



Memorandum

AGENDA ITEM 10

DATE: August 27, 2020

TO: Transportation Authority Board

FROM: Cynthia Fong - Deputy Director for Finance and Administration

SUBJECT: 09/15/20 Board Meeting: Proposed Fiscal Year 2020/21 Budget and Work Program

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Adopt the proposed Fiscal Year (FY) 2020/21 Budget and Work Program</p> <p>SUMMARY</p> <p>The purpose of this memorandum is to present the proposed Fiscal Year (FY) 2020/21 annual budget and work program and seek its adoption. The September 15 Board meeting will serve as the official public hearing prior to final consideration of the annual budget and work program at the September 22 Board meeting. There have been no changes made to the proposed annual budget and work program since the item was presented to the Board at its August 25, 2020 meeting.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input checked="" type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
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BACKGROUND

Pursuant to State statutes (California Public Utilities Code, Sections 131000 et seq.), we must adopt an annual budget by June 30 of each year. As called for in our Fiscal Policy (Resolution 18-07) and Administrative Code (Ordinance 17-01), the Board shall set both the overall budget parameters for administrative and capital expenditures, the spending limits on certain line items, and adopt the budget prior to June 30 of each year.

On January 30, the World Health Organization declared the outbreak of the COVID-19 to be a public health emergency of international concern and on March 11, declared a worldwide pandemic of the COVID-19 disease. On February 25, San Francisco declared a state of emergency in response to the global spread of COVID-19 and on March 16, Mayor London Breed directed all residents to shelter in place. On March 4, Governor Gavin Newsom declared a state of emergency later signed Executive Order N-33-20 mandating all persons statewide to stay at home except as needed to maintain continuity of operations of the critical



infrastructure sectors. These COVID-19 related events have significantly affected our economy and agency revenues.

In light of the resulting unprecedented level of economic uncertainty, the significant impact of COVID-19 necessitated postponing the adoption of the full annual Budget and Work Program until September, similar to the schedule that Mayor Breed has set for the City's budget. In the interim, to provide for the necessary continuation of services and payment of expenditures, the Board approved a waiver at its June 23 meeting of the Administrative Code provision requiring adoption of the annual budget by June 30 and adopted a provisional three-month FY 2020/21 budget and work program until the time at which the full 12-month budget and work program for FY 2020/21 is adopted.

DISCUSSION

The proposed FY 2020/21 Work Program includes activities in four major functional areas: 1) Plan, 2) Fund, 3) Deliver, and 4) Transparency and Accountability. These categories of activities are organized to efficiently address our designated mandates, including administering the Prop K Sales Tax program; functioning as the Congestion Management Agency (CMA) for San Francisco; acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program; administering the \$10 Prop AA vehicle registration fee program (Prop AA); administering the Prop D Traffic Congestion Mitigation Tax program (TNC Tax); and operating as the Treasure Island Mobility Management Agency (TIMMA) for San Francisco. Our work program reflects the multi-disciplinary and collaborative nature of our roles in planning, funding, and delivering transportation projects and programs across the city, while ensuring transparency and accountability in the use of taxpayer funds.

Attachment 1 contains a description of our proposed work program for FY 2020/21. Attachment 2 displays the proposed budget in a format described in our Fiscal Policy. The division of revenues and expenditures into the Sales Tax program, CMA program, TFCA program, Prop AA program, TIMMA program, and TNC Tax program in Attachment 2 reflects our six distinct responsibilities and mandates. Attachment 3 shows a comparison of revenues and expenditures to the prior year's actual and amended budgeted numbers. Attachment 4 shows a more detailed version of the proposed budget. Attachment 5 shows our Board adopted agency structure and job positions. Attachment 6 provides additional descriptions and analysis of line items in the budget.

We have segregated our TIMMA function as a separate legal and financial entity effective July 1, 2017. The TIMMA FY 2020/21 Budget and Work Program will be presented as a separate item to the TIMMA Committee at its September 15 meeting and to the TIMMA Board at its September 22 meeting.

Revenues. Total revenues are projected to be \$143.3 million and are budgeted to increase by an estimated \$26.1 million from the FY 2019/20 Final Budget, or 22.3%, which is primarily due to expected increase in activities for the I-80/Yerba Buena Island Interchange Improvement and Bridge Structures project (collectively known as YBI Project), funded by federal and state grant funds. Sales tax revenues, net of interest earnings, are projected to be \$93.3 million or



65.2% of revenues. This is an increase of \$6.8 million compared to the budgeted sales tax revenues for FY 2019/20 as we anticipate a gradual recovery from the impact of COVID-19.

Expenditures. Total expenditures are projected to be about \$229.6 million. Of this amount, capital project costs, most of which are awarded as grants to agencies like the San Francisco Municipal Transportation Agency (SFMTA), are \$196.0 million. Capital projects costs are 85.3% of total projected expenditures, with another 5.1% of expenditures budgeted for administrative operating costs, and 9.6% for debt service and interest costs. Capital expenditures in FY 2020/21 of \$196.0 million are budgeted to increase by \$29.9 million, or 18.0%, from the FY 2019/20 final budget, which is primarily due to slower than anticipated Prop K capital expenditures in FY 2019/20 being carried forward to FY 2020/21 and the expected increase in activities for the YBI Project.

Debt service costs of \$21.9 million are for costs related to the assumed fees and interests for the expected drawdown from the Revolving Credit Loan Agreement, anticipated bond principal and interest payments for our Sales Tax Revenue Bond, and other costs associated with debt. Our debt program has allowed us more flexibility and has enabled us to cost effectively accelerate delivery of the Prop K programs.

Other Financing Sources/Uses. The Other Financing Sources/Uses section of Attachment 6 - Line Item Detail for the FY 2020/21 proposed budget includes anticipated drawdown from the Revolving Credit Loan Agreement. The estimated level of sales tax capital expenditures for FY 2020/21 may trigger the need to drawdown up to \$100 million from the Revolving Credit Loan Agreement as we anticipate to pay out all of the 2017 Sales Tax Revenue Bond proceeds and the interest earned on proceeds in the first half of the fiscal year. We will continue to monitor capital spending closely during the upcoming year by reviewing approved cash flow schedules for allocations, actual reimbursements, and progress reports in tandem with ongoing conversations with project sponsors, particularly our largest grant recipient, the SFMTA. This line item also includes inter-fund transfers among the sales tax, CMA, and TIMMA funds. These transfers represent the required local match to federal grants such as the Surface Transportation Program and Advanced Transportation and Congestion Management Technologies Deployment. Also represented are appropriations of Prop K to projects such as the Downtown Congestion Pricing Study and the Octavia Boulevard Circulation Study.

Fund Balance. The budgetary fund balance is generally defined as the difference between assets and liabilities, and the ending balance is based on previous year's audited fund balance plus the current year's budget amendment and the budgeted year's activity. There is a positive amount of \$46.6 million in total fund balances, as a result of the anticipated Revolving Credit Loan Agreement drawdown.

FINANCIAL IMPACT

As described above.



CAC POSITION

The CAC will consider this item at its September 2, 2020 meeting.

SUPPLEMENTAL MATERIALS

- Attachment 1 - Proposed Work Program
- Attachment 2 - Proposed Budget
- Attachment 3 - Proposed Budget - Comparison of Revenues and Expenditures
- Attachment 4 - Proposed Budget - Line Item Detail
- Attachment 5 - Agency Structure
- Attachment 6 - Line Item Descriptions

Attachment 1

Proposed Fiscal Year 2020/2021 Annual Work Program

The Transportation Authority's Fiscal Year (FY) 2020/21 Work Program includes activities in five divisions overseen by the Executive Director: 1) Policy and Programming, 2) Capital Projects, 3) Planning, 4) Technology, Data, and Analysis, and 5) Finance and Administration. The Executive Director is responsible for directing the agency in keeping with the annual Board-adopted goals, for the development of the annual budget and work program, and for the efficient and effective management of staff and other resources. Further, the Executive Director is responsible for regular and effective communications with the Board, the Mayor's Office, San Francisco's elected representatives at the state and federal levels and the public, as well as for coordination and partnering with other city, regional, state, and federal agencies.

The agency's work program activities address the Transportation Authority's designated mandates and functional roles. These include: 1) serving as the Prop K transportation sales tax administrator; 2) serving as the Congestion Management Agency (CMA) for San Francisco; 3) acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program; 4) administering the \$10 Prop AA vehicle registration fee; and 5) administering the Prop D Traffic Congestion Mitigation Tax program. The Transportation Authority is also operating as the Treasure Island Mobility Management Agency (TIMMA). The TIMMA FY 2020/21 Work Program will be presented to the TIMMA Board as a separate item and is not reflected below.

Our work program reflects the multi-disciplinary and collaborative nature of our roles in planning, funding, and delivering transportation projects and programs across the city, while ensuring transparency and accountability in the use of taxpayer funds.

PLAN

Long-range, countywide transportation planning and CMA-related policy, planning, and coordination are at the core of the agency's planning functions. In FY 2020/21, we will continue to implement recommendations from the existing San Francisco Transportation Plan (SFTP, 2017), while advancing the next update (SFTP, 2021) through the San Francisco Long-range Transportation Planning Program, also known as ConnectSF, our multi-agency partnership with the San Francisco Municipal Transportation Agency (SFMTA), the San Francisco Planning Department (SF Planning), and others. This year, we are focused on delivering the SFTP to set a future transportation policy and investment direction for the City, while wrapping up the transit and streets and freeway modal studies. We will also continue to further corridor, neighborhood, and community-based transportation plans under our lead, while supporting efforts led by partner agencies. We will undertake new planning efforts meant to inform and respond to emerging trends and policy areas. This strategic area of focus for our planning work includes deepening our research on Transportation Network Companies, or TNCs (e.g., Lyft and Uber), use and impacts. Most of the FY 2020/21 activities listed below are multi-divisional efforts, often led by the Planning or Capital Projects divisions in close coordination with Technology, Data, and Analysis and the Policy and Programming divisions. Proposed activities include:

Active Congestion Management

- **San Francisco Transportation Re-Opening Working Group.** We will actively support this working group which is co-chaired by Transportation Authority Board Chair Aaron Peskin and SFMTA Director Jeff Tumlin. The working group, which is anticipated to meet weekly for the

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next several months, will facilitate interdepartmental and interagency collaboration to further develop and vet the City's approach to transportation in support of San Francisco's re-opening. Many of our ongoing and new work program efforts, such as our COVID-Era Congestion Tracker, the Downtown Congestion Pricing Study, and our coordination and advocacy related to the regional Blue Ribbon Transit Recovery Task Force, will be highly relevant to this effort.

- **COVID-Era Congestion Tracker and COVID-19 Recovery Scenario Analysis.** The shelter-in-place (SIP) orders issued in mid-March 2020 have rapidly changed traffic patterns and congestion. Overnight, San Francisco went from experiencing some of the worst congestion in the country to being virtually congestion-free. Recently, as the economy begins to recover, we have seen traffic and congestion levels rising. The Transportation Authority's COVID-Era Congestion Tracker (<https://covid-congestion.sfcta.org/>) is an interactive map of critical roadways in San Francisco that provides decision-makers with the ability to monitor weekly changes in roadway congestion in order to identify emerging congestion "hot spots" and identify appropriate management strategies. The Congestion Tracker also allows users to view speed data for the city overall, or for particular segments, and to compare current speeds to pre-COVID conditions. We will continue to update the tracker, analyze the data, and use this as an input as we evaluate different scenarios for the re-opening of San Francisco. In addition, using the Transportation Authority's San Francisco Chained Activity Modeling Process (known as SF-CHAMP) activity-based travel demand model, staff are developing forecast scenarios to inform decision-makers about anticipated transportation system performance under different COVID-19 recovery scenarios given changes in employment and workforce participation, transit service levels, work-from-home trends, and public willingness to ride transit.
- **Downtown Congestion Pricing Study.** We have worked with the Policy Advisory Committee (PAC) and other stakeholders to set key goals and objectives, including advancing equity while reducing congestion, transit delays, traffic collisions, air pollution, and greenhouse gas emissions, and to establish alternative configurations for screening. We will complete the screening work this year and work with the PAC, community organizations, and the public to review program design options, benefits, and impacts of a potential congestion pricing program in San Francisco. We anticipate presenting the findings of this work in spring 2021.

SFTP Implementation and Board Support

- **Neighborhood Transportation Improvement Program (NTIP) Cycle 2.** We will identify and advance new projects through Cycle 2 of the sales tax-funded NTIP, and monitor implementation of projects funded through Cycles 1 and 2. Funds for Cycle 2 include \$100,000 in planning funds for each district and \$600,000 in local match funds for each district to advance NTIP projects toward implementation. We will continue to work closely on identification and scoping of new NTIP planning and capital efforts, including advancing recommendations from recently completed plans in coordination with Transportation Authority Board members and SFMTA's NTIP Coordinator, and will monitor and support new NTIP efforts led by other agencies. We continue to lead NTIP projects in five City supervisorial districts: Districts 3, 4, 5, 9, and 10.

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- **San Francisco School Access Plan.** The Transportation Authority was awarded a Caltrans Sustainable Planning Grant to develop a School Access Plan. Building on our prior work on the Child Transportation Study, this plan will develop near and medium-term school transportation solutions for medium- to long-distance K-5 school trips, focusing on improving equity for vulnerable students and families, including students with Individualized Education Plans, students experiencing homelessness, foster youth, and low-income youth.

Long Range, Countywide, and Inter-Jurisdictional Planning

- **SFTP 2050 and ConnectSF.** With our partners SFMTA and SF Planning, we are working to wrap up the Streets and Freeways Study and the Transit Corridors Study this fiscal year. We are planning outreach this fall to review potential improvement options emerging from these studies, along with other planning and policy efforts. The SFTP will result in a fiscally constrained transportation investment and policy blueprint for San Francisco through the year 2050. The plan, which will be informed by the aforementioned modal studies as well as other plans and studies, will identify the policy and transportation investment options that help San Francisco advance towards our ambitious equity, greenhouse gas, safety, and other goals, given current and future funding sources. The 2017 SFTP and the SFTP update work completed to date have informed San Francisco's input into Plan Bay Area 2050. Both plans are slated for adoption in 2021. The SFTP will also be central to reauthorization of the Prop K sales tax wherein we can reset Expenditure Plan categories and extend the Expenditure Plan end date past FY 2033/34, which we will begin evaluating this year (see Fund section for additional details).
- **Express Lane System Planning and Policy Support.** Although environmental review is paused, we continue to work on conceptual planning and equity studies for the San Francisco freeway system (including U.S. 101/I-280, mainline U.S. 101, I-280 West, and San Francisco-Oakland Bay Bridge (SFOBB) corridor) as a way to inform related Plan Bay Area 2050 and Streets and Freeways policy and planning work. This will also allow us to continue to coordinate with regional agencies on Express Lane Strategic Plan and U.S. 101 corridor plans with San Mateo and Santa Clara counties. Given the need to address growing congestion in the corridor, and to help prioritize Muni bus service, we would like to revisit resuming this work with SFMTA and Caltrans at the mid-year.
- **Transportation Network Companies (TNC) Impact Studies.** Following our work on TNCs and congestion, we will continue to work with California Air Resources Board (CARB) to set emissions reduction targets for the sector. By mid-year, we anticipate releasing reports on the effects of TNCs on transit ridership and by year end, the report on TNCs and equity.
- **Support Statewide and Regional Planning Efforts.** We will continue to support studies and planning efforts at the state and regional levels, including the California High-Speed Rail Authority's Business Plan and Environmental Impact Report; Caltrain and High-Speed Rail Business Plan coordination; California Transportation Commission (CTC)/California Air Resources Board (CARB) joint efforts on climate policy; State of California Public Utilities Commission (CPUC) data rulemaking and regulations for TNCs; and the Metropolitan Transportation Commission's (MTC's) Blue Ribbon Transit Recovery Task Force and Express

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Lane white papers. We will also continue to coordinate with BART and other partner agencies to scope and advance the study of a potential second Transbay rail crossing, and associated connection to the west side.

Transportation Forecasting, Data and Analysis

- **Travel Forecasting and Analysis for Transportation Authority Studies.** We will provide modeling and data analysis to support efforts such as SFTP and ConnectSF, including the Streets and Freeways Study and the Transit Corridors Study; District 4 and District 5 neighborhood studies; Third Street-15 Bus Study; Treasure Island Mobility Management Program; Downtown Congestion Pricing Study; 22nd Street Station Location Study; and Downtown Rail Extension.
- **Congestion Management Program Update.** Every two years, we prepare and update to the San Francisco Congestion Management Program (CMP), which documents changes in multi-modal transportation system performance including roadway speeds, transit reliability, and bicycle and pedestrian counts. We will lead CMP data collection efforts in spring 2021.
- **Modeling Service Bureau.** We provide modeling, data analysis, and technical advice to City agencies and consultants in support of many projects and studies. Expected service bureau support this year for partner agencies and external parties is to be determined.
- **Transportation Sustainability Program Evaluation Study.** We will advance research on effective strategies for Travel Demand Management by major employers and institutions.
- **New Mobility Rulemaking.** We will continue to work with SFMTA to provide San Francisco's input to state and federal rulemaking opportunities, particularly related to CPUC's regulation of TNCs including data sharing; CPUC implementation of the TNC "Access for All" legislation; and CARB implementation of the TNC "Clean Miles" legislation. We will also continue to work on federal autonomous vehicle policies through transportation reauthorization and other legislative efforts.
- **Model Enhancements.** We are limiting our model development efforts to focus on understanding current essential travel patterns, as well as patterns that result from re-opening the City's economy. These efforts include tracking congestion trends and represent the new transit service levels in the region during SIP.

FUND

The Transportation Authority was initially established to serve as the administrator of the Prop B half-cent transportation sales tax (superseded by the Prop K transportation sales tax in 2003). This remains one of the agency's core functions, which has been complemented and expanded upon by several other roles including acting as the administrator for Prop AA, the Traffic Congestion Mitigation Tax (Prop D), the TFCA county program, and serving as CMA for San Francisco. We serve as a funding and financing strategist for San Francisco projects; advocate for discretionary funds and legislative changes to advance San Francisco project priorities; provide support to enable sponsor agencies to comply with timely-use-of-funds and other grant requirements; and seek to secure new sources of revenues for transportation-related projects and programs. The work program activities highlighted below are

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typically led by the Policy and Programming Division with support from all agency divisions. Notable efforts planned for FY 2020/21 include:

Fund Programming and Allocations. We will continue to administer the Prop K sales tax, Prop AA vehicle registration fee, TFCA, and Traffic Congestion Mitigation Tax programs through which the agency directly allocates or prioritizes projects for grant funding; monitor and provide project delivery support and oversight for the San Francisco Lifeline Transportation Program, One Bay Area Grant, and State Transportation Improvement Program in our role as CMA. We will continue to provide technical, strategic, and advocacy support for a host of other fund programs, such as revenues distributed under Senate Bill 1 (see below), California's Cap-and-Trade and Active Transportation Programs, and federal competitive grant programs. Notable efforts for the first quarter of FY 2020/21 include Board adoption of the FY 2020/21 TFCA program of projects in July; conducting a Prop AA mid-cycle call for projects; and bringing the Traffic Congestion Mitigation Tax guidelines to the Board for information in July. We anticipate seeking approval of the Traffic Congestion Mitigation Tax guidelines in September, and programming and allocating funds shortly thereafter.

Senate Bill 1. We were pleased to see major Bay Area projects receive grant funds from the Transit and Intercity Rail Capital Program and State Highway Operations and Preservation Program, and continue to support the regional requests for Solutions for Congested Corridors funds (particularly BART Core Capacity), and our Board's approved San Francisco's project priorities for the Local Partnership Program (LPP) competitive funds (applications were due end of June). In the second quarter of FY 2020/21, we plan to identify and seek Board approval of project priorities for LPP formula funds that the agency prioritizes, as well as track pipeline projects for potential Caltrans Complete Streets funding opportunities. We will continue to engage our Board and regional MTC Commissioners, including seeking guidance on prioritizing funds.

Horizon and Plan Bay Area 2050. As CMA, we will continue to coordinate San Francisco's input to Plan Bay Area 2050 and related transit and housing policy efforts (Regional Housing Needs Allocation, Blue Ribbon Transit Recovery Task Force). These efforts involve close coordination with San Francisco agencies, the Mayor's office, the Association of Bay Area Governments and MTC Commissioners, and with Bay Area CMAs, regional transit agencies, and other community stakeholders.

New Revenue Options. As we have reported, some newly introduced revenue measures have changed and interested parties are no longer seeking to place the measures on the November ballot (a regional transportation measure (e.g., FASTER Bay Area) and a Bay Area housing bond). We continue to track Regional Measure 3 status (in litigation) and the Caltrain 1/8 cent sales tax measure headed for the November 2020 ballot, and are coordinating with SFMTA on needs and opportunities for a potential transportation measure in the next available election cycle, including Prop K reauthorization (see below).

Prop K Strategic Plan Update and Reauthorization. Just as we did with the first Prop B half-cent transportation sales tax measure, we are anticipating the need to update the Prop K Expenditure Plan categories to reflect new priorities that aren't eligible under the 2003 Expenditure Plan and to replenish funds for categories running out of funds by extending the end date of the Expenditure

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Plan, currently set for FY 2033/34. In the first quarter, we will focus on development of an overall scope of work and approach for the reauthorization effort, developing a bridge strategy to keep projects moving, and a project pipeline under development until new funds are available. We will also continue efforts to refine scenarios for short- and long-term sales tax revenue projections evaluating the impacts of different trajectories for recovery from the pandemic-induced recession. We will use these forecasts to work with project sponsors on a 2020 Prop K Strategic Plan update that reflects a lower revenue forecast and seeks to counter balance the decline as much as possible by updating project reimbursement schedules for existing allocations and programmed but unallocated funds. We anticipate completing the Strategic Plan update this fall.

Legislative Advocacy. We will continue to monitor and take positions on state legislation affecting San Francisco's transportation programs and develop strategies for advancing legislative initiatives beneficial to San Francisco's interests and concerns at the state and federal level. Our advocacy builds off of SFTP recommendations, the agency's adopted legislative program (e.g., includes Vision Zero, new revenue, and project delivery advocacy), and is done in coordination with the Mayor's Office, the Self-Help Counties Coalition, and other city and regional agencies.

Funding and Financing Strategy and Federal Advocacy/Stimulus readiness. We will continue to provide funding and financing strategy support for Prop K signature projects, many of which are also included in MTC's Regional Transit Expansion Agreement. Examples include: Caltrain Electrification, the Downtown Extension, Geary Corridor Bus Rapid Transit (BRT), and Better Market Street. We will help position San Francisco's projects and programs and coordinate advocacy efforts for potential stimulus funding opportunities, including potential further federal COVID relief funds. We will continue to serve as a funding resource for all San Francisco project sponsors, including brokering fund swaps, as needed.

Capital Financing Program Management. Led by the Finance and Administration Division in close collaboration with the Policy and Programming Division, and with the support of our financial advisors, we will continue to provide effective and efficient management of our debt program to enable accelerated delivery of sales-tax funded capital projects at the lowest possible cost to the public.

Prop K Customer Service and Efficiency Improvements. This ongoing multi-division initiative will continue to improve our processes to make them more user-friendly and efficient for both internal and external customers, while maintaining a high level of transparency and accountability appropriate for administration of voter-approved revenue measures. The initiative includes maintaining and enhancing mystreetsf.com, our interactive project map, and the Portal, our web-based grants management database used by our staff and project sponsors. A key focus will be making refinements to the on-line allocation request form to improve user-friendliness and legibility.

DELIVER

The timely and cost-effective delivery of Transportation Authority-funded transportation projects and programs requires a multi-divisional effort, led primarily by the Capital Projects Division with support from other divisions. As in past years, the agency focuses on providing engineering support and

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overseeing the delivery of the Prop K sales tax major capital projects, such as SFMTA's Central Subway, Van Ness Bus BRT, and facility upgrade projects; the Downtown Rail Extension; and Caltrain Modernization, including electrification. We also serve as lead agency for the delivery of certain projects, such as the I-80/Yerba Buena Island (YBI) Interchange Improvement Project, which typically are multi-jurisdictional in nature and often involve significant coordination with Caltrans. Key delivery activities for FY 2020/21 include the following:

Transportation Authority - Lead Construction:

- **I-80/YBI East Bound Off Ramp/Southgate Road Realignment Project.** We will continue working with Caltrans, BATA, Treasure Island Development Authority (TIDA), and the U.S. Coast Guard on final approvals and contracting documents. The project broke ground in June and has made good progress.
- **YBI West Side Bridges.** We will continue working on supplemental environmental review, final engineering and design of the West Side Bridges, and preparing for construction. We are also developing bicycle/pedestrian path plans for potential inclusion of this scope into the West Side bridges project. See YBI Bike/Ped Path below.

Transportation Authority - Lead Project Development:

- **I-280/Ocean Avenue South Bound Off-Ramp Realignment.** We will continue to advance I-280 Interchange modifications at Balboa Park; obtain approval of the combined Caltrans Project Study Report/Project Report and environmental document; prepare funding plan; and advance design efforts dependent on funding availability.
- **YBI Bike/Ped Path.** We will keep working with our partners, BATA, TIDA, SFMTA, and interested stakeholders (San Francisco and East Bay bicycle coalitions) to complete the YBI Bike/Ped Study with an emphasis on evaluating a bicycle/pedestrian connection on the western side of the island from the SFOBB East Span YBI viewing area down to the future Treasure Island Ferry Terminal and an ultimate connection point to the planned BATA-led SFOBB West Span Skyway Path.
- **Quint Street.** We will continue to work with San Francisco Department of Public Works and Office of Real Estate to acquire the right of way for the re-aligned Quint Street.

Transportation Authority - Project Delivery Support:

- **Caltrain Early Investment Program and California High-Speed Rail Program.** We coordinate with the California High-Speed Rail Authority and city agencies on high-speed rail issues affecting the City; and we work with Caltrain, MTC, the Mayor's Office, and Peninsula and regional stakeholders to monitor and support delivery of the Caltrain Early Investment Program, including the positive train control and electrification projects. This year we will continue to work closely with aforementioned stakeholders to support delivery of the blended Caltrain/High Speed Rail system to the Peninsula corridor that extends to the new Salesforce Transit Center, including leading critical Configuration Management Board efforts. We will also support policy discussions as requested for Caltrain funding and governance.

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- **Central Subway.** We will continue to provide project management oversight and scope/cost/schedule and funding assessment and strategy, including participation in critical Configuration Management Board efforts.
- **Transbay Salesforce Transit Center, Caltrain Downtown Rail Extension (DTX).** We continue to perform project management oversight on the transit center (Phase 1). We are also moving forward with DTX project development efforts together with the Executive Steering Committee, consistent with the executed Memorandum of Understanding (MOU) with regional partners for the SF-Peninsula rail program. We are working closely with our MOU partners to advance critical potential phasing opportunities analysis, long range rail network planning, and funding plan development, and coordinating our efforts with BART/Capitol Corridor as they lead Transbay rail planning efforts for a second crossing.
- **Caltrain Railyards, Pennsylvania Extension, and 22nd Street ADA and Station Location Studies.** We will continue to support coordination at the Caltrain northern terminus railyards at 4th/5th and King streets, as well as leading the scoping for the Pennsylvania Avenue Extension of the DTX project. We are also partnering with Caltrain and SF Planning on ADA and station location/improvement studies for the 22nd Street Station.
- **Geary and Van Ness Avenue BRTs.** We will continue to oversee SFMTA construction efforts including environmental compliance for Geary Phase I and Van Ness BRTs. We are also working closely with SFMTA to review costs, value engineering, and phasing as well as optimization of Geary BRT Phase II project plans.
- **Better Market Street.** We will continue to participate in interagency project team meetings, with a current focus on value engineering; scope modifications to minimize disruptions to businesses during construction (and reduce cost); and accommodate higher than anticipated bike volumes, phasing, and strengthening funding plans.

TRANSPARENCY AND ACCOUNTABILITY

This section of the work program highlights ongoing agency operational activities and administrative processes to ensure transparency and accountability in the use of taxpayer funds. This work includes ongoing efforts lead by the Finance and Administration Division (e.g., accounting, human resources, procurement support), by the Technology, Data and Analysis Division (e.g., Information Technology and systems integration support), and by the Executive Office (e.g., Board operations and support, budgeting, and communications) as listed below:

Board Operations and Support. Staff Board meetings including standing and ad hoc committees, such as the Vision Zero Committee meetings.

Communications and Community Relations. Execute the agency's communications strategy with the general public, the our Board, various interest groups, and other government agencies. This is accomplished through various means, including fostering media and community relations; developing strategic communications plans for projects and policy initiatives; disseminating agency news and updates through 'The Messenger' electronic newsletter; social media and other web-based communications; supporting public outreach; and helping coordinate events to promote the agency's

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work. Communications staff will continue participating in training to advance outreach skills. This year, we plan to continue to:

- Refine outreach and communications techniques to adapt to SIP restrictions, with a focus on racial equity and seeking to engage Communities of Concern.
- Develop a website highlighting the beneficial impact of the agency's 30-year-old half-cent sales tax program

Audits. Prepare, procure, and manage fiscal compliance and management audits.

Budget, Reports, and Financial Statements. Develop and administer Transportation Authority budget funds, including performance monitoring, internal program, and project tracking. Monitor internal controls and prepare reports and financial statements.

Accounting and Grants Management. Maintain payroll functions, general ledger, and accounting system, including paying, receiving, and recording functions. Manage grants and prepare invoices for reimbursement.

Debt Oversight and Compliance. Monitor financial and debt performance, prepare annual disclosures, and complete required compliance activities.

Systems Integration. Enhance and maintain the enterprise resource planning system (business management and accounting software), and other financial systems to improve accounting functions, automate processes, general ledger reconciliations, and financial reporting, as well as enabling improved data sharing with the Portal. This year, we will continue to implement the next phases of the automated accounts payable process and to improve efficiency and ongoing performance management.

Contract Support. Oversee the procurement process for professional consultant contracts, prepare contracts, and manage compliance for contracts and associated Memoranda of Agreements and Understandings.

Disadvantaged Business Enterprise (DBE) and Local Business Enterprise (LBE). Administer our own DBE and LBE program, review and update policy for any new state and federal requirements, conduct outreach and review applications, and award certifications to qualifying businesses. Continue to participate in the multi-agency consortium of Bay Area transportation agencies with a common goal to assist small, disadvantaged, and local firms doing business with Bay Area transit and transportation agencies.

Policies. Maintain and update Administrative Code, Rules of Order, fiscal, debt, procurement, investment, travel, and other policies.

Human Resources. Administer recruitment, personnel, and benefits management and office procedures. We conduct or provide training for staff. We advance agency workplace excellence initiatives through staff working groups, training, and other means. This year, we continue to focus on racial equity training and the development of an agency racial equity action plan.

Office Management and Administrative Support. Maintain facilities and provide procurement of goods and services and administration of services contracts. Staff front desk reception duties. Provide

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assistance to the Clerk of the Board as required with preparation of agenda packets and minutes, updates to our website, and clerking meetings.

Legal Issues. Manage routine legal issues, claims, and public records requests.

Information Technology. Provide internal development and support; maintain existing technology systems including phone and data networks; develop new collaboration tools to further enhance efficiency and technological capabilities; and expand contact management capabilities.



Proposed Budget by Fund

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	Proposed Budget Fiscal Year 2020/21
Revenues:							
Sales Tax Revenues	\$ 93,349,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,349,705
Vehicle Registration Fee	-	-	-	4,350,644	-	-	4,350,644
Traffic Congestion Mitigation Tax	-	-	-	-	-	7,383,949	7,383,949
Interest Income	681,431	-	2,737	1,700	-	89,184	775,052
Program Revenues	-	34,009,204	859,117	-	2,489,626	-	37,357,947
Other Revenues	45,299	-	-	-	-	-	45,299
Total Revenues	94,076,435	34,009,204	861,854	4,352,344	2,489,626	7,473,133	143,262,596
Expenditures							
Capital Project Costs	151,972,187	34,532,583	1,328,144	4,834,049	1,928,648	1,376,800	195,972,411
Administrative Operating Costs	6,443,614	4,310,580	47,155	217,533	568,413	95,813	11,683,108
Debt Service Costs	21,952,217	-	-	-	-	-	21,952,217
Total Expenditures	180,368,018	38,843,163	1,375,299	5,051,582	2,497,061	1,472,613	229,607,736
Other Financing Sources (Uses):	95,158,606	4,833,959	-	-	7,435	-	100,000,000
Net change in Fund Balance	\$ 8,867,023	\$ -	\$ (513,445)	\$ (699,238)	\$ -	\$ 6,000,520	\$ 13,654,860
Budgetary Fund Balance, as of July 1	\$ 14,315,218	\$ -	\$ 706,250	\$ 14,755,908	\$ -	\$ 3,196,273	\$ 32,973,649
Budgetary Fund Balance, as of June 30	<u>\$ 23,182,241</u>	<u>\$ -</u>	<u>\$ 192,805</u>	<u>\$ 14,056,670</u>	<u>\$ -</u>	<u>\$ 9,196,793</u>	<u>\$ 46,628,509</u>



Category	Fiscal Year 2018/19 Actual	Fiscal Year 2019/20 Approved Original Budget	Fiscal Year 2019/20 Approved Final Budget Amendment	Proposed Fiscal Year 2020/21 Budget	Variance from Fiscal Year 2019/20 Final Budget Amendment	% Variance
Sales Tax Revenues	\$ 115,670,918	\$ 110,861,695	\$ 86,554,444	\$ 93,349,705	\$ 6,795,261	7.9%
Vehicle Registration Fee	4,945,470	4,930,000	4,930,000	4,350,644	(579,356)	-11.8%
Traffic Congestion Mitigation Tax	-	-	3,249,395	* 7,383,949	4,134,554	127.2%
Interest Income	2,844,187	1,622,000	2,538,471	775,052	(1,763,419)	-69.5%
Program Revenues						
Federal	5,076,521	23,180,409	12,841,427	27,930,948	15,089,521	117.5%
State	754,186	2,148,445	610,187	2,510,046	1,899,859	311.4%
Regional and other	3,216,636	5,693,723	6,411,625	6,916,953	505,328	7.9%
Other Revenues	53,328	45,980	45,980	45,299	(681)	-1.5%
Total Revenues	132,561,246	148,482,252	117,181,529	143,262,596	26,081,067	22.3%
Capital Project Costs	127,884,701	242,496,571	166,114,894	195,972,411	29,857,517	18.0%
Administrative Operating Costs						
Personnel expenditures	6,247,903	8,117,924	7,935,048	8,734,417	799,369	10.1%
Non-Personnel expenditures	2,603,262	2,829,175	2,993,718	2,948,691	(45,027)	-1.5%
Debt Service Costs	33,566,262	22,314,250	21,794,250	21,952,217	157,967	0.7%
Total Expenditures	170,302,128	275,757,920	198,837,910	229,607,736	30,769,826	15.5%
Other Financing Sources (Uses)	-	67,000,000	-	100,000,000	100,000,000	N/A
Net change in Fund Balance	\$ (37,740,882)	\$ (60,275,668)	\$ (81,656,381)	\$ 13,654,860	\$ 95,311,241	-116.7%
Budgetary Fund Balance, as of July 1	\$ 152,370,912	\$ 68,455,233	\$ 114,630,030	\$ 32,973,649		
Budgetary Fund Balance, as of June 30	\$ 114,630,030	\$ 8,179,565	\$ 32,973,649	\$ 46,628,509		

*Six months of revenue since the collection began on January 1, 2020



	Proposed Budget by Fund						Proposed Fiscal Year 2020/21 Budget
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
Revenues:							
Sales Tax Revenues	\$ 93,349,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,349,705
Vehicle Registration Fee	-	-	-	4,350,644	-	-	4,350,644
Traffic Congestion Mitigation Tax	-	-	-	-	-	7,383,949	7,383,949
Interest Income	681,431	-	2,737	1,700	-	89,184	775,052
Program Revenues							
Federal							
Advanced Transportation and Congestion Management Technologies Deployment	-	-	-	-	989,626	-	989,626
Highway Bridge Program - I-80/Yerba Buena Island Interchange Improvement	-	24,807,479	-	-	-	-	24,807,479
Highway Bridge Program - Yerba Buena Island Bridge Structures	-	1,281,343	-	-	-	-	1,281,343
Surface Transportation Program 3% Revenue and Augmentation	-	852,500	-	-	-	-	852,500
State							
Planning, Programming & Monitoring SB45 Funds	-	260,000	-	-	-	-	260,000
Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	-	2,159,915	-	-	-	-	2,159,915
Sustainable Communities - School Access Plan	-	90,131	-	-	-	-	90,131
Regional and other							
BATA - I-80/Yerba Buena Island Interchange Improvement	-	3,261,450	-	-	-	-	3,261,450
SF Office of Public Finance - Downtown Congestion Pricing Study	-	824,975	-	-	-	-	824,975
SFPW - Octavia Improvements Study	-	142,518	-	-	-	-	142,518
SFMTA - Lake Merced Pedestrian Safety	-	4,859	-	-	-	-	4,859
SFMTA - School Access Plan	-	14,672	-	-	-	-	14,672
SF Planning - Alemany Interchange Improvement Study	-	2,204	-	-	-	-	2,204
SF Planning - Housing Element	-	41,146	-	-	-	-	41,146
SFMTA - Travel Demand Modeling Assistance	-	100,000	-	-	-	-	100,000
TIDA - Treasure Island Mobility Management Agency	-	-	-	-	1,500,000	-	1,500,000
TIDA - Yerba Buena Island Interchange Improvement & Bridge Structures	-	166,012	-	-	-	-	166,012
Vehicle Registration Fee Revenues (TFCA)	-	-	859,117	-	-	-	859,117
Other Revenues							
Sublease of Office Space	45,299	-	-	-	-	-	45,299
Total Revenues	\$ 94,076,435	\$ 34,009,204	\$ 861,854	\$ 4,352,344	\$ 2,489,626	\$ 7,473,133	\$ 143,262,596

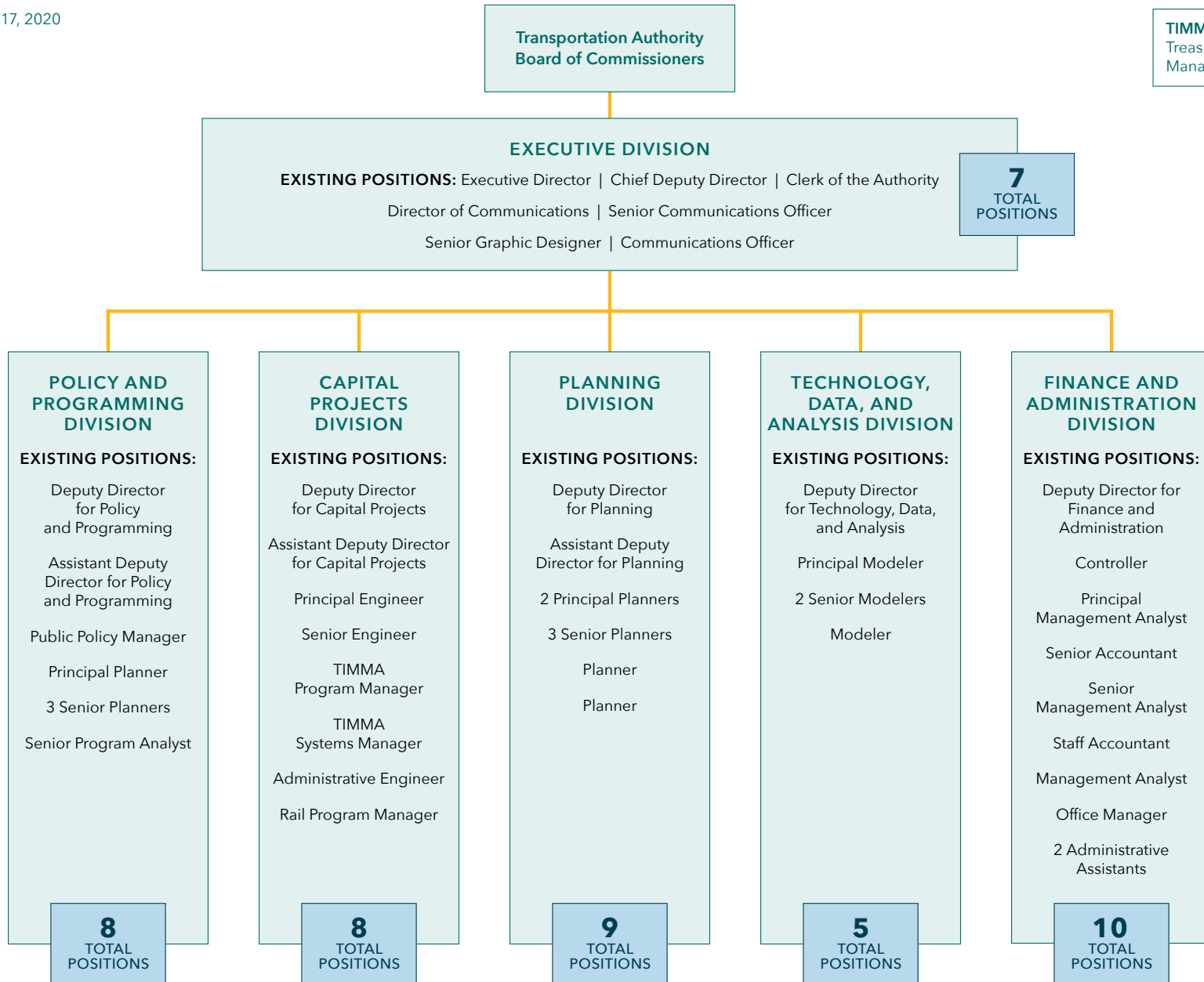


	Proposed Budget by Fund						Proposed Fiscal Year 2020/21 Budget
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
Expenditures:							
Capital Project Costs							
Individual Project Grants, Programs & Initiatives	\$ 150,000,000	\$ -	\$ 1,328,144	\$ 4,834,049	\$ -	\$ 1,376,800	\$ 157,538,993
Technical Professional Services	1,972,187	34,532,583	-	-	1,928,648	-	38,433,418
Administrative Operating Costs							
Personnel Expenditures							
Salaries	2,305,340	2,908,085	32,148	148,304	349,204	58,503	5,801,584
Fringe Benefits	1,076,133	1,357,495	15,007	69,229	163,009	27,310	2,708,183
Pay for Performance	224,650	-	-	-	-	-	224,650
Non-personnel Expenditures							
Administrative Operations	2,717,991	45,000	-	-	50,000	10,000	2,822,991
Equipment, Furniture & Fixtures	52,500	-	-	-	-	-	52,500
Commissioner-Related Expenses	67,000	-	-	-	6,200	-	73,200
Debt Service Costs							
Fiscal Charges	67,000	-	-	-	-	-	67,000
Interest Expenses	8,575,217	-	-	-	-	-	8,575,217
Bond Principal Payment	13,310,000	-	-	-	-	-	13,310,000
Total Expenditures	\$ 180,368,018	\$ 38,843,163	\$ 1,375,299	\$ 5,051,582	\$ 2,497,061	\$ 1,472,613	\$ 229,607,736
Other Financing Sources (Uses):							
Transfers in - Prop K Match to Grant Funding	-	4,833,959	-	-	7,435	-	4,841,394
Transfers out - Prop K Match to Grant Funding	(4,841,394)	-	-	-	-	-	(4,841,394)
Draw on Revolving Credit Agreement	100,000,000	-	-	-	-	-	100,000,000
Total Other Financing Sources (Uses)	95,158,606	4,833,959	-	-	7,435	-	100,000,000
Net change in Fund Balance	\$ 8,867,023	\$ -	\$ (513,445)	\$ (699,238)	\$ -	\$ 6,000,520	\$ 13,654,860
Budgetary Fund Balance, as of July 1	\$ 14,315,218	\$ -	\$ 706,250	\$ 14,755,908	\$ -	\$ 3,196,273	\$ 32,973,649
Budgetary Fund Balance, as of June 30	\$ 23,182,241	\$ -	\$ 192,805	\$ 14,056,670	\$ -	\$ 9,196,793	\$ 46,628,509
Fund Reserved for Program and Operating Contingency	\$ 9,334,971	\$ -	\$ 85,912	\$ 435,064	\$ -	\$ 738,395	\$ 10,594,342



Revised August 17, 2020

TIMMA:
Treasure Island Mobility
Management Agency

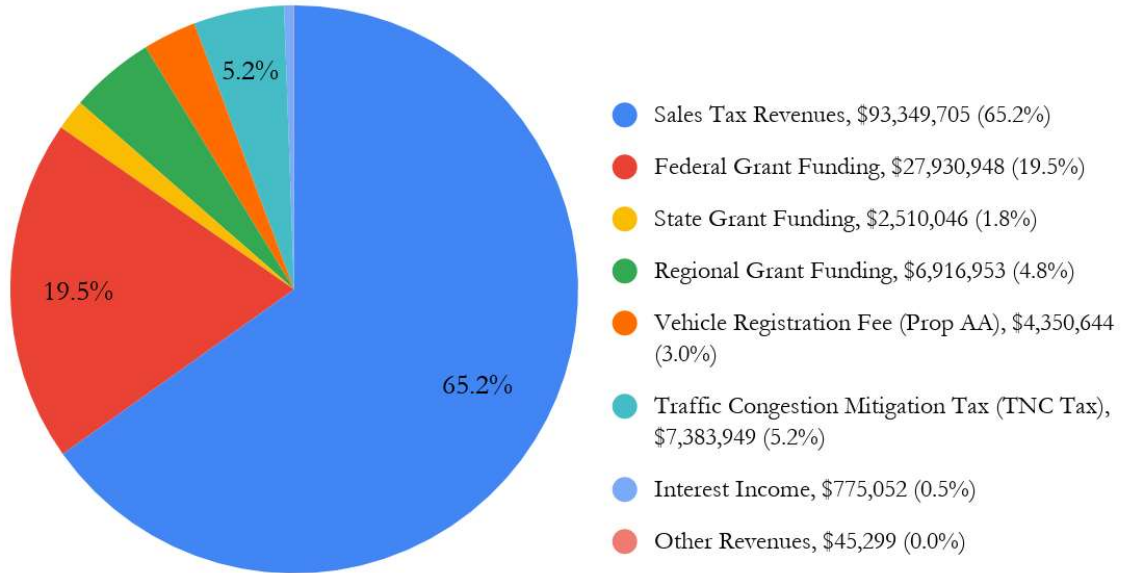


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TOTAL PROJECTED REVENUES..... \$143,262,596

The following chart shows the composition of revenues for the proposed FY 2020/21 budget.

Proposed FY 2020/21 Budget
Total Revenues \$143,262,596



Prop K Sales Tax Revenues:\$93,349,705

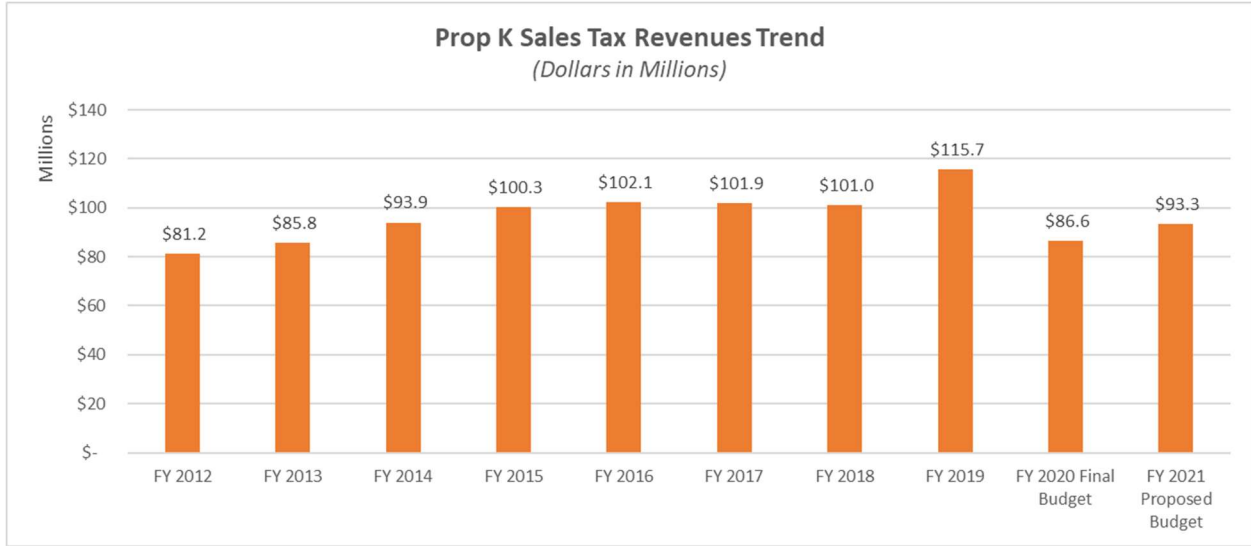
On November 4, 2003, San Francisco voters approved Proposition K (Prop K), the imposition of retail transactions and use tax of one-half of 1% in the City and County of San Francisco and the funding of the Prop K Expenditure Plan. The 30-year expenditure plan extends through March 31, 2034 and prioritizes \$2.35 billion (in 2003 dollars) and leverages another \$9 billion in federal, state, and local funds for transportation improvements. The expenditure plan restricts expenditures to four major categories: 1) Transit; 2) Streets and Traffic Safety; 3) Paratransit services for seniors and disabled people; and 4) Transportation System Management/Strategic Initiatives, and also accounts for the general administration of the Transportation Authority functions in support of the expenditure plan.

Based on Fiscal Year (FY) 2020/21 revenues to date, we project FY 2020/21 sales tax revenues to increase compared to the budgeted revenues for FY 2019/20 by 7.9% or \$6.8 million as we anticipate gradual recovery from the impact of COVID-19. The California Department of Tax and Fee Administration (CDFTA) provided relief to small businesses (those filing returns of less than \$1 million) by extending the first quarter return and payment date of July 31. Also, non-store and internet retail with the rapid ascendancy of e-commerce amid the global pandemic, hit a milestone in accounting for nearly 12% of total retail sales for the first quarter of calendar year 2020. The increase in non-store and internet retail and the unemployment insurance and pandemic assistance will likely help backfill spending categories that are constrained by business closures and stay-at-home orders. Through May 2020, we have collected \$96.4 million, which has already exceeded the FY 2019/20 final budgeted

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sales tax revenue of \$86.6 million. The sales tax revenue projection is net of the CDFTA's charges for the collection of the tax and excludes interest earnings budgeted in Interest Income.

The chart below reflects the eight-year historical and two-year budgeted receipts for Prop K sales tax revenues.



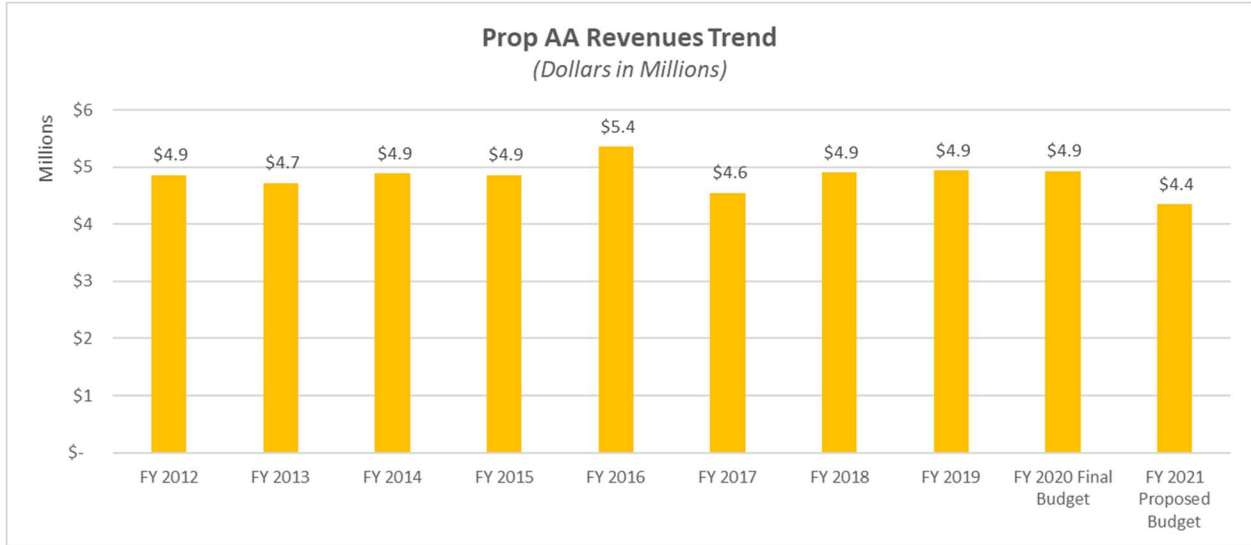
Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Revenues...\$4,350,644

The Transportation Authority serves as the administrator of Proposition AA or Prop AA, a \$10 annual vehicle registration fee on motor vehicles registered in the City and County of San Francisco, which was passed by San Francisco voters on November 2, 2010. The 30-year expenditure plan continues until May 1, 2041 and prioritizes funds that are restricted to three major categories: 1) Street Repair and Construction, 2) Pedestrian Safety, and 3) Transit Reliability and Mobility Improvements.

Based on FY 2020/21 revenues to date, we project FY 2020/21 Prop AA revenues to decrease compared to the budgeted revenues for FY 2019/20 by 11.8% or \$579,356 due to the impact of COVID-19. This amount is net of the Department of Motor Vehicles' charges for the collection of these fees.

The chart below reflects the eight-year historical and two-year budgeted receipts for Prop AA revenues.

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Traffic Congestion Mitigation Tax (TNC Tax) Revenues:..... \$7,383,949

In November 2019, San Francisco voters approved measure Proposition D, also known as the TNC Tax enabling the City to impose a 1.5% business tax on shared rides and 3.25% business tax on private rides for fares originating in San Francisco and charged by commercial ride-share and driverless-vehicle companies until November 5, 2045. The Transportation Authority receives 50% of the revenues for capital projects that promote users’ safety in the public right-of-way in support of the City’s Vision Zero policy. The San Francisco Municipal Transportation Agency (SFMTA) receives the other 50% of revenues. The City began collecting TNC Tax revenues on January 1, 2020.

Based on continuous discussions and coordination with the City’s Controller’s Office and the SFMTA, we anticipate TNC Tax revenues will increase by 127.2% or \$4.1 million. This is primarily due to the collection of a full 12 months of revenue this year as compared to the previous year in which we had only collected six months of revenue since the collection commenced on January 1, 2020. We also anticipate a gradual recovery from the impact of COVID-19. We are expecting the first quarter of the fiscal year to be in line with what we experienced in the early days of the stay-at-home order.

Interest Income:..... \$775,052

Most of our investable assets are deposited in the City’s Treasury Pool. Due to the impact of the COVID-19 pandemic, the deposits in the Pooled Investment Fund for FY 2020/21 are assumed to earn approximately 1.3%, which is similar to the last quarter of FY 2019/20. The level of our deposits held in the pool during the year depends on the Prop K capital project reimbursement requests. Our cash balance consists largely of allocated Prop K funds, which are invested until invoices are received and sponsors are reimbursed. The FY 2019/20 budget for interest income shows a \$1.8 million or 69.5%, decrease as compared to FY 2019/20 which is partially due to the decline in interest rates resulting from the impact of COVID-19. The decrease in interest income is also due to the decrease in the bank balance, resulting in less interest earned on the deposits with the anticipated capital expenditures for project sponsors’ projects and programs in FY 2019/20.

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Congestion Management Agency (CMA) Programs Federal, State and Regional Grant
Revenues:.....\$34,009,204

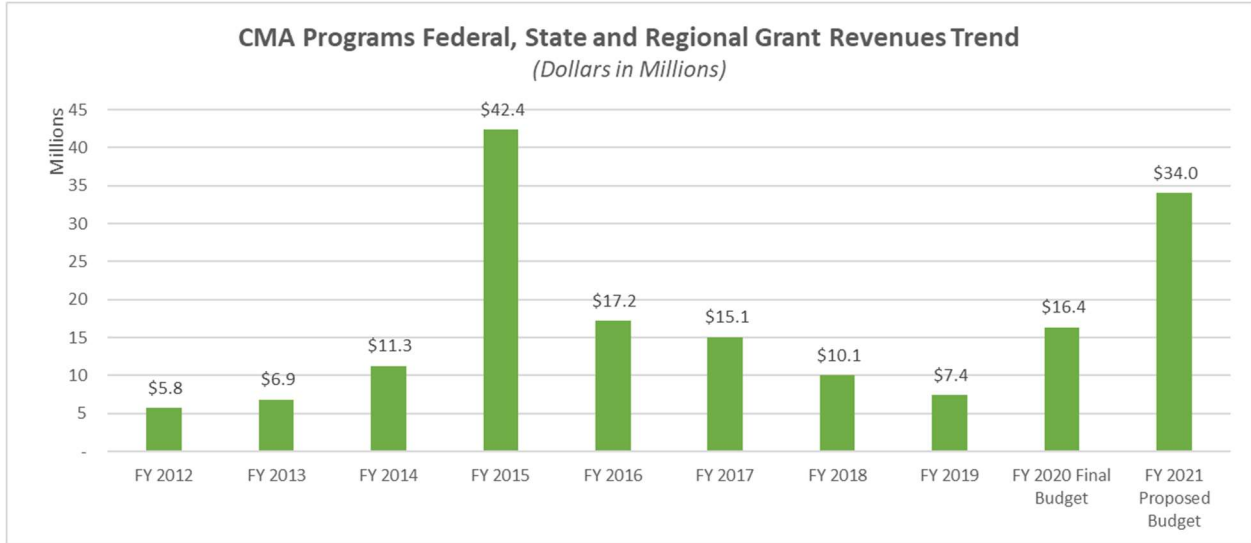
The Transportation Authority is designated under state law as the CMA for the City. Responsibilities resulting from this designation include developing a Congestion Management Program, which provides evidence of the integration of land use, transportation programming, and air quality goals; preparing a long-range countywide transportation plan to guide the City's future transportation investment decisions; monitoring and measuring traffic congestion levels in the City; measuring the performance of all modes of transportation; and developing a computerized travel demand forecasting model and supporting databases. As the CMA, the Transportation Authority is responsible for establishing the City's priorities for state and federal transportation funds and works with the Metropolitan Transportation Commission (MTC) to program those funds to San Francisco projects.

The CMA program revenues for FY 2020/21 will be used to cover ongoing staffing and professional/technical service contracts required to implement the CMA programs and projects, as well as for large projects undertaken in our role as CMA. CMA revenues are comprised of federal, state, and regional funds received from the agencies such as the MTC and the California Department of Transportation (Caltrans). Some of these grants are project-specific, such as those for the I-80/Yerba Buena Island (YBI) East Bound Off Ramp/Southgate Road Realignment and YBI West Side Bridges (collectively known as YBI Project) and the Downtown Congestion Pricing Study. Other funding sources, such as federal Surface Transportation Program fund, can be used to fund a number of eligible planning, programming, model development, and project delivery support activities, including the San Francisco Transportation Plan (SFTP) update and the Congestion Management Program. Regional CMA program revenues include City agency contributions for projects such as SFTP, Downtown Congestion Pricing Study, and technical and travel demand model services provided to City agencies in support of various projects.

The FY 2020/21 budget includes \$29,451,368 from federal and state funding, a \$16,519,319 increase as compared to FY 2019/20, largely due to expected increase in activities for the YBI Project (construction phase activities for the I-80/YBI East Bound Off Ramp/Southgate Road Realignment project and design phase activities for the YBI West Side Bridges project). The budget also includes \$4,557,836 from regional funding, a \$1,110,653 increase as compared to FY 2019/20 largely due to increased activities related to Downtown Congestion Pricing Study and the YBI West Side Bridges project.

The chart below reflects the eight-year historical and two-year budgeted receipts for CMA program revenues.

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Transportation Fund for Clean Air (TFCA) Program Regional Revenues:..... \$859,117

On June 15, 2002, the Transportation Authority was designated to act as the overall program manager for the local guarantee (40%) share of transportation funds available through the TFCA program. The TFCA Vehicle Registration Fee revenues (excluding interest earnings in the Interest Income section above) are derived from a \$4 surcharge on vehicles registered in the nine Bay Area counties and must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. FY 2020/21 TFCA revenues are expected to increase compared to the budgeted revenues for FY 2019/20 by 11.3% or \$87,364. Budgeted revenues are based on a funding estimate provided by the Bay Area Air Quality Management District, which administers these revenues.

Treasure Island Mobility Management Agency (TIMMA) Program Revenues:..... \$2,489,626

We are working jointly with the Treasure Island Development Authority (TIDA) on the development of the YBI Project. TIDA requested that we, in our capacity as CMA, lead the effort to prepare and obtain approval for all required technical documentation for the project because of our expertise in funding and interacting with Caltrans on design aspects of the project.

The Treasure Island Transportation Management Act of 2008 (Assembly Bill 981) authorizes the creation or designation of a Treasure Island-specific transportation management agency. On April 1, 2014, the City's Board of Supervisors approved a resolution designating the Transportation Authority as the TIMMA to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/YBI Development Project. In September 2014, Governor Brown signed Assembly Bill 141, establishing TIMMA as a legal entity distinct from the Transportation Authority to separate TIMMA's functions from the Transportation Authority's other functions. The eleven members of the Transportation Authority Board act as the Board of Commissioners for TIMMA. TIMMA is also a blended special revenue fund component unit under the Transportation Authority. Any costs not reimbursed by federal, state or regional funds will be reimbursed by TIDA.

The TIMMA FY 2020/21 revenues will be presented as a separate item to the TIMMA Committee at its September 15 meeting and to the TIMMA Board at its September 22 meeting.

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Other Revenues: \$45,299

Other revenues budgeted in FY 2020/21 include revenues from the sublease of our office space.

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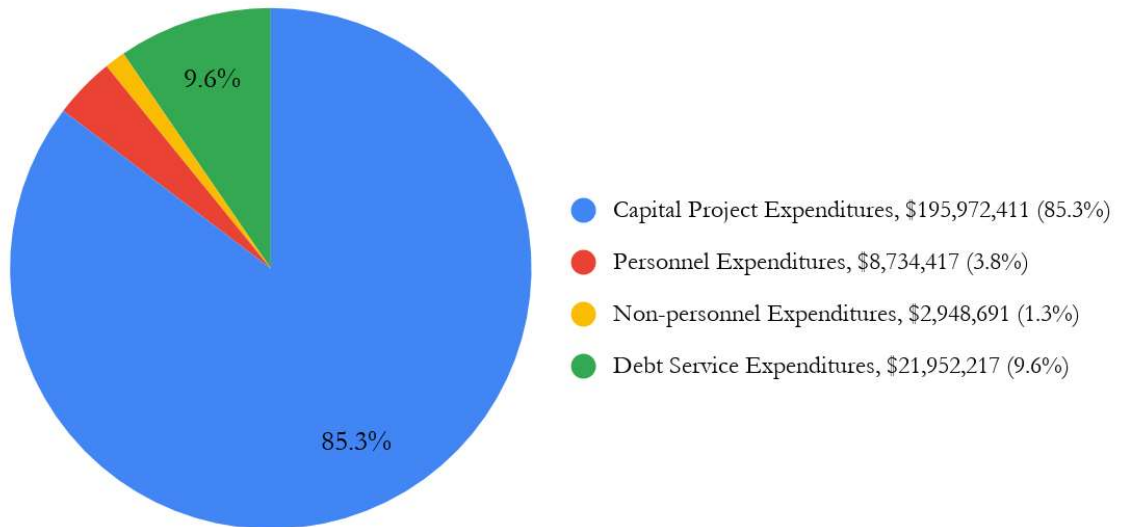
TOTAL PROJECTED EXPENDITURES..... \$229,607,736

Total Expenditures projected for the budget year are comprised of Capital Expenditures of \$196.0 million, Administrative Operating Expenditures of \$11.7 million, and Debt Service Expenditures of \$21.9 million.

The following chart shows the composition of expenditures for the proposed FY 2020/21 budget.

Proposed FY 2020/21 Budget

Total Expenditures \$229,607,736



CAPITAL EXPENDITURES..... \$195,972,411

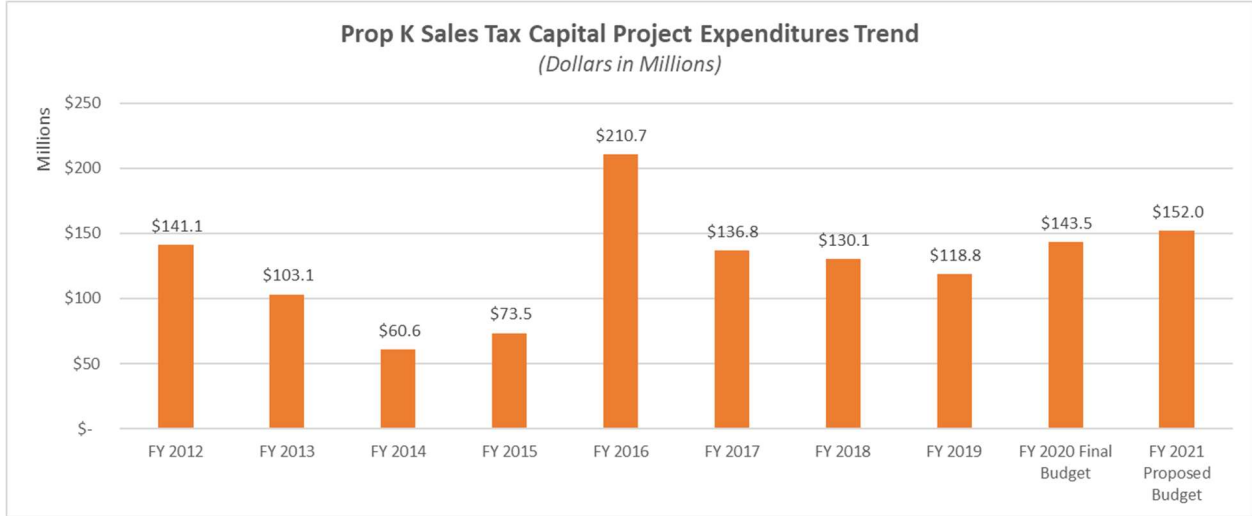
Capital expenditures in FY 2020/21 are budgeted to increase from the FY 2019/20 final budget by an estimated 33.2%, which is primarily due to anticipated higher capital expenditures for the Prop K program overall, most of which are awarded as grants to agencies like the SFMTA. Expenditures by Program Fund are detailed below.

Sales Tax Program Expenditures:..... \$151,972,187

The estimate of sales tax capital expenditures reflects the recent coordination with project sponsors for the 2020 Prop K Strategic Plan Update which involves updating project reimbursement schedules for the existing allocations with large remaining balances as well as programmed, but unallocated funds. Some of the main drivers of Prop K capital expenditures for FY 2020/21 are the Siemens Light Rail Vehicle Procurement project (\$45 million), Van Ness Bus Rapid Transit (\$11.1 million), paratransit (\$10.6 million), new and upgraded traffic signals, upgrades to SFMTA vehicle maintenance facilities projects, and traffic calming projects. Approximately \$42 million of the capital expenditures were carried forward from the FY 2019/20 final budget due to slower than anticipated sponsor reimbursement requests.

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The chart below reflects the eight-year historical and two-year budgeted Prop K sales tax program capital expenditures.

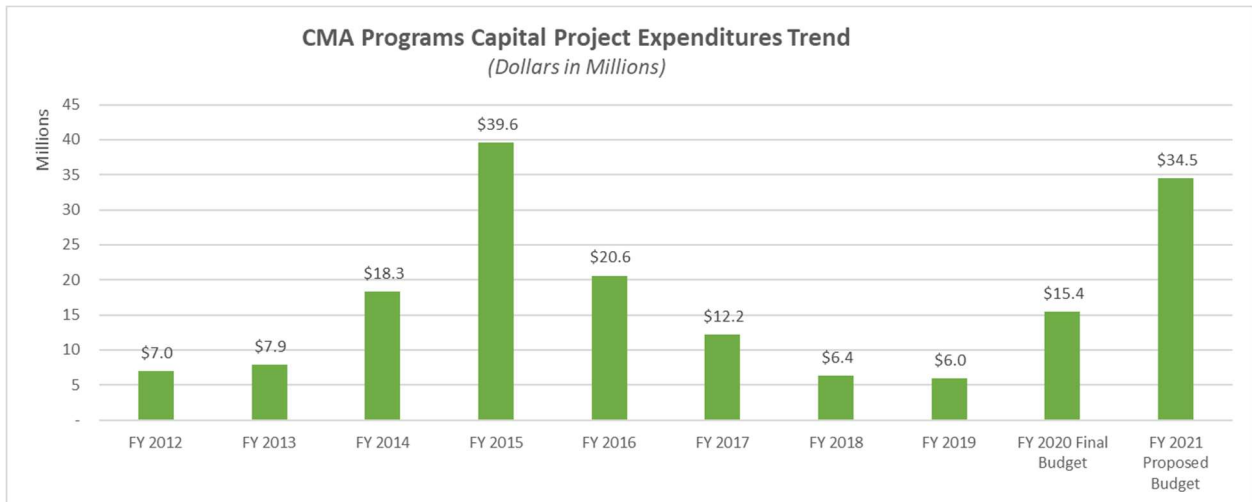


CMA Programs Expenditures:..... \$34,532,583

This line item includes technical consulting services such as planning, programming, engineering, design, environmental, or programming services, which are needed in order to fulfill our CMA responsibilities under state law. Included are various planning efforts and projects such as Downtown Congestion Pricing Study and the SFTP. Also included is the YBI Project, which is supported by federal, state, and regional funding.

Expenditures in FY 2020/21 are budgeted to increase by \$19.1 million as compared to FY 2019/20. This increase is primarily due to increased activities for the YBI projects in which there is an increase of \$20.1 million in capital expenditures.

The chart below reflects the eight-year historical and two-year budgeted CMA programs capital project expenditures.



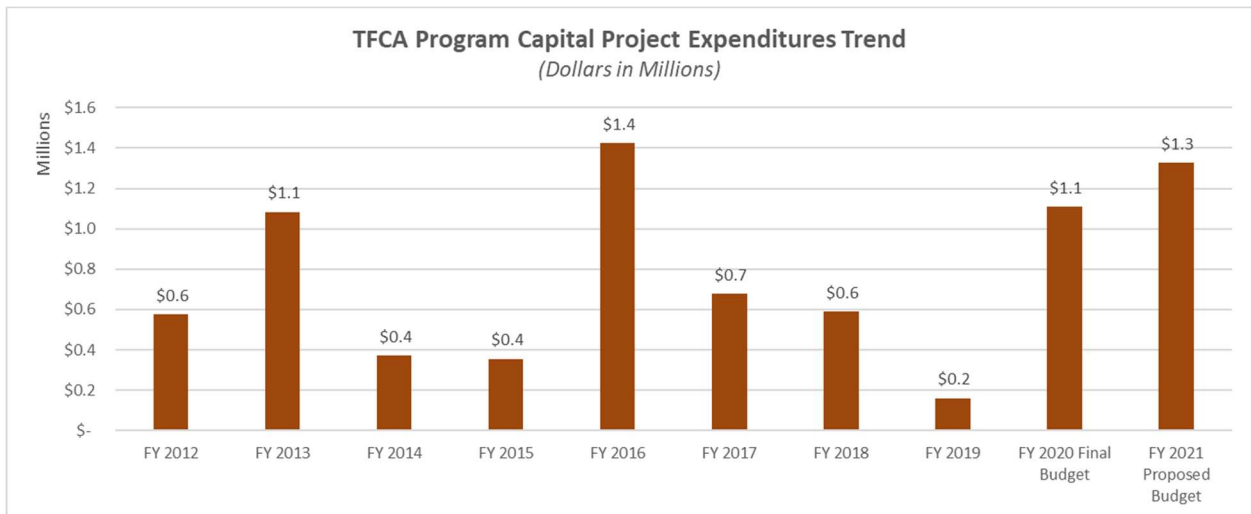
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TFCA Program Expenditures:..... \$1,328,144

This line item covers projects to be delivered with TFCA funds, a regional program administered by the Bay Area Air Quality Management District, with the Transportation Authority serving as the County Program Manager for San Francisco. These monies must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. The TFCA capital expenditures program includes new FY 2020/21 projects approved by the Board in July 2020, carryover prior year projects with multi-year schedules and other projects that were not completed as anticipated in FY 2019/20.

This year’s budget is higher than the FY 2019/20 budget of \$1,110,104 due to slower than anticipated expenditures for three electric vehicle charger projects that are expected to seek full grant reimbursements early in FY 2020/21 after the chargers are installed, one SFMTA vehicle project, and SFMTA’s FY 2020/21 Short Term Bike Parking project, which is expected to expend funds faster than typical TFCA projects.

The chart below reflects the eight-year historical and two-year budgeted TFCA capital project expenditures.



Vehicle Registration Fee for Transportation Improvements Program (Prop AA)

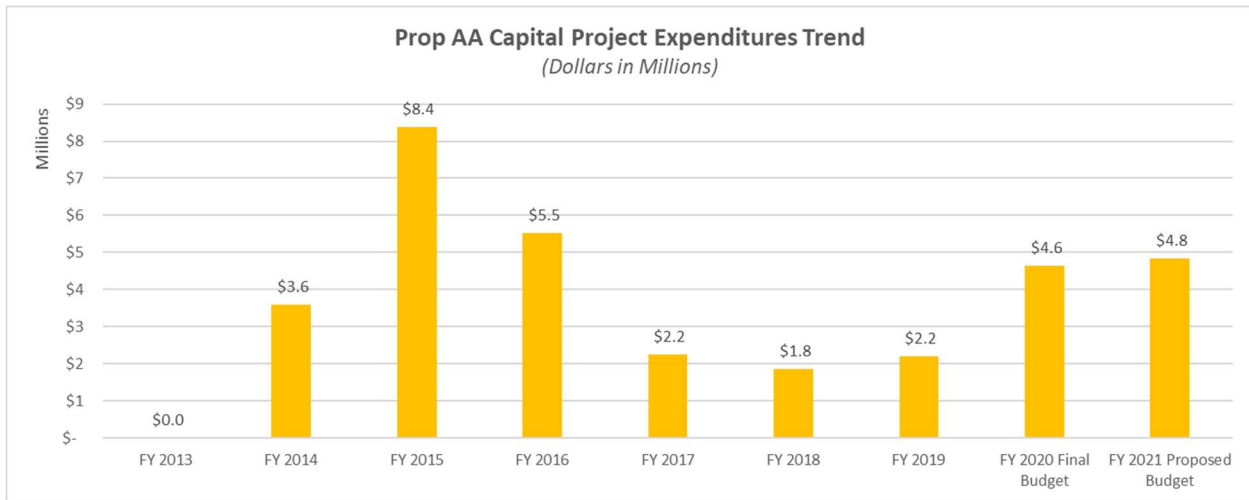
Expenditures:\$4,834,049

This line item includes projects that will be delivered under the voter-approved Prop AA Expenditure Plan. Consistent with the Prop AA Expenditure Plan, the revenues will be used for design and construction of local road repairs, pedestrian safety improvements, transit reliability improvements, and travel demand management projects. The Prop AA capital expenditures include FY 2020/21 projects programmed in the Prop AA Strategic Plan as amended in June 2020, carryover prior-year projects with multi-year schedules, and projects that were not completed as anticipated by the end of FY 2019/20. The largest capital project expenditures include San Francisco Public Works Geary Boulevard Pavement Renovation project; Haight Street Resurfacing and Pedestrian Lighting project; and 23rd Street, Dolores Street, York Street, and Hampshire Street Pavement Renovation project, which together account for approximately 50% of the FY 2020/21 budget amount. We will amend the budget if necessary, to reflect expected FY 2020/21 expenditures for projects determined through the open call for projects, to be approved by the Board in September 2020.

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For FY 2020/21, we expect expenditures to increase compared to the FY 2019/20 final budget of \$4,631,435. This increase is primarily due to capital projects that are behind schedule but expected to make significant progress in the coming year, especially the Haight Street Resurfacing and Pedestrian Lighting project and several additional projects that are expected to begin construction in FY 2020/21.

The chart below reflects the seven-year historical and two-year budgeted Prop AA capital project expenditures.



Traffic Congestion Mitigation Tax Program (TNC Tax) Expenditures:.....\$1,376,800

The Proposition D or TNC Tax passed by San Francisco voters in November 2019, imposes a per-ride fee on Transportation Network Companies (TNC) (e.g., Uber and Lyft) trips originating in San Francisco. Revenues are split evenly between the SFMTA and Transportation Authority, with our 50% share designated for pedestrian and bicycle safety improvements. The Board is anticipated to adopt the TNC Tax Program Guidelines this fall, followed by the inaugural programming and allocation of funds. The capital expenditures amount for FY 2020/21 is a placeholder, which can be revisited mid-year following Board approval of the inaugural programming and allocation. We expect expenditures to be \$1,376,800.

TIMMA Program Expenditures:.....\$1,928,648

The TIMMA FY 2020/21 expenditures will be presented as a separate item to the TIMMA Committee at its September 15 meeting and to the TIMMA Board at its September 22 meeting.

ADMINISTRATIVE OPERATING EXPENDITURES..... \$11,683,108

Operating expenditures include personnel, administrative, Commissioner-related, and equipment, furniture and fixtures expenditures.

Personnel:..... \$8,734,417

Personnel costs are budgeted at a higher level by 10.1% as compared to the FY 2019/20 final budget, reflecting a budget of 42 full-time equivalents. The increase in personnel costs is primarily due to vacant positions previously removed in FY 2019/20 final budget as part of response to COVID-19 and proposed reinstatement into the FY 2020/21 budget. The increase in fringe cost reflects the

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Line Item Descriptions

corresponding increase in personnel costs. Capacity for merit increases is also included in the pay-for-performance and salary categories; however, there is no assurance of any annual pay increase. Employees are not entitled to cost of living increases. All salary adjustments are determined by the Executive Director based on merit only.

Non-Personnel:..... \$2,948,691

This line item includes typical operating expenditures for office rent, telecommunications, postage, materials and office supplies, printing and reproduction equipment and services, and other administrative support requirements for all of our activities, along with all administrative support contracts, whether for City-supplied services, such as the City Attorney legal services and the Department of Technology cablecast services, or for competitively procured services (such as auditing, legislative advocacy, outside computer system support, etc.). Also included are funds for ongoing maintenance and operation of office equipment, computer hardware, licensing requirements for computer software, an allowance for replacement furniture and fixtures, Commissioner meeting fees, and compensation for Commissioners' direct furniture, equipment and materials expenditures related to Transportation Authority activity.

Non-personnel expenditures in FY 2020/21 are budgeted to decrease from the FY 2019/20 final budget by an estimated 1.5%, which is primarily due to an anticipated decrease in travel, training, and equipment, furniture and fixture costs.

DEBT SERVICE COSTS..... \$21,952,217

We have a \$140 million Revolving Credit Loan Agreement with State Street and U.S. Bank National Association and the full balance is currently available to draw upon for Prop K capital project costs and 2017 Sales Tax Revenue Bonds. This line item assumes fees and interests related to the expected drawdown from the Revolving Credit Loan Agreement noted in the Other Financing Sources/Uses section, anticipated bond principal and interest payments, and other costs associated with our debt program. Debt service expenditures in FY 2020/21 are comparable to the prior year.

OTHER FINANCING SOURCES/USES.....\$100,000,000

The Other Financing Sources/Uses section of the Line Item Detail for the FY 2020/21 budget includes anticipated drawdowns from the Revolving Credit Loan Agreement. The estimated level of sales tax capital expenditures for FY 2020/21 may trigger the need to drawdown up to \$100 million from the Revolving Credit Loan Agreement as we anticipate paying out all of the remaining 2017 Sales Tax Revenue Bond proceeds and the interest earned on proceeds in the first half of the fiscal year. We will continue to monitor capital spending closely during the upcoming year through a combination of cash flow needs for allocation reimbursements, progress reports and conversations with project sponsors, particularly our largest grant recipient, the SFMTA.

This line item also includes inter-fund transfers of \$4.8 million among the sales tax, CMA, and TIMMA funds. These transfers represent the required local match to federal grants such as the Surface Transportation Program and Advanced Transportation and Congestion Management Technologies Deployment. Also represented are appropriations of Prop K to projects such as the Downtown Congestion Pricing Study and the Octavia Boulevard Circulation Study.

BUDGETARY FUND BALANCE FOR CONTINGENCIES..... \$10,594,342

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Line Item Descriptions

Our Fiscal Policy directs that we shall allocate not less than 5% and up to 15% of estimated annual sales tax revenues as a hedge against an emergency occurring during the budgeted fiscal year. In the current economic climate, a budgeted fund balance of \$9.3 million, or 10% of annual projected sales tax revenues, is set aside as a program and operating contingency reserve. We have also set aside \$85,912 or about 10% as a program and operating contingency reserve respectively for the TFCA Program; \$435,064 or about 10% as a program and operating contingency reserve respectively for the Prop AA Program; and \$738,395 or about 10% as a program and operating contingency reserve respectively for the TNC Tax Program.