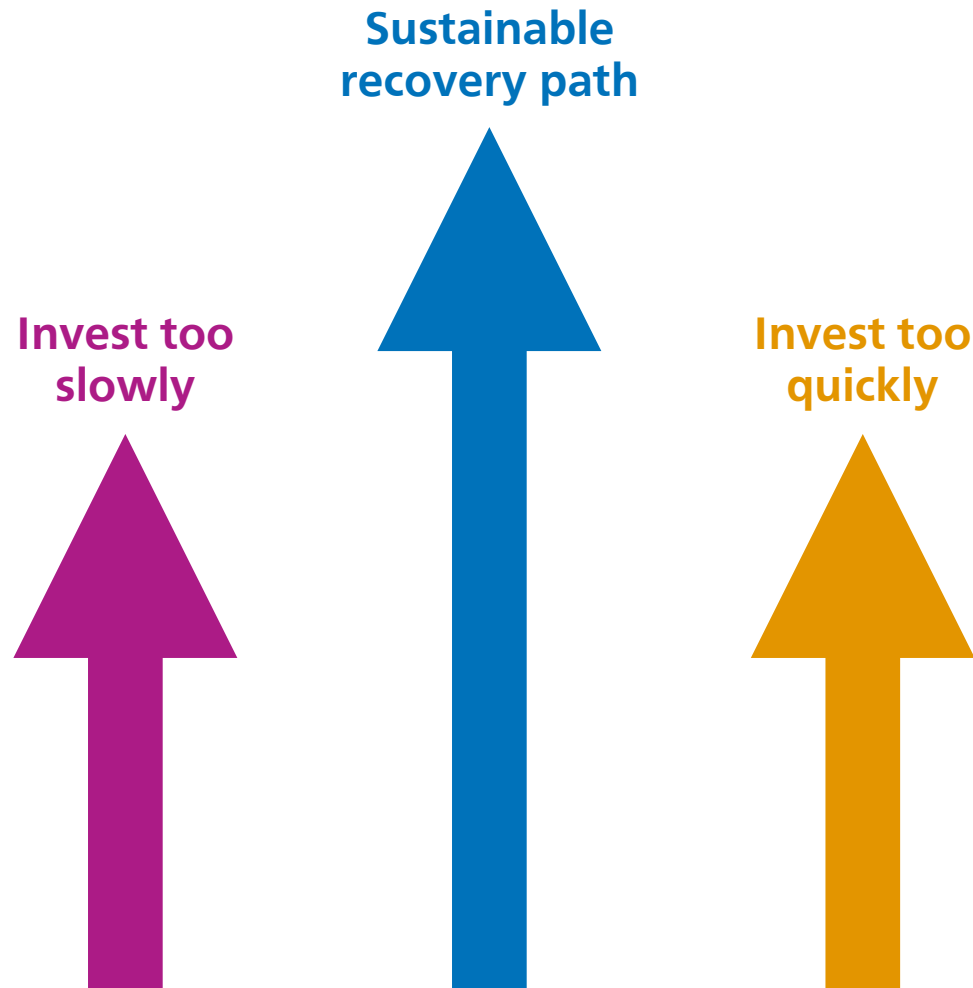
Outlook for the future

San Francisco Travel expects that the situation will gradually improve moving forward. Overall visitation to the city is forecast to reach 15.3 million in 2021. Overall visitor spending is expected to grow from \$2.1 billion in 2020 to \$3.5 billion in 2021. Total visitation is anticipated to return to pre-pandemic levels by 2023. Spending will not be back to 2019 levels before 2025 due to a slower recovery of international visitors and average rate in the city.

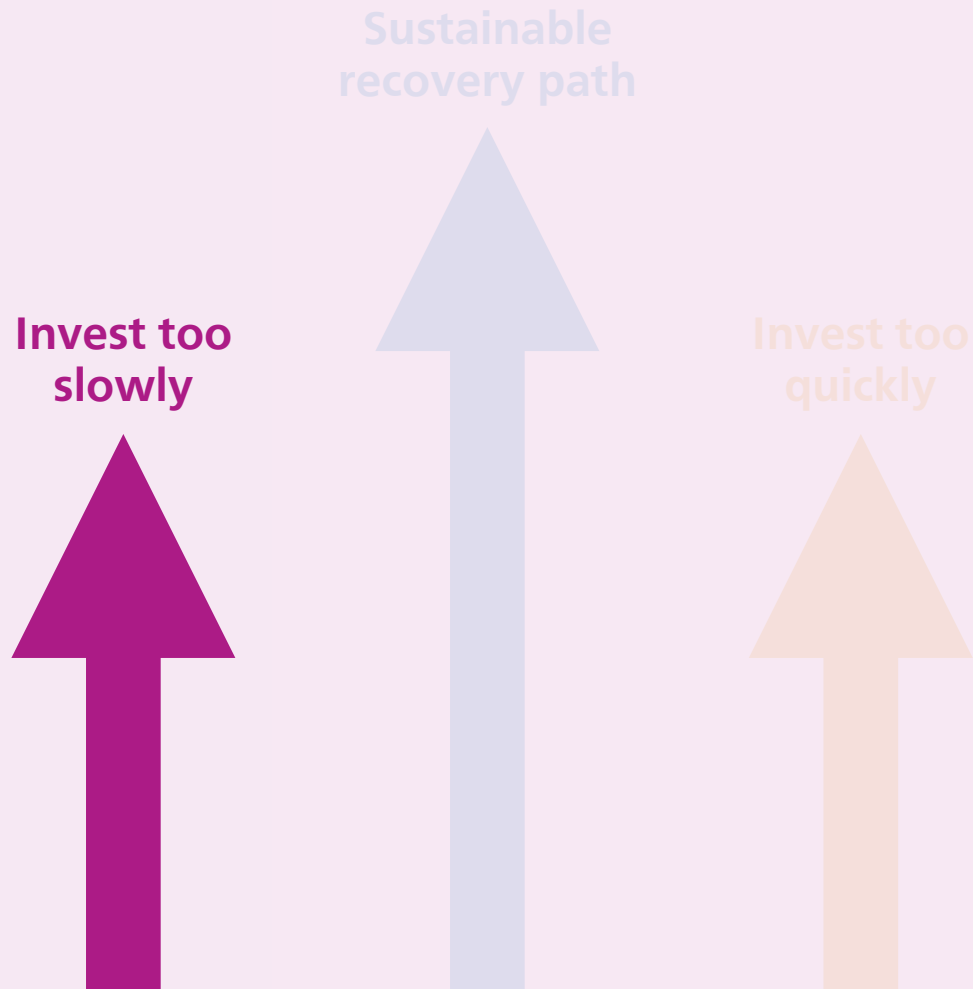
Source: [SF Travel](#)

**There are three possibilities as we
bring back service, and we are
trying to strike the right balance**

The three possibilities are: invest too slowly,
invest too quickly, or a take a sustainable
recovery path



If we invest too slowly in the transit recovery ...

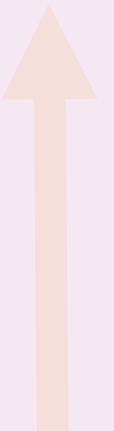
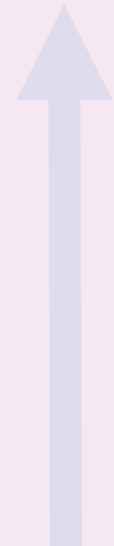
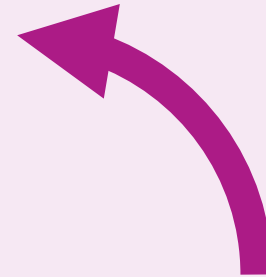


If we invest too slowly in the transit recovery ...

Not enough
transit available



Invest
too
slowly



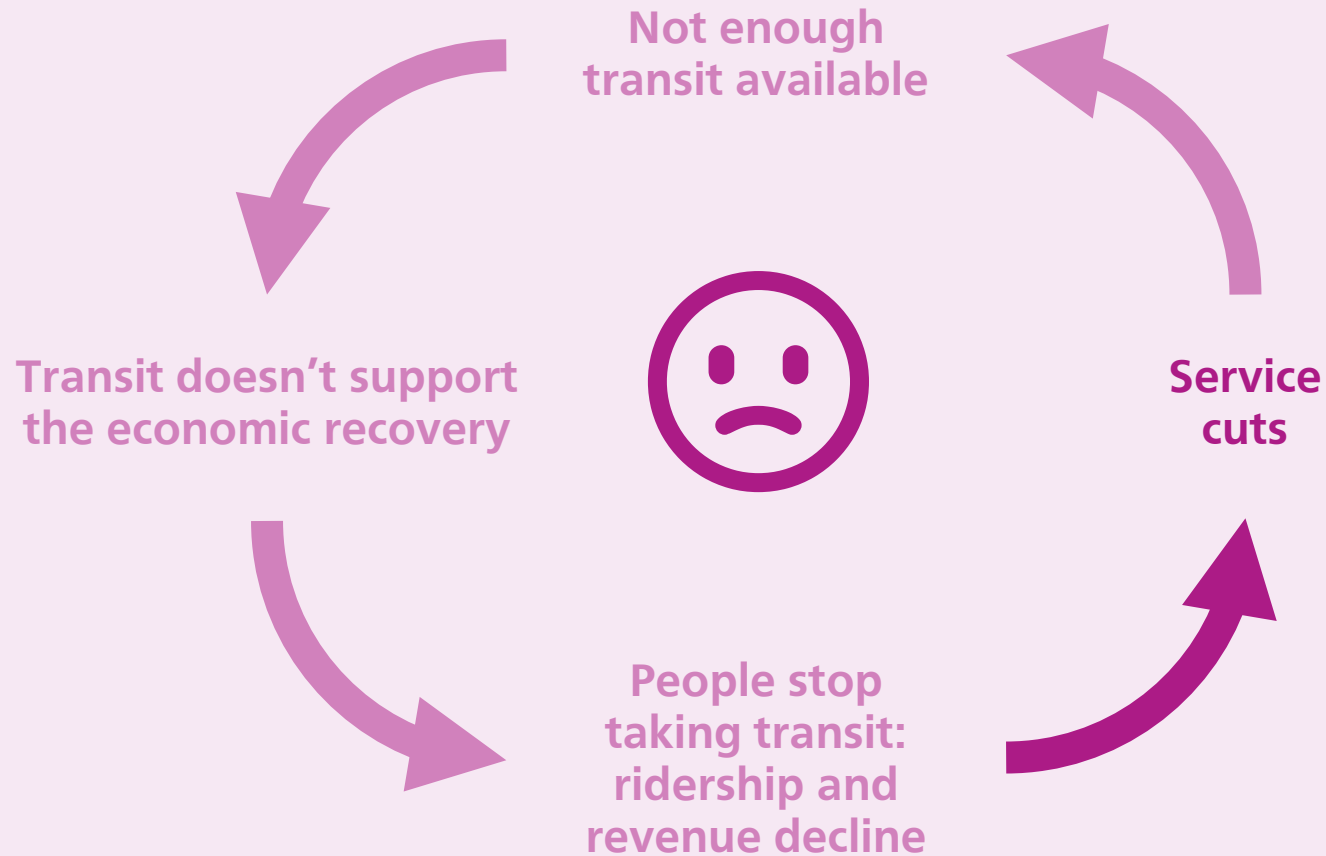
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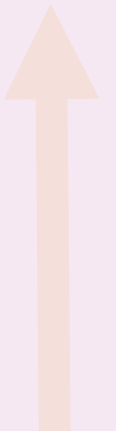
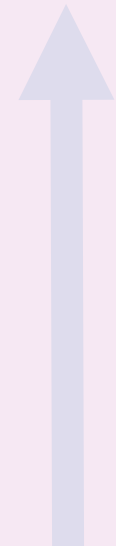
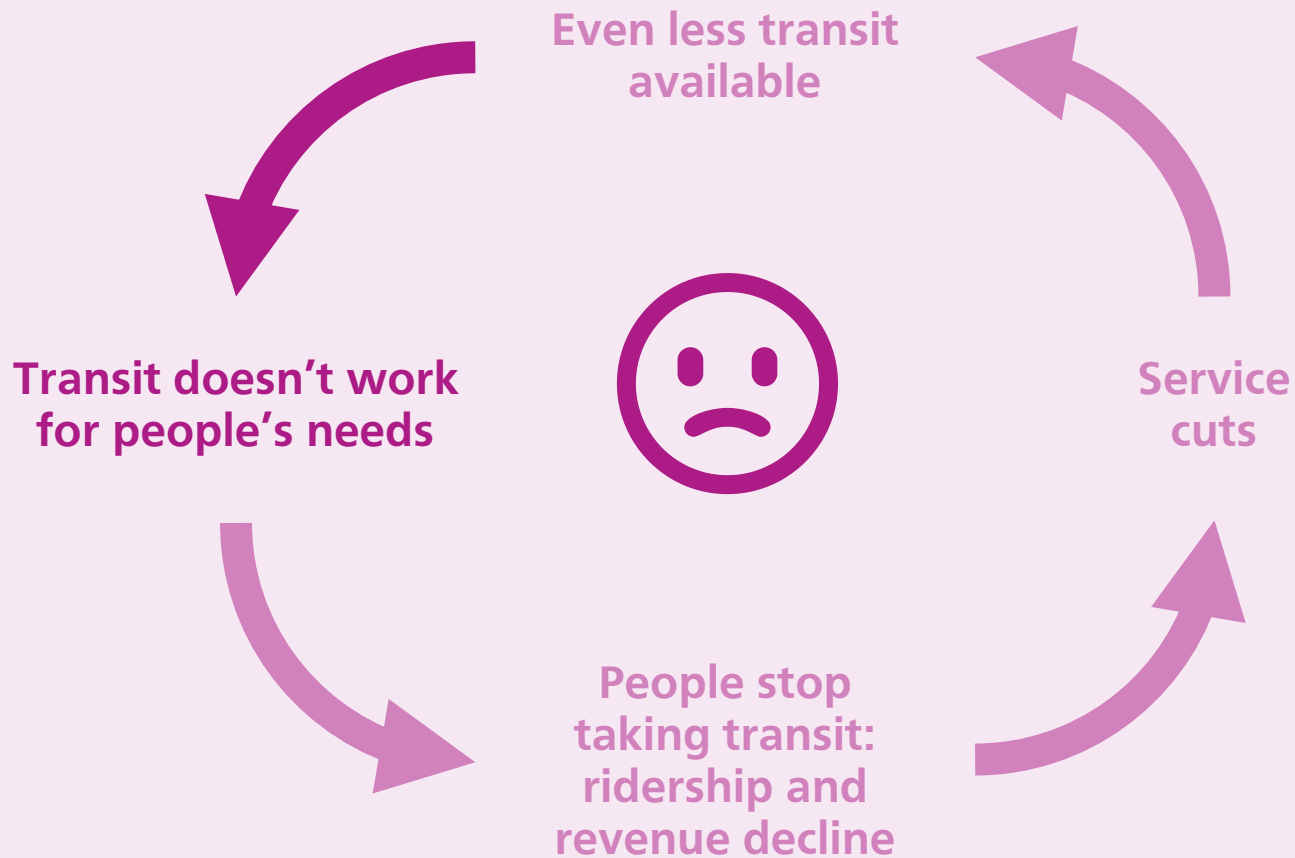
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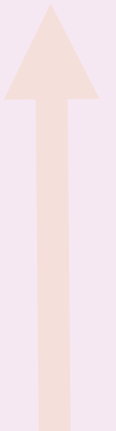
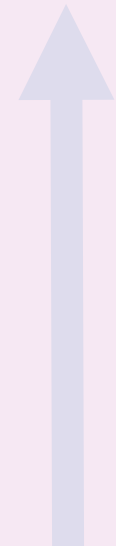
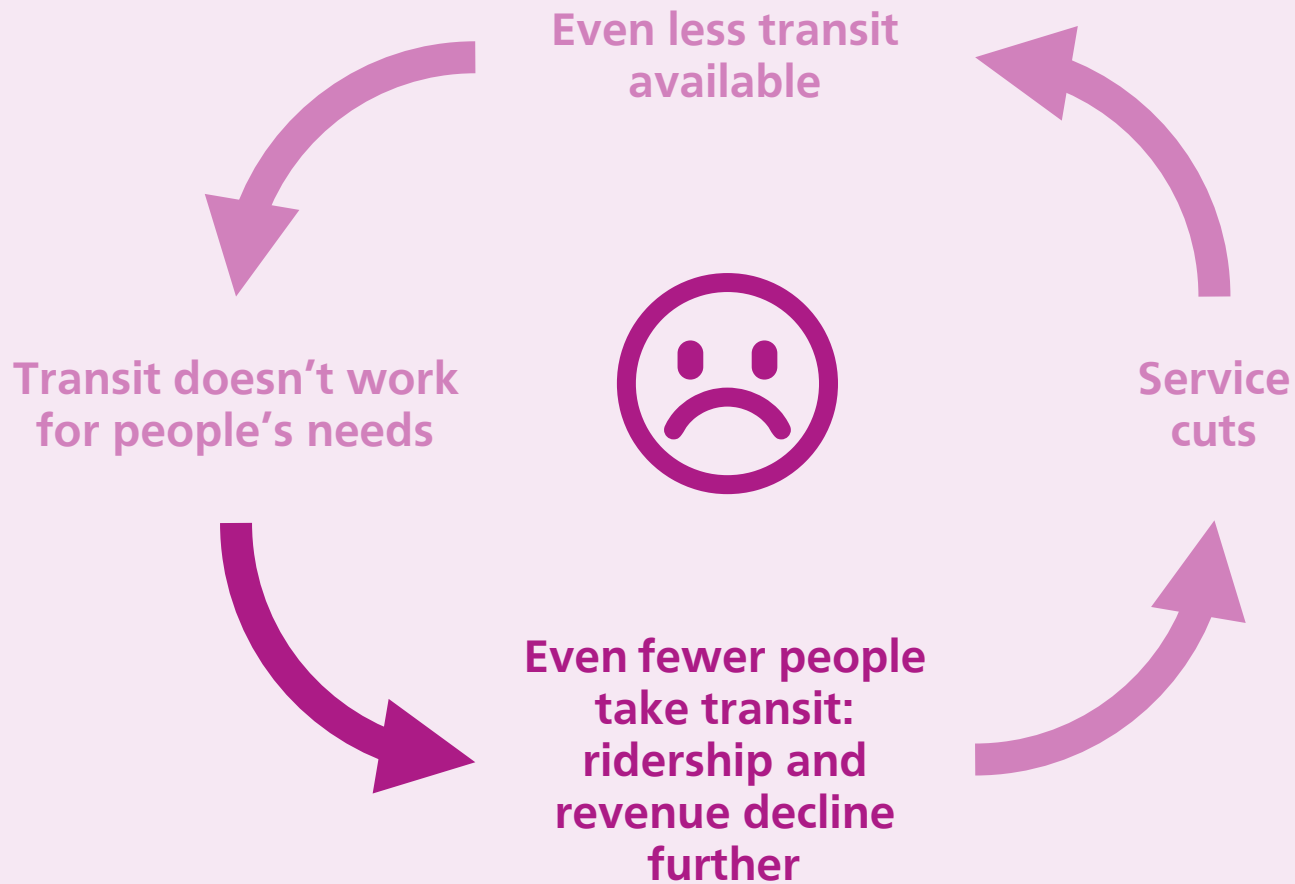
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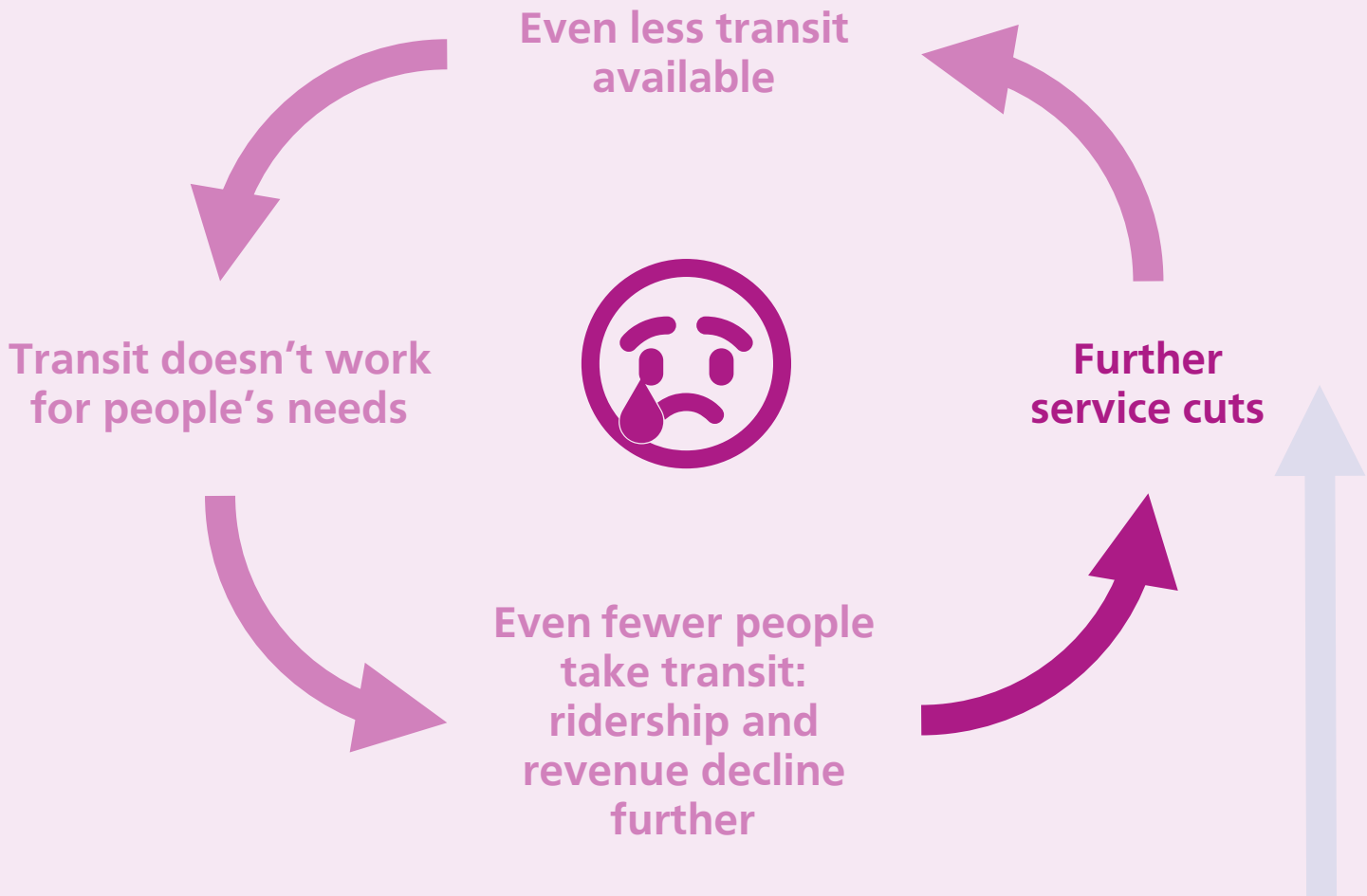
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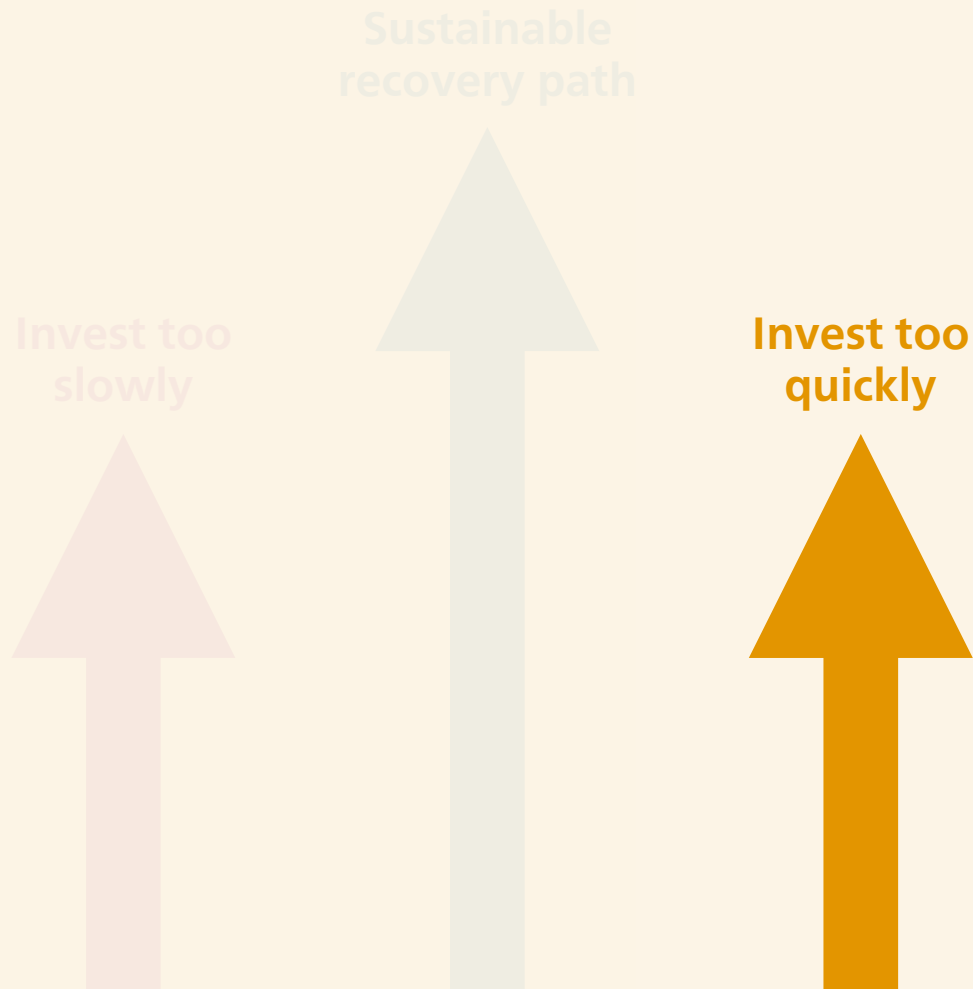
If we invest too slowly in the transit recovery ...



... we end up in a
transit death spiral



If we invest too quickly in the transit recovery ...



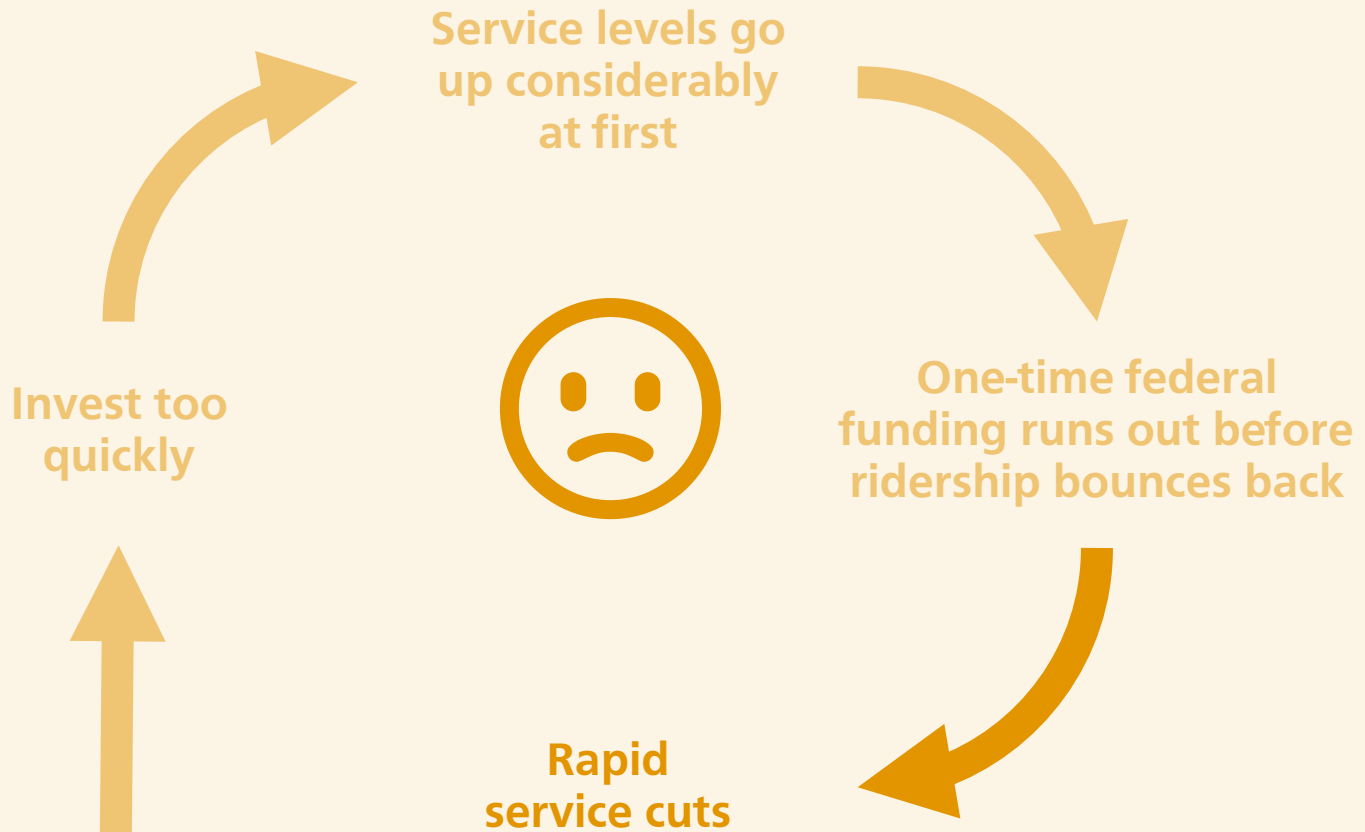
If we invest too quickly in the transit recovery ...



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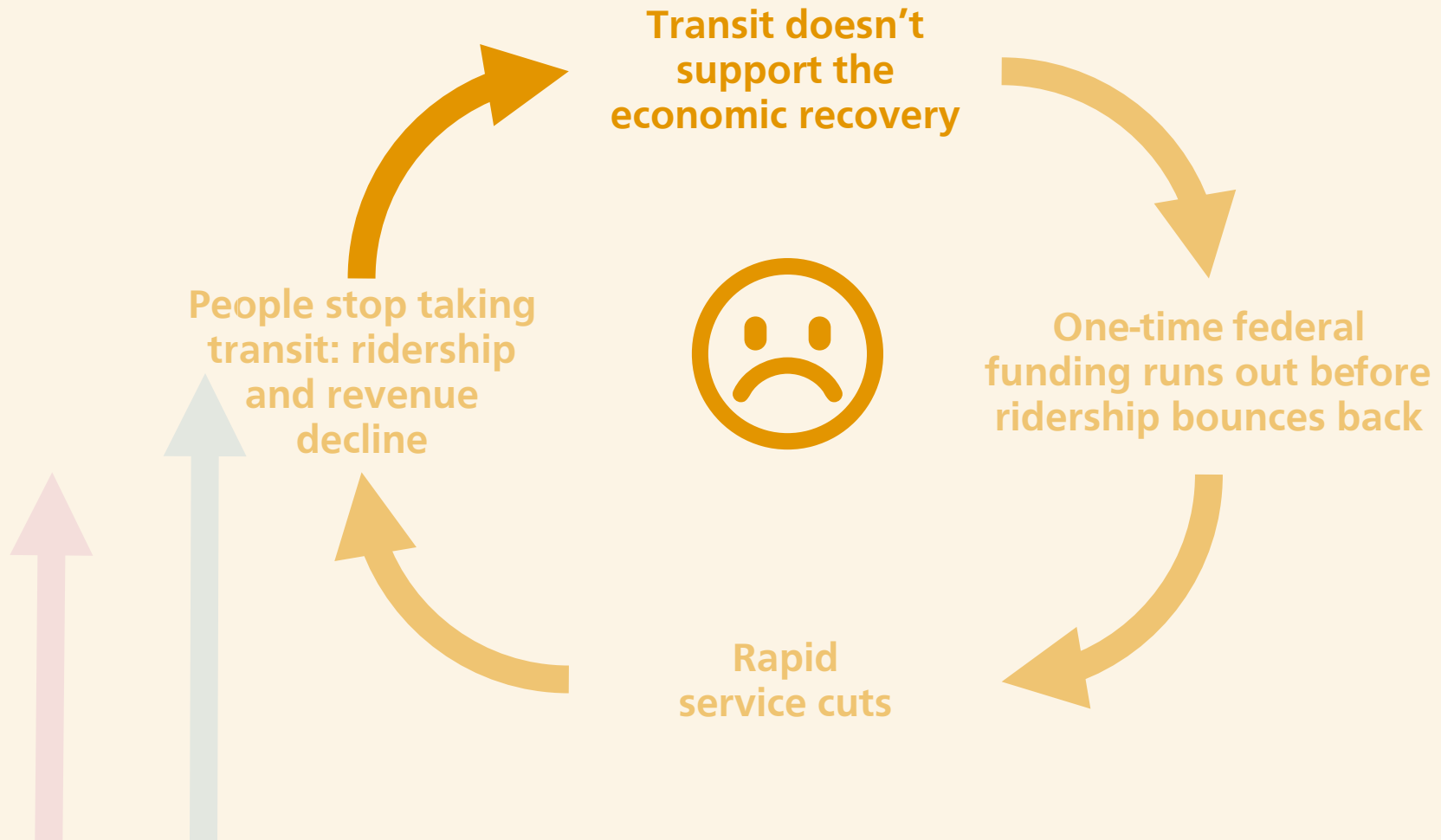
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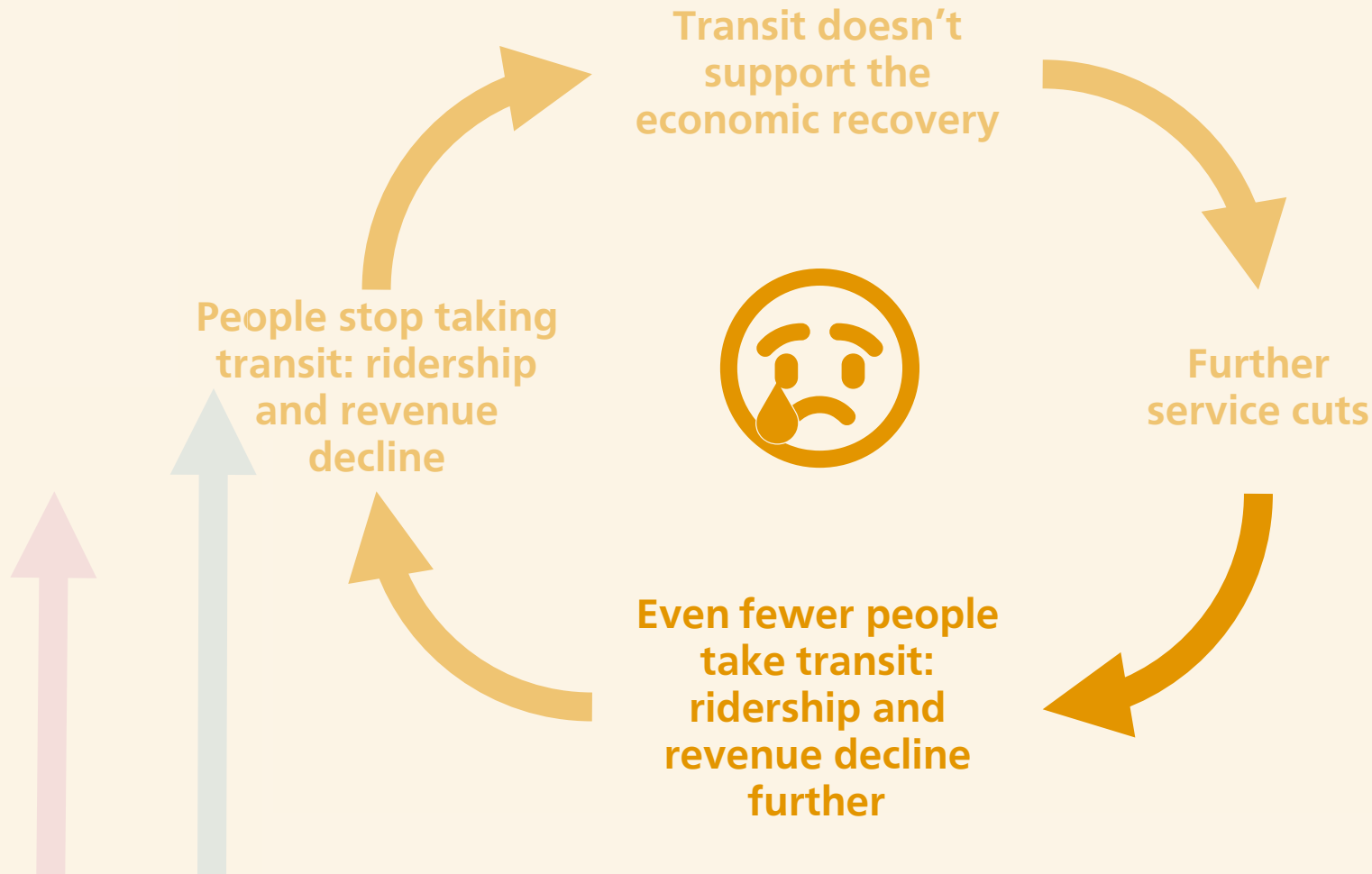
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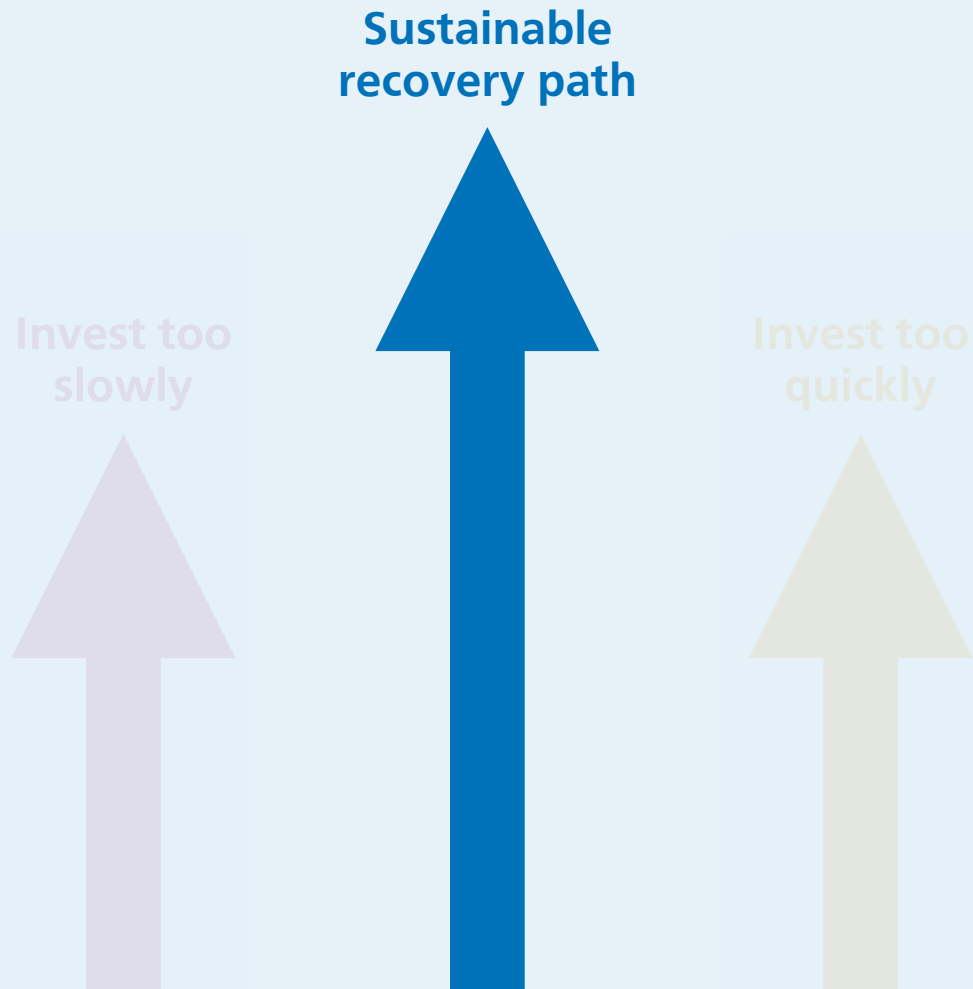
If we invest too quickly in the transit recovery ...



... we also end up in a
transit death spiral



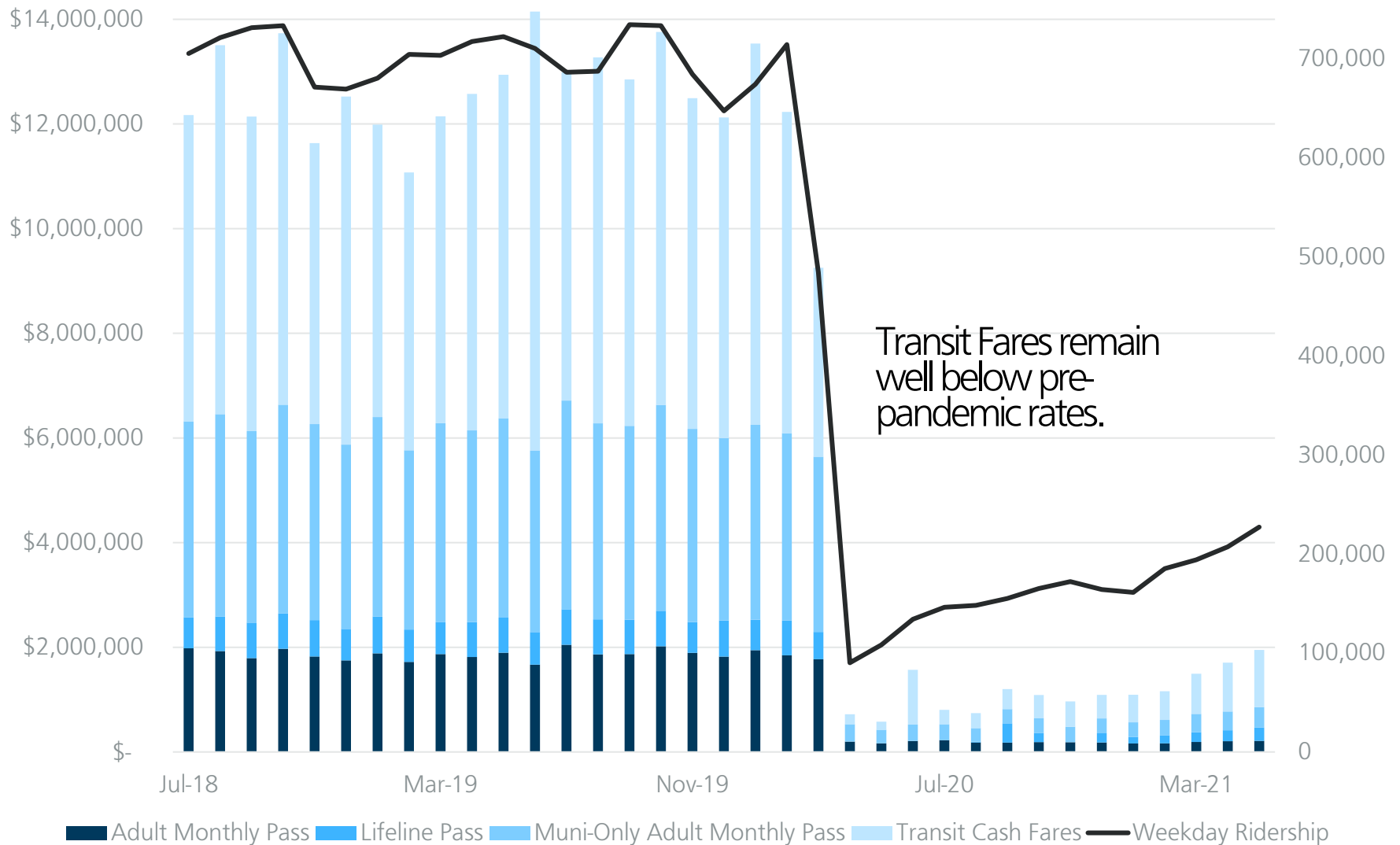
It's urgent that we find a sustainable balance



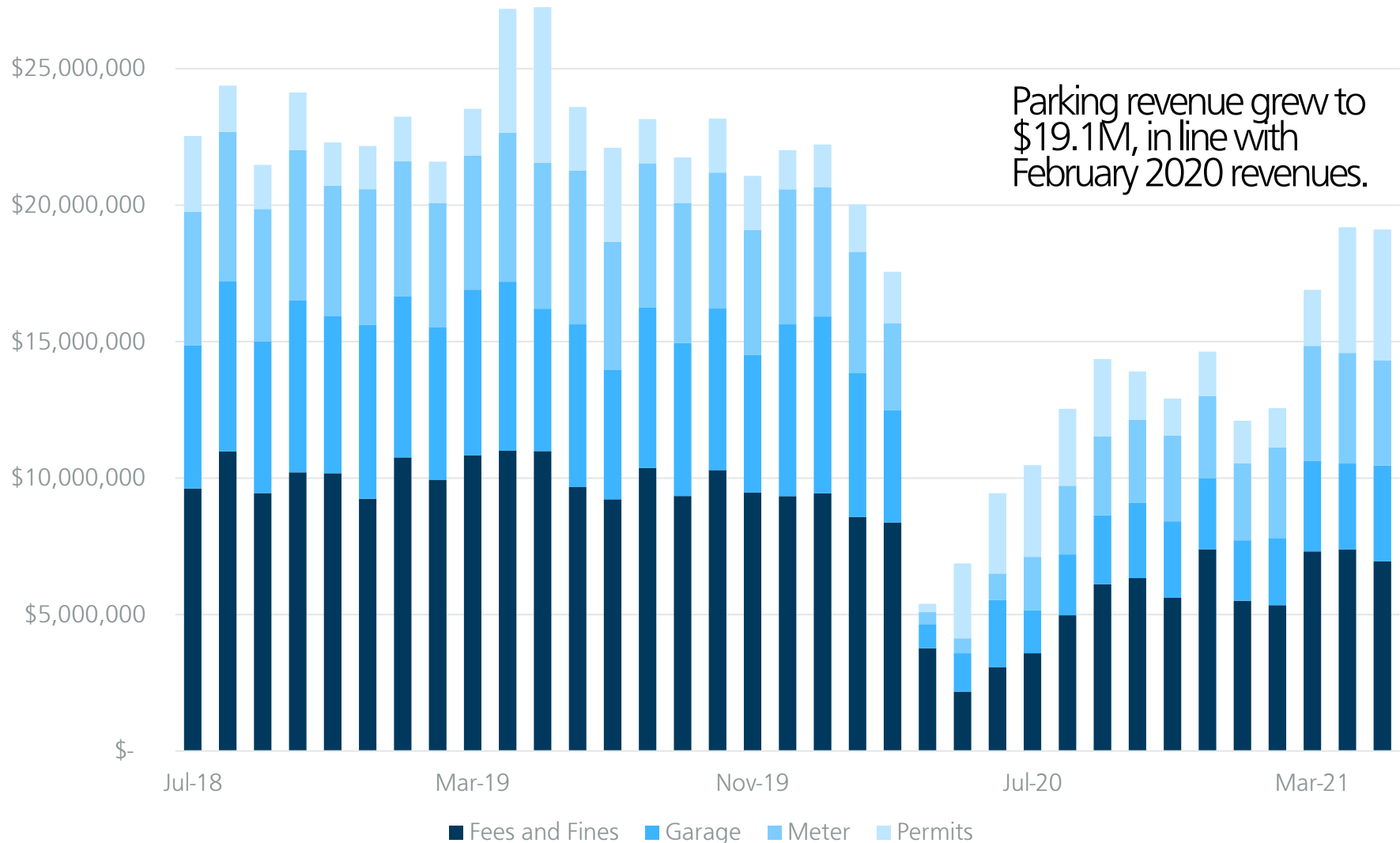
What does this mean for the **budget**?

SFMTA will be **reliant on one-time revenue sources** that will be exhausted by calendar year 2023.

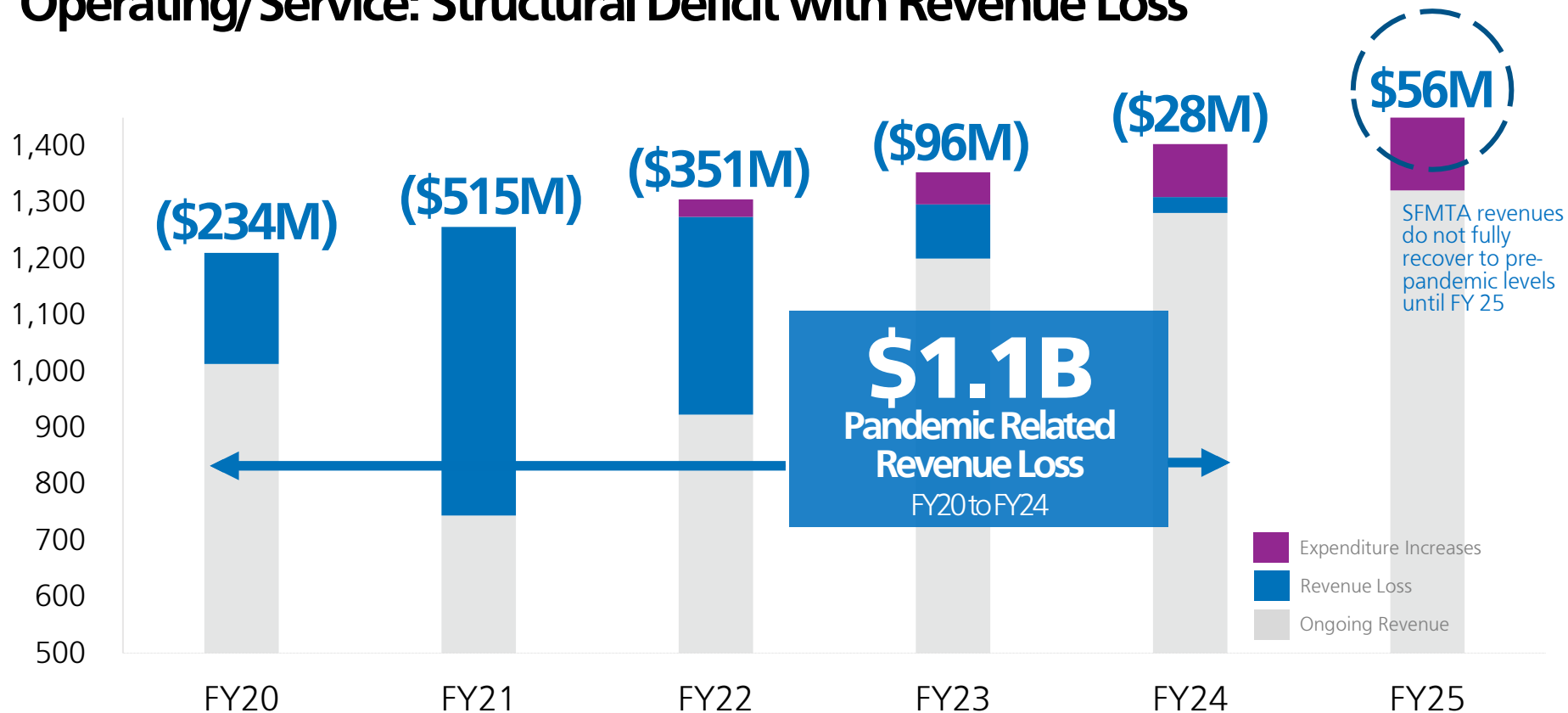
Transit Fare Revenue Trend: FY 2019 to present



Parking Revenue Trend: FY 2019 to present

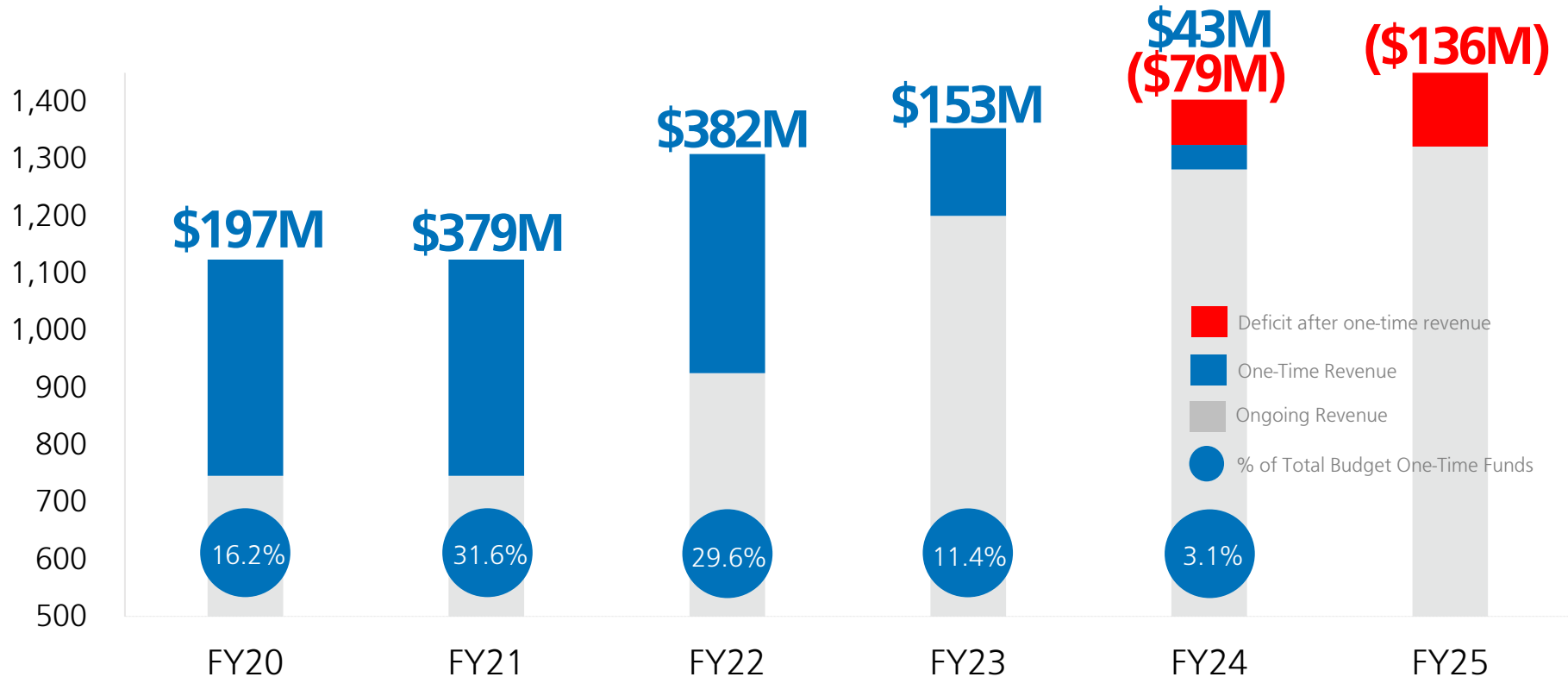


Operating/Service: Structural Deficit with Revenue Loss



Operating Budget, \$M	FY20	FY21	FY22	FY23	FY24	FY25
Revenue Ongoing (base)	1,013	744	923	1,200	1,281	1,321
Pandemic Related Revenue Loss	(234)	(515)	(351)	(96)	(28)	56
Expenditures	1,210	1,124	1,305	1,353	1,403	1,457
Expenditure Savings/Increases	37	135	(3)	(21)	(22)	(25)
Revenue Less Expenditures	-	-	(31)	(57)	(94)	(140)

Operating/Service: Structural Deficit with One-Time Revenues



Operating Budget, \$M	FY20	FY21	FY22	FY23	FY24	FY25
Revenue Ongoing (base)	1,013	744	923	1,200	1,281	1,321
Expenditures	1,210	1,123	1,305	1,353	1,403	1,457
Revenue Less Expenditures	(197)	(379)	(382)	(153)	(122)	(136)
Revenue (one-time)	197	379	382	153	43	0

We will continue to **monitor** revenues.

Key **check points** will include school re-opening, the end of the calendar year and every quarter thereafter.

Through **review** we will **adjust** operations and service delivery accordingly.

The Agency has done a **great job** with **saving** since the pandemic started.

Fiscal Management Strategy

FY 21 Savings Estimate = \$118 m

1

Eliminate
MTAB
Reserve

FY 21
**savings
of \$16 m**

FY 22
**savings
of \$19 m**

2

Overtime
Controls

Overtime
projected
to be 53%
less than
FY 19 and
**48% less
than FY
20 (\$37
m)**

3

Hiring
Freeze

Hiring freeze
for all but
**mission
critical
positions**
resulting in
**\$13 m
savings**

4

Contract
Expenditure
Controls

Strict review
in place, **total
savings at
\$51 m** e.g.
faregate
maint. (\$5 m),
fuel and
lubricants
(\$6 m)



Fiscal Management Strategy

FY 21 Savings Estimate = \$134 m

1

Eliminate
MTAB
Reserve

FY 21
savings
of \$16 m
\$16 m
FY21 Savings
of \$19 m

2

Overtime
Controls

Overtime
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Contract
Expenditure
Controls

Strict review
in place, total
savings at
least
faregate
maint. (\$5 m),
fuel and
lubricants
(\$6 m)

\$54 m
FY21 Savings

\$64 m
FY21 Savings



SHUTTLE
WEST PORTAL
22,45



WHAT NOW

- **Hiring freeze lifted** in April 27, 2021
- Staff to get to **85% service by January 2022**
- **Reviewing revenue base** for FY23 and FY24

DECISION MAKING

- **Review re-opening** in September/October 2021
- **Board workshop** in February 2022
- Budget **adoption** in April 2022
- Objective: Submit a **balanced budget** in May 2022

SFMTA 5-Year Capital Improvement Program

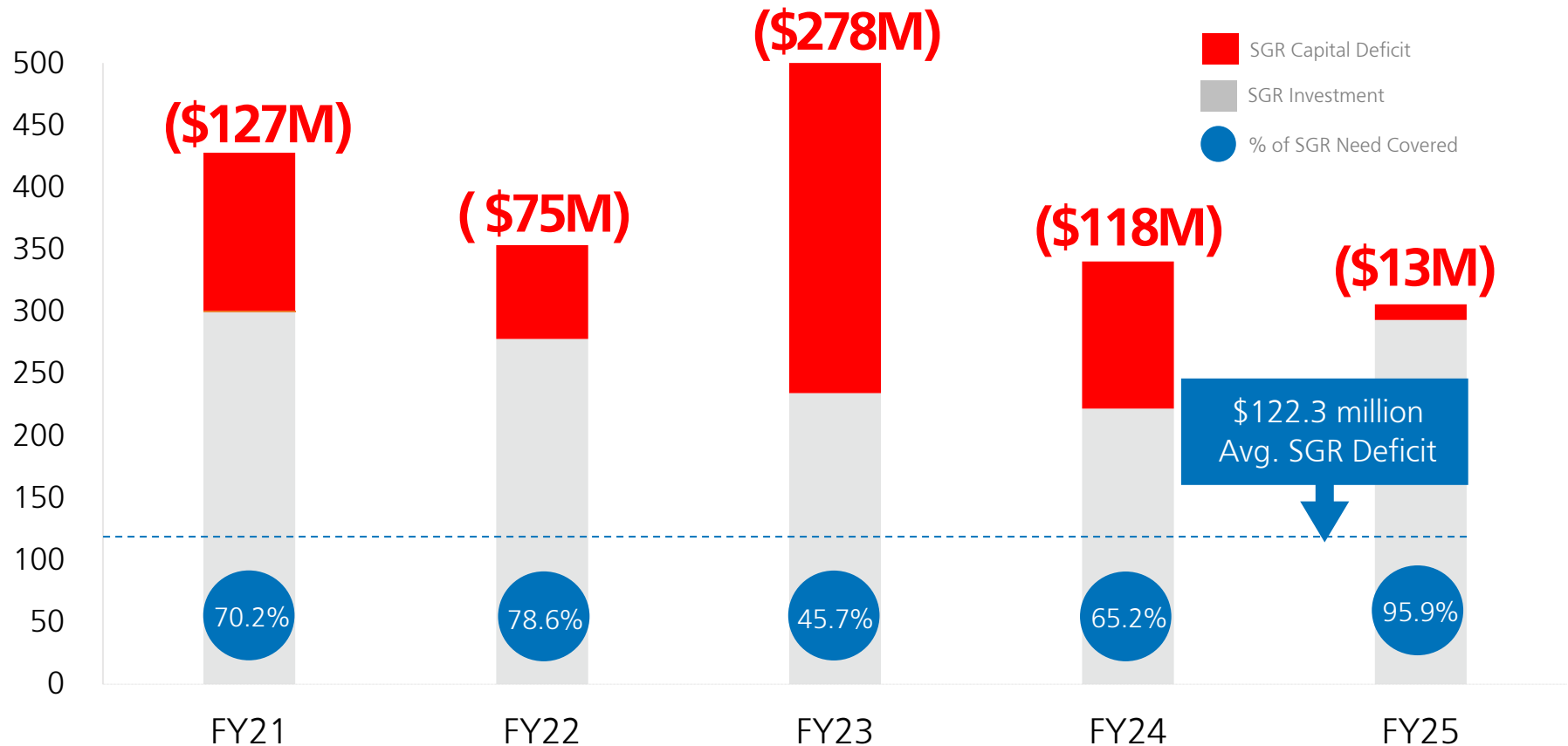
The SFMTA 5-Year Capital Improvement Program is a **fiscally constrained 5-year program of capital improvement and operational projects.**

- *An implementation plan* for regional, citywide, and agency-wide strategies and policy goals
- *Maintains credibility* with external funding agencies (eg. MTC, FTA)

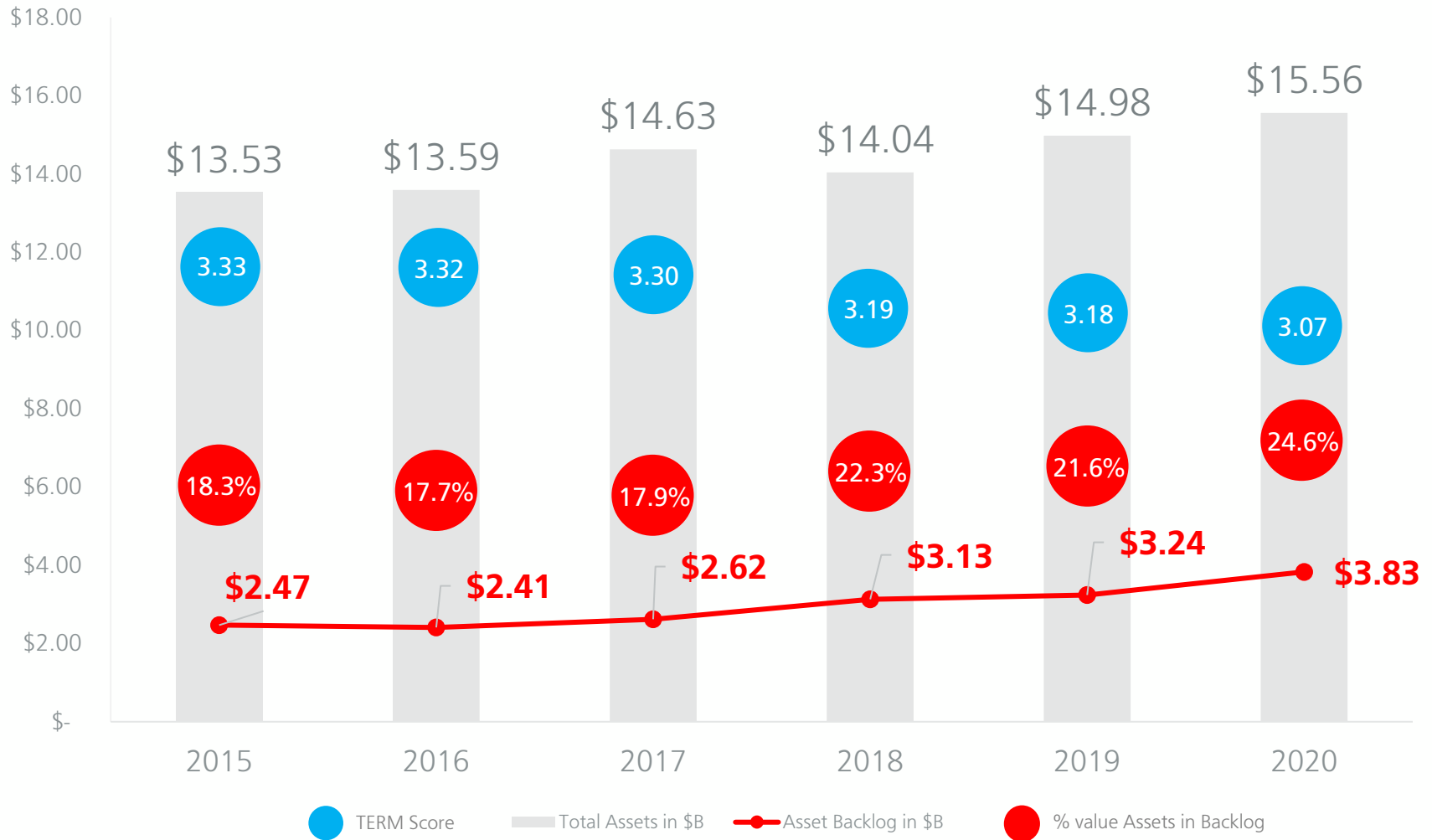


Capital/Infrastructure: Structural Deficit Analysis (April 2021 updates)

In the 5-year CIP period, we are addressing 68.5% of the state-of-good repair (SGR) need, leaving a gap of \$611.5 million.



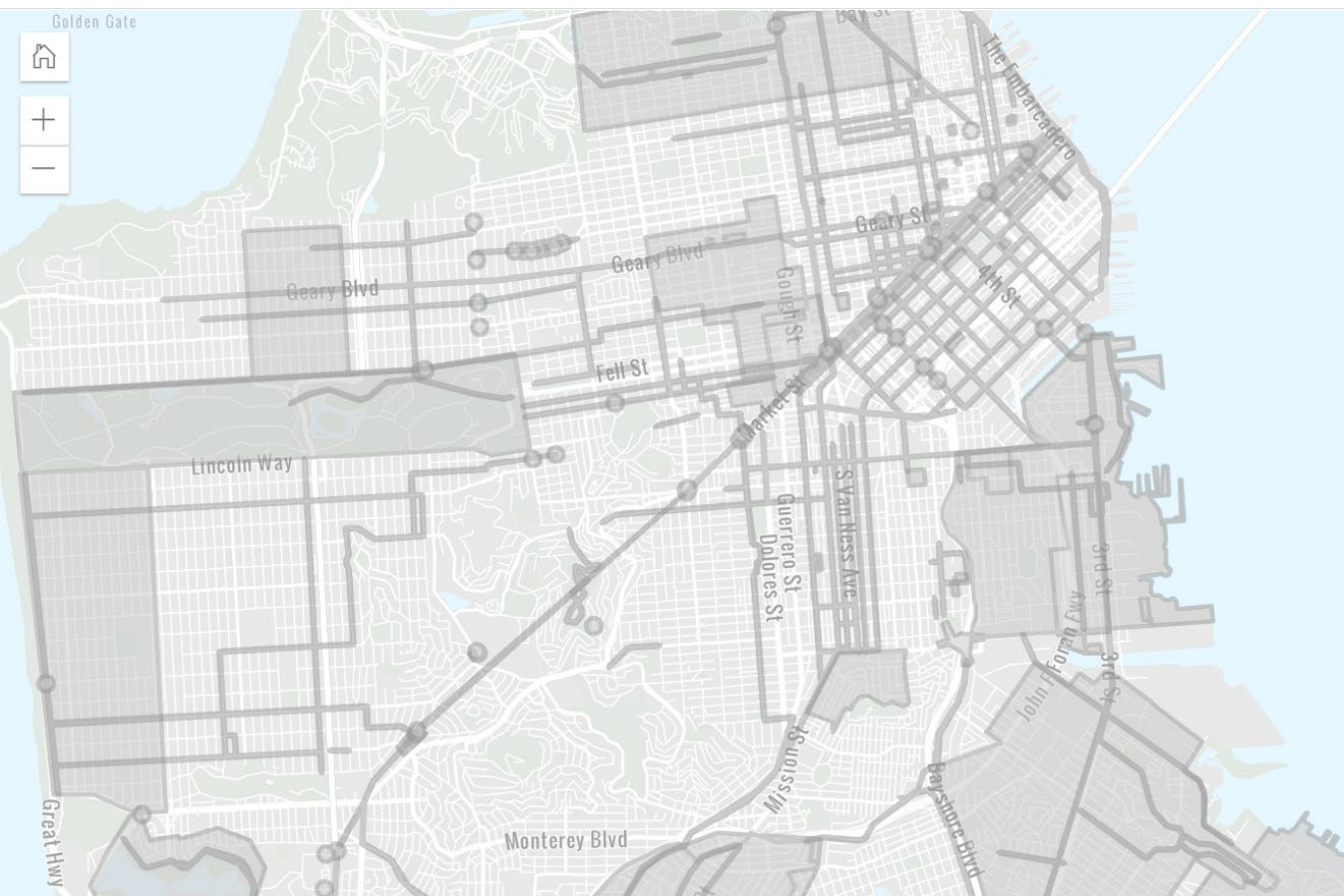
State of Good Repair Trends



CIP Projects

SFMTA's interactive map with current and planned projects with updates.

Link: <https://maps.sfmta.com/tppd/citywide/full/Index.html>



Interactive Projects Map

Search SFMTA projects by name, mode, neighborhood, supervisor district, or by clicking on the map.

[Click here for the multi-agency SF STREETS project map.](#)

Name

Mode

Neighborhood

District

Neighborhoods



SFMTA Budget, Financial Planning and Analysis

FY23 and FY24 Budget Development

1st AOCSC Meeting:	Thursday, January 20, 2022
Board Workshop:	Tuesday, February 1, 2022
1st CAC Meeting:	Thursday, February 3, 2022
1st Board Presentation:	Tuesday, February 15, 2022
2nd Board Presentation:	Tuesday, March 1, 2022
2nd CAC Meeting:	Thursday, March 3, 2022
3rd Board Presentation:	Tuesday, March 15, 2022
2nd AOCSC Meeting:	Thursday, March 17, 2022
SFMTA Board Adoption:	April 5, 2022 (first opportunity) April 20, 2022 (second opportunity)
Submit to Mayor:	no later than May 1, 2022



Thank You!