



San Francisco Municipal Transportation Agency

Muni Local Measure: Roundtable Discussion

September 25th, 2025

We're here to problem solve

From September 2024 through March 2025, the Muni Funding Working Group met seven (7) times to discuss an extensive list of policy options to address the SFMTA's fiscal cliff.

- At the time, the MFWG evaluated solutions to **a \$320M deficit**. Since the Controller's report was published, recent changes made at the SFMTA have brought our baseline, structural deficit to **\$307M**.
- We're here to take the next step to advance solutions.



We're here because Muni matters



- Muni is the backbone of the Bay Area economy, serving over 500,000 riders every day
- Approximately 27% of SFUSD students, roughly 14,000, take Muni to get to and from school
- Muni accounts for almost 50% of transit ridership across the nine-county bay area region.

Muni is core to San Francisco's identity



1850

SF is incorporated as a city



1873

Cable cars are invented to climb SF's hills



1912

The City takes over the private rail lines as they go bankrupt, creating the "Municipal Railway", because affordable, space-efficient transportation is not free-market-supported



1973

SF passes the "Transit First" policy, establishing transit as the preferred mode of travel in the City

Muni is core to San Francisco's economy

An aerial photograph of San Francisco, California, showing the dense urban landscape of the city center. The image captures the iconic Golden Gate Bridge in the upper right corner, extending over the water. The city's grid pattern is clearly visible, with numerous skyscrapers and buildings clustered in the downtown area. The surrounding areas show a mix of residential and commercial buildings, with a mix of colors and textures. The overall scene is a vibrant and detailed representation of the city's urban environment.

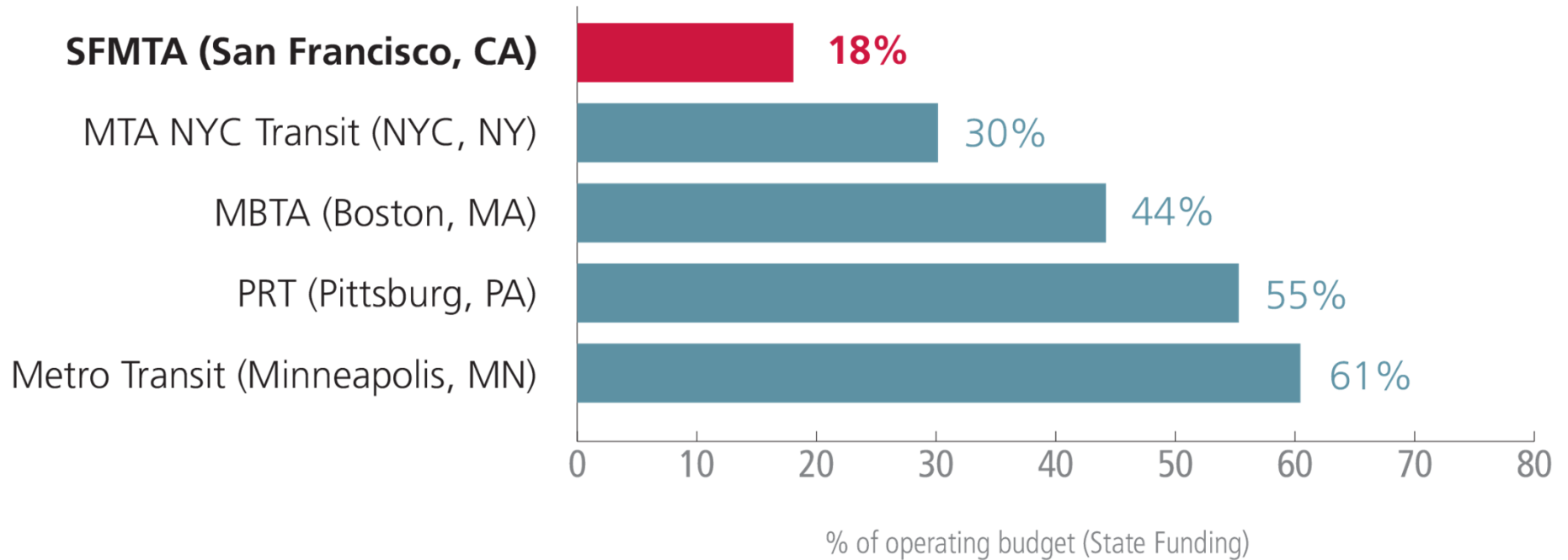
In 2019, San Francisco's daytime population was more than 1.1 million people.

About 270,000 people commuted into the city for work.

Our economic recovery relies on moving large numbers of people around the city on public transit.

But it only works with local support

State funding as a percentage of operating expenditures, selected US transit agencies (2023 NTD Reporting Year)



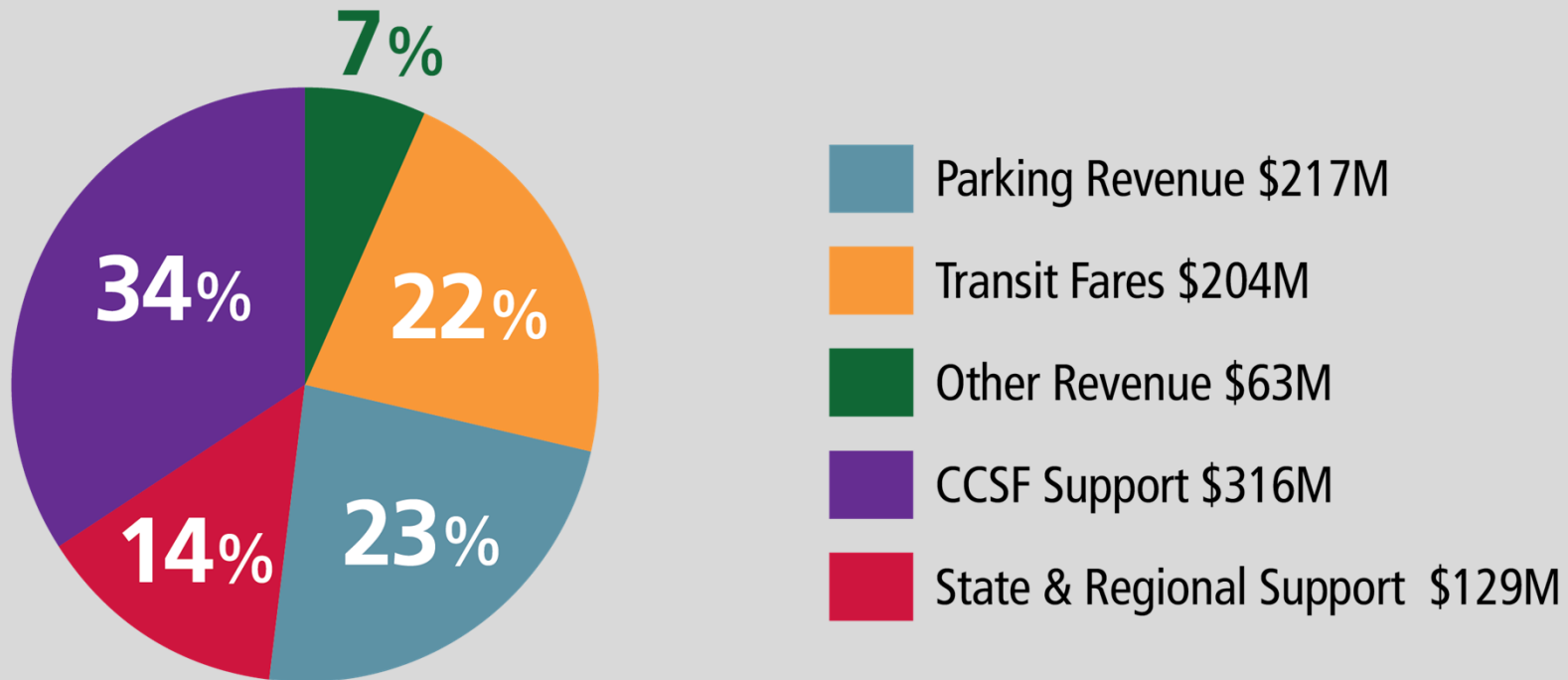
Source: 2022 - 2023 NTD Annual Data - Funding Sources. Includes operating budget for transit services.

So we funded Muni locally

1999

Voters pass Prop E, which diversifies transit funding and ties it to the City's broader economy

FY 14-15 Budgeted Revenue



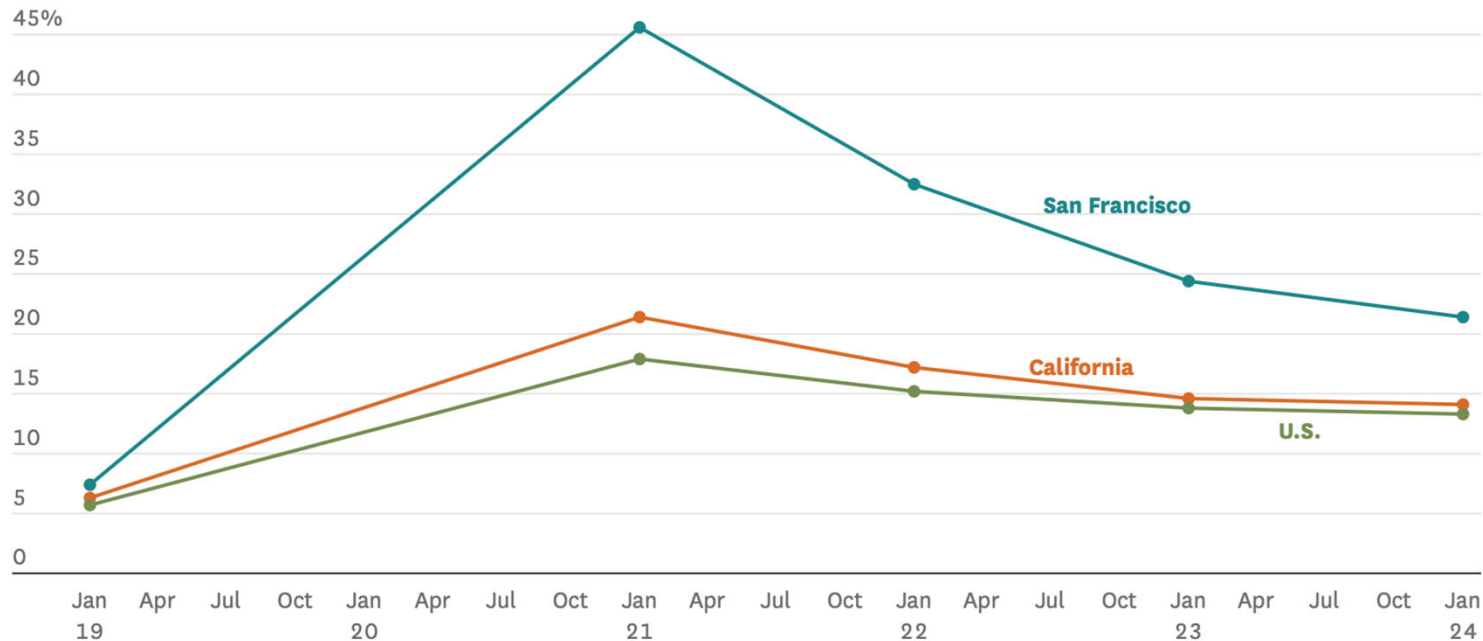
Source: FY14-15 Original Budget, passed by Board of Supervisors July 2014. Parking tax reflected as CCSF revenue source.

Until the world changed

2025

Work from home changed travel patterns, disrupting our funding framework

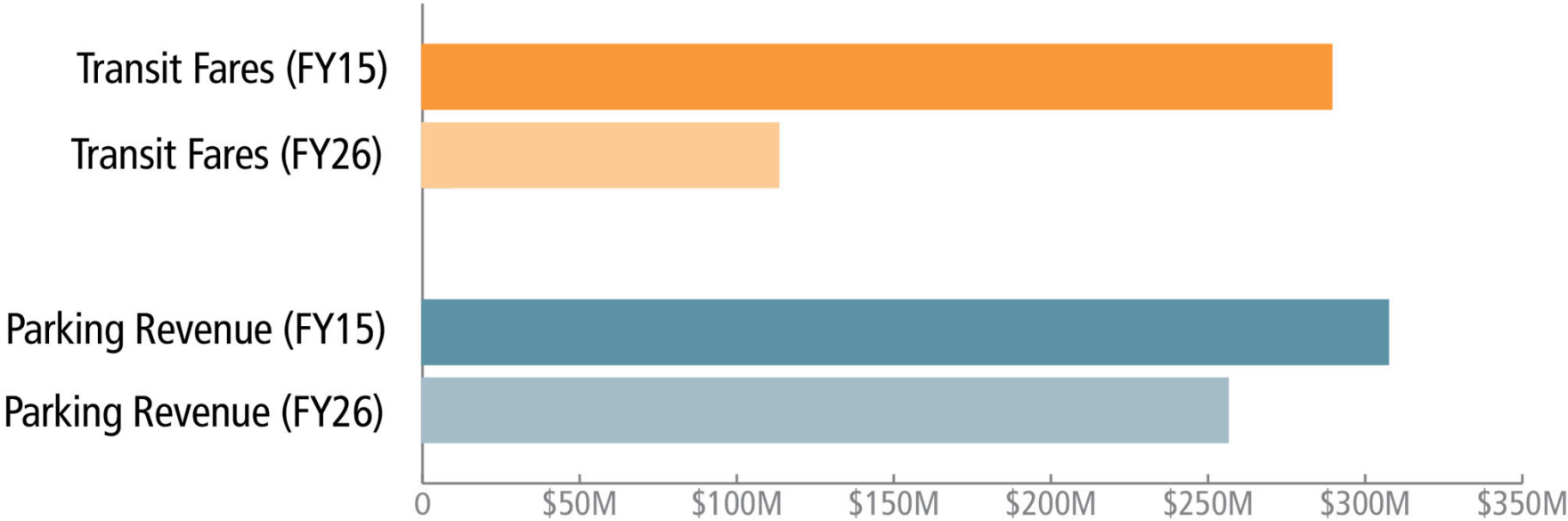
How San Francisco work from home rates compare to the rest of the state and the U.S.



Source: SF Chronicle

The old approach is not enough

Budgeted Parking and Fare Revenues Over Time (in CY Dollars)

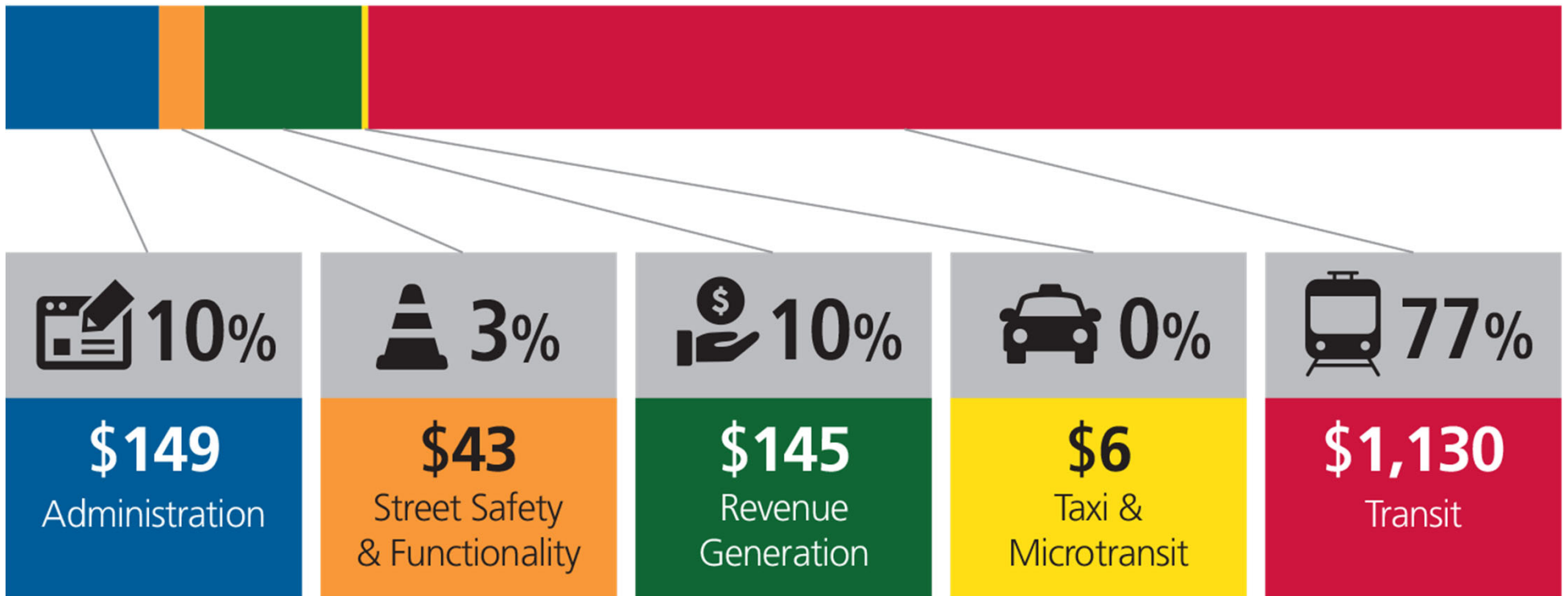


(the FY15 figures have been adjusted to current year dollars)

Source: FY25-26 Original Budget, passed by Board of Supervisors July 2024.

Transit is our priority

FY 25-26 Expenditure Budget by Service (\$M)



Source: FY25-26 Proposed Budget (Tech Phase), June 2025.
Note: Transit includes paratransit.

Muni has been adapting



Demonstrated Fiscal Discipline

\$120M/year personnel savings through a hiring freeze, consolidating functions, and reducing management.



Surgical Service Reductions

\$7M saved through summer 2025 service adjustments, but no route eliminations.



Investments that Pay for Themselves

\$10M annual savings starting FY25 thanks to transit priority and reliability upgrades.

Muni has been adapting

Increased Revenues



Approximately \$13M year over year actual transit revenue growth from FY24 to FY25

Projected Revenues



Projected \$18M increase in FY26 from parking revenue optimization

But we can't cut our way to success



People ride transit when it works well and goes where people need to go, conveniently



Degrading service means fewer people choose transit, increasing congestion and further reducing revenues and resulting in the need for additional cuts

Without new funding, SFMTA will need to severely cut Muni service

\$307M in Muni cuts is equivalent to a complete shutdown of Muni's entire rail system including the metro surface and subway, cable car, and historic streetcar service.*



What reduction in Muni service could look like:

- **Suspend Muni lines with lower ridership:** Remove entire routes from the system.
- **Reduce schedule frequencies up to 50%:** Your wait time doubles.
- **Scale late-night service way back:** Consider an evening transit curfew.
- **Eliminate or reduce Muni fare discounts:** Free Muni for Youth, Low-Income discounts

*Please note SFMTA has no plans to make these reductions; it's for illustrative purposes only.

We need long-term solutions

The MFWG overwhelmingly supported *Package A*:

- ***No Service Cuts***
- Further administrative efficiencies and expedite reductions
- A regional sales tax measure
- A local parcel tax measure

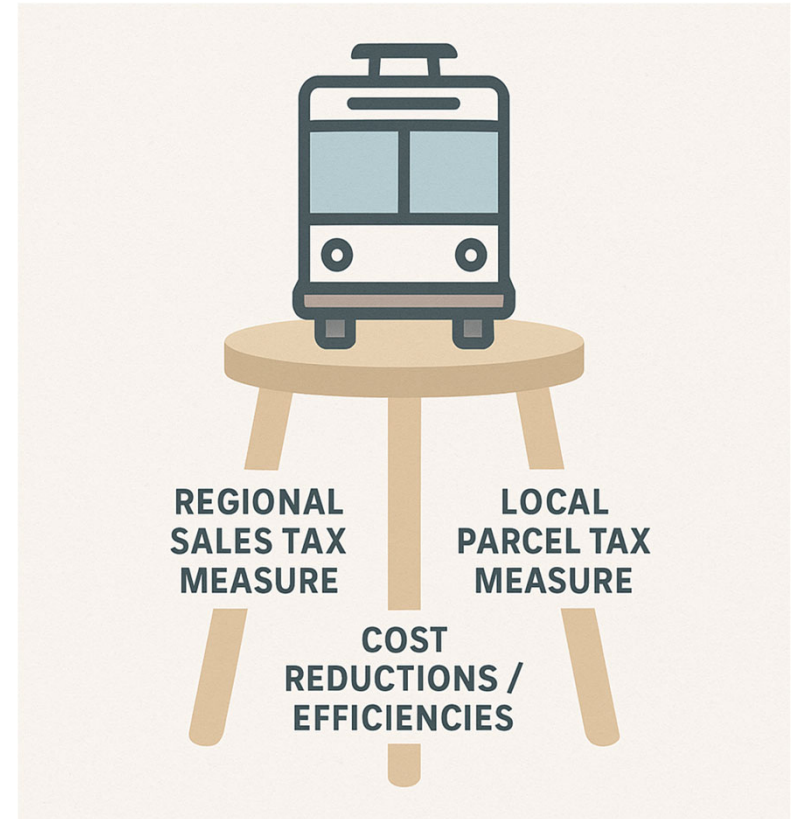
	Package Name	% Top Choice
A	Preserve Muni & Street Safety – Big at the Ballot in 2026	69%
B	Preserve Muni & Street Safety – Multiple Ballots over Time	19%
C	Protecting Muni Service – Minimizing Cuts for Riders	6%
D	Finding Revenues through Parking	6%
E	Cuts Due to Less Opportunity at the Ballot	0%
F	Fewer Options, More Cuts	0%

A sustainable approach is needed that balances revenue and expenditures

Cost Reductions/Efficiencies: Reducing expenditures across all divisions and implementing efficiency improvements on an ongoing basis.

Regional Revenue Measure: If signed, SB 63 allows San Francisco to pursue a full one-cent increase to maintain Muni. If passed by voters, we expect Muni to receive ~\$160M per year to address the structural deficit.

Local Parcel Tax: Seeing that the regional measure will not fully provide the revenue needed to maintain Muni service, a local parcel tax will be discussed to close the gap.



One-time Sources: There is a need to identify one-time funding sources to bridge to the revenue measures.

A regional transportation measure is on its way



SB 63 (Wiener/Arreguín) which authorizes a November 2026 ballot measure is on the Governor's desk. Voters will have the opportunity to approve a sales tax increase to fund BART, Muni, Caltrain, AC Transit and other systems.

*If successful, this measure will raise around **\$1B** annually for agencies in the region. Of this, Muni would receive about **\$160M**.*

Expenditure management is on-going

SB 63 acknowledges the importance of managing transit costs and requires that SFMTA along with BART, Caltrain and AC Transit participate in an in-depth, independently managed financial efficiency review.

This review will be conducted by outside experts with oversight from regional and state-appointed officials.

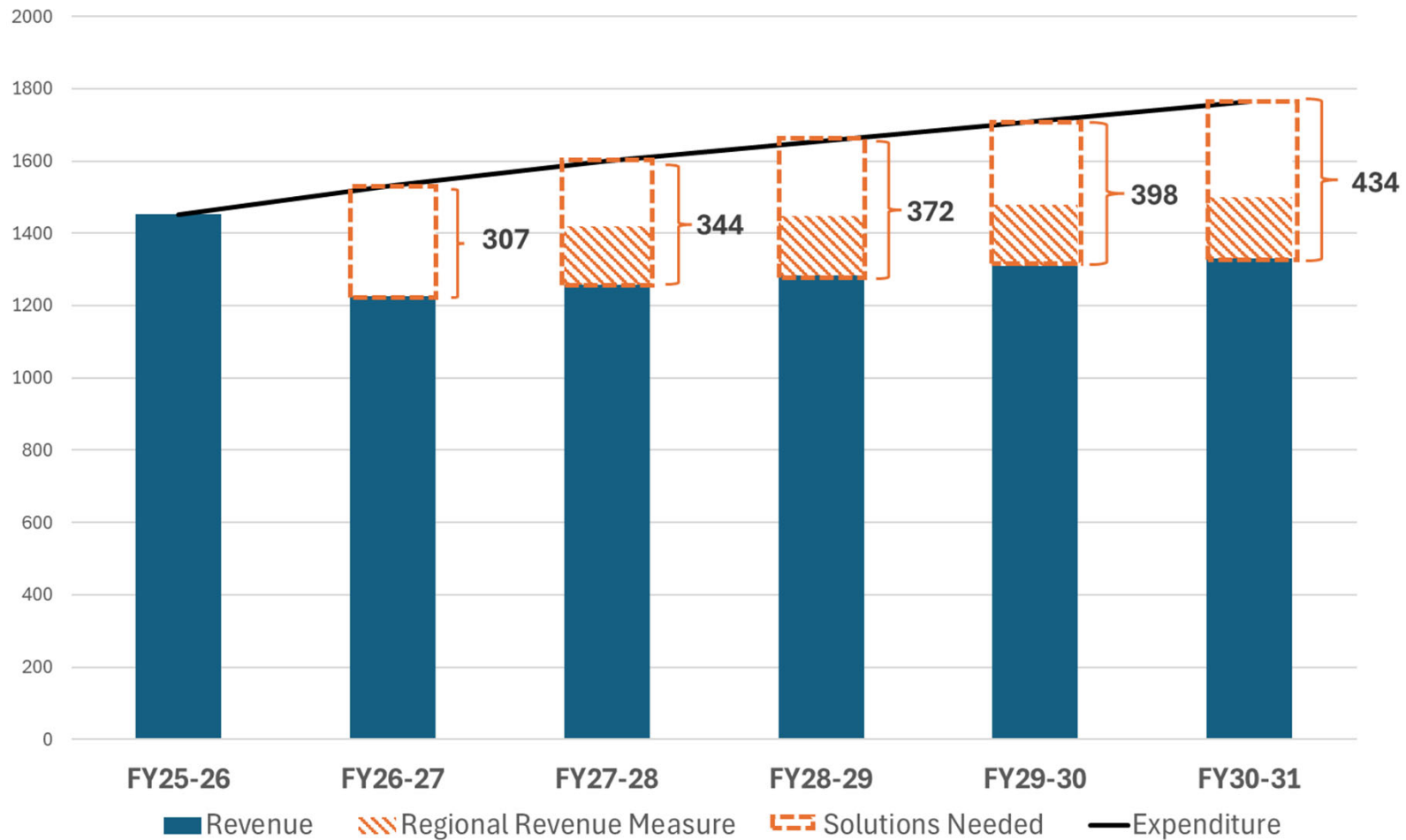
SFMTA is required to participate in the review and to develop an implementation strategy for any findings as a condition of receiving ongoing funding from a measure.

SB 63 dedicates funds for accessibility, fare affordability, wayfinding, and transit priority.

We are prioritizing fare compliance efforts.

A local revenue measure is critical

Regional revenue measure will help resolve some of the deficit in the out years as well as additional self-help measures



A Parcel Tax Can Meet Our Needs

Category		Package A:	Package B:	Package C:	Package D:	Package E:	Package F:
Raising Revenue	Efficiencies & Internal Cuts	\$40M	\$40M	\$37M	\$44M	\$42M	\$45M
	Large Ballot Measures	\$260M	\$210M	\$211M	\$168M	\$187M	\$137M
	Small Ballot Measures	-	\$50M	\$43M	\$25M	-	-
	Non-Ballot Revenue	\$20M	\$20M	-	\$49M	\$36M	\$14M
Reducing Costs Through Cuts	Subsidy Reductions	-	-	\$15M	-	\$3M	\$15M
	Non-Muni Cuts	-	-	\$14M	\$11M	\$11M	\$18M
	Muni Service Cuts	-	-	-	\$23M	\$41M	\$91M
Total		\$320M	\$320M	\$320M	\$320M	\$320M	\$320M

The tax should meet key criteria



Fair

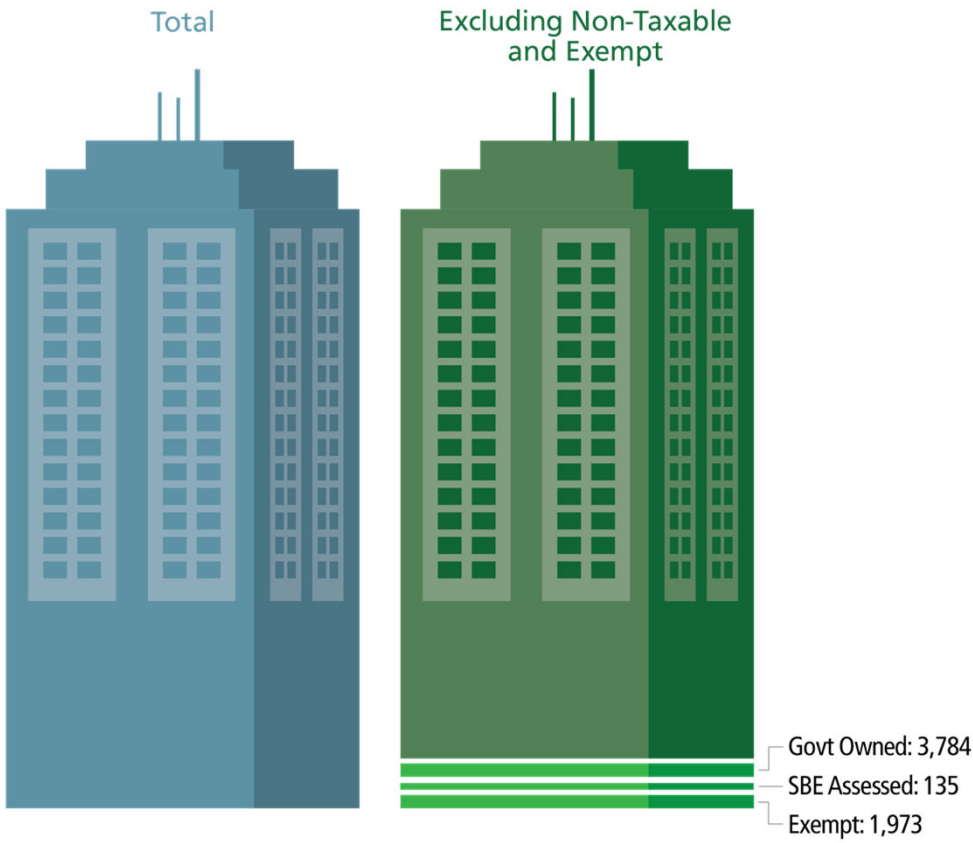


Reasonable



Sufficient

San Francisco has 200,000+ parcels



According to the 2023-24 public tax rolls, there are 212,206 total property tax parcels in San Francisco.

After excluding non-taxable parcels (e.g., government-owned) and exempt parcels (e.g., welfare, nonprofit hospitals, religious institutions), there are 206,314 taxable parcels, accounting for 97% of all parcels.

92% of San Francisco's taxable parcels are residential and about 75% are single-family homes.

Note: To create the final roll, parcels were included if their Status Code was NA or L (excluded if N or S). Parcels were then included if their Exemption Code was NA or 11 (other codes excluded). And finally, Possessory Interests (GOVT Use Code) were excluded.

Generally, San Francisco's parcel taxes are flat parcel taxes, or flat but varied by property type.



But there are different ways to structure a parcel tax

Parcel taxes can be structured in a few ways, illustrated below. Namely, parcel taxes can be structured as a flat rate or by square foot of the parcel; and by Property Type (ex. Commercial, Multi-Unit, or Single Family)

Structure	City	Funds	Rate
Flat rate	Piedmont, CA	School support	\$2,763 per parcel
Flat rate, varied by property type	Oakland, CA	Wildfire Prevention	\$99 per single family parcel \$65 per condominium / multi-family unit
Rate based on building square foot	Alameda, CA	School support	\$0.585 per building sq ft
Rate based on building square foot, varied by property type	Berkeley, CA	Streets and Sidewalks	\$0.17 per building sq ft (residential) \$0.25 per building sq ft (commercial and other property)

The tax should meet key criteria



Fair



Reasonable



Sufficient

Clarifying questions?

Break Out: Discussion Questions

1. What priorities are you bringing to this meeting?
2. What concerns do you have?
3. Is anything missing from the key principles (fair, reasonable, sufficient)?
4. Is there anything else we should consider?