



AGENDA

Citizens Advisory Committee Meeting Notice

Date: Wednesday, May 26, 2021; 6:00 p.m.

Location: Watch <https://bit.ly/3xdu3ci>

PUBLIC COMMENT CALL-IN: 1 (415) 655-0001; Access Code: 187 607 9794 # #

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Members: John Larson (Chair), David Klein (Vice Chair), Rosa Chen, Robert Gower, Jerry Levine, Stephanie Liu, Kevin Ortiz, Peter Tannen, Danielle Thoe, and Sophia Tupuola

Remote Access to Information and Participation:

In accordance with Governor Gavin Newsom's statewide order for all residents to "Stay at Home" - and the numerous local and state proclamations, orders and supplemental directions - aggressive directives have been issued to slow down and reduce the spread of the COVID-19 disease. Pursuant to the lifted restrictions on video conferencing and teleconferencing, the Citizens Advisory Committee meetings will be convened remotely and allow for remote public comment. Members of the public are encouraged to stream the live meeting using the link above or listen via the public comment call-in line. Written public comment may be submitted prior to the meeting by emailing the Clerk of the Transportation Authority at clerk@sfcta.org or sending written comments to Clerk of the Transportation Authority, 1455 Market Street, 22nd Floor, San Francisco, CA 94103. Written comments received by 8 a.m. on the day of the meeting will be distributed to Committee members before the meeting begins.

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1. Call to Order
2. Chair's Report - **INFORMATION**

Consent Agenda

3. Approve the Minutes of the April 28, 2021 Meeting - **ACTION***

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| 4. | State and Federal Legislation Update - INFORMATION* | 15 |
| | Support: Senate Bill 339 (Wiener); Oppose Unless Amended: Assembly Bill 859 (Irwin) | |
| 5. | Adopt a Motion of Support to Authorize the Executive Director to Execute Master Agreement, Program Supplements and Fund Transfer Agreements-Thereto with the California Department of Transportation for State-Funded Transit Projects - ACTION* | 21 |
| 6. | Adopt a Motion of Support to Recommend Approval of the Revised Administrative Code, Debt, Fiscal, and Investment Policies - ACTION* | 23 |

End of Consent Agenda

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| 7. | Allocate \$9,762,378, with Conditions, and Appropriate \$100,000 in Prop K Funds for Nine Requests, and Allocate \$926,928 in Prop AA Vehicle Registration Fee Funds for One Request - ACTION* | 75 |
| | Projects: (SFMTA) New Traffic Signal Contract 65 (\$3,126,086), Traffic Signal Visibility Upgrades FY22 (\$660,000), Application-Based Traffic Calming Program - FY19/20 Cycle Construction (\$1,612,000), Application-Based Traffic Calming Program - FY21/22 Cycle Planning (\$250,000), Central Embarcadero Quick Build (\$1,000,000), NTIP Program Coordination (\$100,000), (SFCTA) NTIP Program Coordination (\$100,000), (SFPW) Street Repair and Cleaning Equipment (\$908,990), Public Sidewalk and Curb Repair (\$612,238), Tree Planting and Establishment (\$1,493,064), Western Addition Pedestrian Lighting (\$926,928) | |
| 8. | Adopt a Motion of Support to Approve the Fiscal Year 2021/22 Transportation Fund for Clean Air Program of Projects - ACTION* | 85 |
| | Projects: (SFE) Emergency Ride Home (\$75,210), (SFMTA) Short-Term Bike Parking (\$643,829), (SFSU) University Park North Bike Cage (\$15,000), (SFCTA) Program Administration (\$40,415) | |
| 9. | Adopt a Motion of Support to Adopt the Proposed Fiscal Year 2021/22 Budget and Work Program - ACTION* | 93 |
| 10. | Adopt a Motion of Support to Program \$2,050,000 in Senate Bill 1 Local Partnership Program Formulaic Program Funds to Two Projects, Amend the Prop K/Local Partnership Program Fund Exchange for the 101/280 Managed Lanes and Express Bus Project to Reprogram \$1,300,000 in Prop K funds to Two Projects, and Appropriate \$1,300,000 in Prop K Funds, with Conditions, to Two Projects - ACTION* | 125 |
| | Projects: (SFCTA) LPP Funds: Yerba Buena Island Multi-Use Pathway Project (\$1,000,000), I-280 Southbound Ocean Avenue Off-Ramp Realignment Project (\$1,050,000), Prop K Exchange Funds: I-280 Southbound Ocean Avenue Off-Ramp Realignment Project (\$1,050,000), I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study (\$250,000) | |
| 11. | Fare-Free Muni for All - INFORMATION* | 159 |
| 12. | Update on the Pennsylvania Avenue Extension Project - INFORMATION* | 179 |



Other Items

13. Introduction of New Business - INFORMATION*

During this segment of the meeting, CAC members may make comments on items not specifically listed above or introduce or request items for future consideration.

14. Public Comment

15. Adjournment

*Additional Materials

Next Meeting: July 28, 2021

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DRAFT MINUTES

Citizens Advisory Committee

Wednesday, April 28, 2021

1. Call to Order

Chair Larson called the meeting to order at 6:00 p.m.

Present at Roll: Rosa Chen, Robert Gower, David Klein, John Larson, Jerry Levine, Stephanie Liu, Peter Tannen, and Danielle Thoe, Sophia Tupuola (10)

Absent at Roll: Kevin Ortiz (entered during item 2) (1)

2. Chair's Report - INFORMATION

Chair Larson reported that Citizens Advisory Committee (CAC) members were provided the link to the Executive Director's Report that was presented a day prior at the San Francisco County Transportation Authority (Transportation Authority) Board meeting.

He also reported that for the second year in a row the usual Bike to Work Day was reimagined due to the pandemic as Bike to Wherever Day. He said that the Transportation Authority was again a sponsor of the event and thanked the CAC for playing a part with their prior comments to have an energizer station in every District of the city. Chair Larson encouraged everyone, if they could, to hop on a bike and grab a traditional Bike to Work Day tote bag while they're out there. He shared that the San Francisco (SF Bicycle Coalition) website had a map of locations and other details: <https://sfbike.org/bike-to-wherever-day/>.

With respect to the School Access Plan, which was requested by Commissioner Mar and funded primarily by a Caltrans grant, Chair Larson reported that they would develop strategies to improve school transportation for elementary school students in San Francisco. He said, for the initial outreach, the Transportation Authority partnered with the Department of Children, Youth, and their families to design an art-based activity for children which will give students an opportunity to provide input on the kinds of transportation solutions they would like to see. He said the activity and accompanying questions would be included in community assessments being conducted for the Child and Youth Friendly San Francisco Initiative. He shared that Community Assessments would take place in the Mission, Bayview, Chinatown, Tenderloin, and Hunter's Point neighborhoods and they expect to reach over 300 San Francisco youth. He shared the direct link to the Transportation Authority's website to learn more: <https://www.sfcta.org/projects/child-transportation-study>.

Chair Larson also reported that staff indicated the Golden Gate Park Working Group and Action Framework, originally called the Golden Gate Park Sustainable Travel Study Phase 1, would be presented at the May 11 Transportation Authority Board meeting for its first hearing/approval and then May 25 for final approval. He said the report documents, a key contribution to the working group, stated the values, needs, and



priority actions identified through the process, and would be used as inputs to an upcoming public process jointly led by the Recreation and Parks Department and the SFMTA. He added that the upcoming process would develop and evaluate alternatives for JFK Drive operations.

Chair Larson also shared that staff was developing scope options to address Commissioner Walton's request for the Transportation Authority to conduct an equity and socioeconomic impact study of JFK operations. He said he knows there is a lot of interests in the future of the JFK Drive, which has been temporarily closed to cars during the pandemic and encouraged CAC members and the callers listening to stream or dial in to the May 11 Transportation Authority Board meeting.

With respect to Fare Free Muni, Chair Larson said that the Transportation Authority and SFMTA staff have been working on the item as requested by the CAC and are anticipating bringing it to May CAC. He said it slid a month so that SFMTA could focus on responding to a potential proposal by Commissioner Haney and Preston regarding a Fare Free Muni pilot. He added that SFMTA anticipates discussing this topic at the May 5 Board of Supervisors Budget & Appropriations Committee, and they can share more info with the CAC once the agenda materials are posted.

Lastly, Chair Larson shared that at their March CAC meeting, they had a presentation on the ConnectSF Transit Investment Strategy, and said if folks haven't already done so, they should weigh in on the ConnectSF Transit Investment Strategy by taking a survey, which is open until Friday. He shared a link from the Transportation Authority's website which would direct them to a short blog with the survey link:

<https://www.sfcta.org/blogs/give-feedback-san-franciscos-transit-investment-strategy>

There was no public comment.

Consent Agenda

3. **Approve the Minutes of the March 24, 2021 Meeting - ACTION**
4. **State and Federal Legislation Update - INFORMATION**
5. **Adopt a Motion of Support to Award a Three-Year Professional Services Contract, with an Option to Extend for Two Additional One-Year Periods, to Eide Bailly LLP in an Amount Not to Exceed \$310,000 for Annual Audit Services - ACTION**
6. **Internal Accounting Report, Investment Report, and Debt Expenditure Report for the Nine Months Ending March 31, 2021 - INFORMATION**
7. **Progress Report for Van Ness Avenue Bus Rapid Transit Project - INFORMATION**

There was no public comment.

Peter Tannen motioned to approve the consent agenda, seconded by Danielle Thoe.

The consent agenda was approved by the following vote:

Ayes: Buffum, Chen, Gower, Klein, Larson, Levine, Liu, Ortiz, Tannen, Thoe, Tupuola (11)

Absent: (0)



End of Consent Agenda

8. Adopt a Motion of Support to Approve San Francisco's Program of Projects for the 2021 Mid-Cycle Regional Transportation Improvement Program - ACTION

Aprile Smith, Senior Transportation Planner, presented the item.

Danielle Thoe said that based on budget updates, it seemed that the Transportation Authority's budget was balanced and asked what the Planning, Programming and Monitoring (PPM) funds would go toward.

Anna LaForte, Deputy Director for Policy and Programming said the funds would be programmed in the Transportation Authority's annual budget for Fiscal Year 2021/2022. She said the Regional Transportation Improvement Program (RTIP) was a variable fund source and that the PPM funds funded the oversight done on major capital projects including Caltrain Electrification and the Downtown Rail Extension.

Maria Lombardo, Chief Deputy Director added that staff would present on the draft Fiscal Year 2021/2022 budget later on in the meeting and that with the significant drop in sales tax revenues, the Transportation Authority would need to dip into sales tax reserves to keep the budget whole in the next fiscal year and receiving extra PPM funds helped to not use additional reserves.

Peter Tannen asked about the schedule and why there was a gap between design phase completion in May 2021 and contract award in February 2022.

Joel Goldberg, SFMTA, said the gap was related to the various steps (e.g. right of way certification, obtaining allocation of funds from the California Transportation Commission (CTC) needed to access the funds before SFMTA could advertise for construction per the relevant grant guidelines.

Chair Larson asked for clarification on why the agency was honoring the Central Subway debt when the project is nearly done and couldn't the funds be used for other priorities.

Ms. Lombardo said that years ago when the Central Subway needed a Full Funding Grant Agreement [to access Federal New Starts funds], the Transportation Authority committed funds RTIP funds to the project to help SFMTA show that it had a fully funded construction phase for the project. Since not all of the RTIP funds were unavailable when the Central Subway construction contracts were awarded, the SFMTA used funds that would have gone to other SFMTA capital projects. In recognition of this, the Transportation Authority committed to honoring the remaining RTIP commitment by directing it to other SFMTA eligible RTIP funds as RTIP funds became available.

Chair Larson pointed out the importance of the Folsom Streetscape project from a photo in the presentation. He said, in the photo, a motorist was illegally crossing over the bike lane from the center lane to make a right turn and that the project was a good example of why permanent safety improvements were needed.

There was no public comment.



David Klein motioned to approve the item, seconded by Jerry Levine.

The motion was approved by the following vote:

Ayes: Buffum, Chen, Gower, Klein, Larson, Levine, Liu, Ortiz, Tannen, Thoe, Tupuola (11)

Nays: (0)

Absent: (0)

9. **Adopt a Motion of Support to Adopt a Resolution of Local Support Authorizing the Executive Director to Execute and File an Application with the Metropolitan Transportation Commission for Regional Discretionary Funding; Submit the Yerba Buena Island (YBI) Multi-use Pathway Project to the Transportation Improvement Program; and Authorize the Executive Director to Execute Funding Agreements with Caltrans for Receipt of Federal and State Funds for the YBI Multi-use Pathway Project in the Amount of \$1,000,000 from a Priority Conservation Area Grant and \$3,800,000 from a Regional Active Transportation Program Grant- ACTION**

Mike Tan, Administrative Engineer, presented the item.

Robert Gower asked about the buildout of the Treasure Island Ferry Terminal and asked what considerations had been given for integration of bikes and ferry service. He added that the ferries and ferry terminal should have adequate bicycle storage, but ferries do not currently accept e-bikes, which are becoming increasingly common.

Mr. Tan responded that they have been in contact with the developer to bring bicyclists down to the ferry terminal. He said the developer put in a bike path on Macalla but it is a steep grade. He said the ferry terminal should be completed next year and the developer has plans to build out the ferry terminal plaza which should have accommodations for bikes.

Chair Larson commented that there should be coordination with Water Emergency Transportation Authority (WETA) so that bicyclists can take bikes onto the ferries for the last mile to San Francisco.

Eric Cordoba, Deputy Director for Capital Projects, responded that they are having active discussions with WETA and are developing a Memorandum of Understanding (MOU) that they will bring to the Treasure Island Mobility Management Agency (TIMMA) Committee around June. He said they know that a connection is imperative and are very excited about it. He said he envisioned bike stations, bike storage, and to the extent possible to get bikes on ferries, but said he was not familiar with the relevant restrictions on e-bikes. He added that onboarding and offboarding could be an issue, but the run is short, and the developer is conditioned to provide bike share stations at strategic locations.



Danielle Thoe said she appreciated the 5% grade of the proposed multi-use path and asked if that would apply to the bike path or just the pedestrian path.

Mr. Cordoba responded that what they are doing is studying all the Americans with Disabilities Act (ADA) compliance issues as part of their planning efforts and environmental documentation. He said that there are different standards that apply as it relates to the roadway versus a separate facility itself. He said their goal is to be ADA compliant all the way through but anticipates that there will be challenges. He said they have to study from a preliminary engineering standpoint to better understand the issues and said he thinks there is a lot of potential on the entire west side bike path.

Peter Tannen commented it is a great project, noting that he has bicycled all over Treasure Island and Yerba Buena Island. He said, hopefully, Caltrans will build a bicycle path to the historic pier.

Jerry Levine asked if there was a barrier or divider between east and west bike lanes and pedestrian lanes so that there are not any crossovers with the bikes and pedestrians.

Mr. Cordoba responded they are going to do everything they can to protect the bicyclists and pedestrians, so he envisions a barrier system or divider that protects bicyclists and pedestrians from vehicular traffic.

Kevin Ortiz responded that as a former resident of Treasure Island, he is excited to see this path, but he does have concerns with the new development bringing residents with higher incomes which may contribute to displacement of current residents. He said he would like to hear about the WETA MOU to make sure there are affordable bike stations for ferry access and for residents.

Mr. Cordoba responded that he understands that affordability is a key policy issue. He said they envision coming to TIMMA to discuss tolling, bike share, and ferry services while WETA moves forward to address affordability.

Chair Larson asked about the status of the Bay Area Transportation Authority's (BATA's) West Span Skyway Project.

Mr. Cordoba responded that BATA is starting further preliminary engineering but was hindered by litigation against Regional Measure 3 [a bridge toll measure]. He said everything TIMMA is doing on the multi-use path is compatible with the Skyway Project. He said BATA wants TIMMA to be the lead on Yerba Buena Island (YBI), but they cannot forget the West Side Bridges. He said there was an opportunity to save costs by coordinating the two projects.

David Klein asked how safety comes in terms of services for people if they need medical or police assistance, and would patrols start in that area.



Mr. Cordoba responded that currently BATA funds the operation and maintenance on the new eastern span. He said they do have periodic patrols, and on YBI and Vista Point they have security and other operations that are funded by BATA.

Ms. Thoe asked about the realistic time frame for riding a bike on the West Span.

Mr. Cordoba responded it is difficult to estimate because the litigation is still underway on Regional Measure 3, which is estimated to cause another 18+ months of delay. He said the conceptual engineering for the project estimated its cost at over \$350 million and Mr. Cordoba speculated that these types of projects take 2-3 years for full environmental approval and another 2-3 years for design. He added that construction would take 3-4 years, so at least 10-15 years out assuming the money is lined up, which is currently not the case.

During public comment Edward Mason asked what the anticipated usage or patronage would be for the pedestrians and bicyclists for daily, weekly and monthly periods of time that they are investing their money in.

Mr. Cordoba replied that there is data that has been estimated. He said he doesn't have it but can follow up later with the information.

Peter Tannen moved to approve the item, seconded by Robert Gower.

The motion was approved by the following vote:

Ayes: Buffum, Chen, Gower, Klein, Larson, Levine, Liu, Ortiz, Tannen, Thoe, Tupuola (11)

Nays: (0)

Absent: (0)

Chair Larson thanked staff for the presentation and said he looks forward to the future updates. He added that Treasure Island has a lot of construction activity going on and does not look the same as it did in the past.

10. Adopt a Motion of Support to Allocate \$640,000 in Prop K Funds, with Conditions, for Two Requests - ACTION

Anna LaForte, Deputy Director for Policy and Programming presented the item per the staff memorandum.

Peter Tannen said he looked at the Minnesota Grove on Google Street View and was impressed. He said he wanted to visit the site and recommended that others visit the grove as well.

Chair Larson said the Equity Schools that receive additional in-person resources table in the San Francisco Safe Routes to School: Equity Plan attached to SFMTA's Safe Routes to Schools Program Administration allocation request illustrated the need for



the program and that the Safe Routes to School 2019-2020 Evaluation Highlights report was well done.

There was no public comment.

Jerry Levine motioned to approve the item, seconded by David Klein.

The motion was approved by the following vote:

Ayes: Buffum, Chen, Gower, Klein, Larson, Levine, Liu, Ortiz, Tannen, Thoe, Tupuola (11)

Nays: (0)

Absent: (0)

11. Adopt a Motion of Support to Adopt Updated Communities of Concern Boundaries for San Francisco - ACTION

Camille Guiriba, Senior Transportation Planner, presented the item.

Sophia Tupuola asked if the data was from the 2020 census.

Ms. Guiriba responded that American Community Survey (ACS) 2011-2015 data was used for the 2017 Communities of Concern (CoC) Update and that the 2021 update used ACS data from 2014-2018.

Ms. Tupuola expressed concern about people being relocated as housing was being converted from public to private, and how they were being supported and represented in data. She also asked how they could support remaining CoCs beyond naming them.

Ms. Guiriba responded that funding would be prioritized for CoCs, and that they would be a focus of equity planning and analysis.

Michelle Beaulieu, Principal Transportation Planner for Government Affairs, added stated that a number of fund sources prioritize investments in these communities including the Metropolitan Transportation Commission (MTC)'s One Bay Area Grant program, Prop K, Transportation Fund for Clean Air, and Lifeline. She also stated that MTC makes planning funds available for these communities, to help identify a pipeline of projects for future investments. Ms. Beaulieu said that the sales tax reauthorization process is using these community designations to identify priority communities for outreach as well as funding for these areas.

Kevin Ortiz stated that he had concerns about the maps, given his experience living in San Francisco and witnessing displacement. He expressed concern about the validity of the data considering fear-mongering and response rate around the Census during the Trump presidency. Mr. Ortiz also noted that the ACS conducts samples and is not as broad as the decennial Census and asked when MTC would update these numbers again.



Ms. Beaulieu acknowledged Mr. Ortiz' concerns about the data and responded that this was just one equity lens that the region and the Transportation Authority use when considering transportation investments. She said that MTC is planning to revisit their entire framework of analysis in part to address some of the issues raised by Mr. Ortiz including displacement pressures. She noted that different parts of the region have different equity concerns and that this would be an opportunity to participate in a regional conversation about equity. Ms. Beaulieu said Transportation Authority staff would continue to work with city partners to get a broader and more up to date perspective on what is happening on the ground. Lastly, she said the agencies analysis also considered low income households across the city, regardless of whether they are located in a CoC or not.

Mr. Ortiz noted that in the 16th Street area, there was significant affordable housing being built and it didn't seem accurate to remove that part of the neighborhood out of the map. He asked if there was a plan to update this more regularly than the 4-year time frame.

Ms. Beaulieu responded that staff would bring that question to the MTC regional working groups, and that these past updates correspond to the required Regional Transportation Plan updates which take place every four years. She stated that MTC is looking to do a major update next year, which may indicate that they will be updating their analysis more regularly in the future, and that locally Transportation Authority staff would talk to the City partners about updating these analyses more regularly.

Robert Gower asked when these supplemental communities are set up, if the programs offered were tracked separately, and how effectiveness as well as demographic shifts weretracked.

Ms. Beaulieu responded that the geographies were used to prioritize funding and for planning and evaluation. She explained that the reason for the changes between the two maps was due to demographic shifts. She said that MTC has set up a threshold system, and that changing demographics in these geographies is why shifts have occurred.

Danielle Thoe stated that she appreciated the exercise to add block groups to dial in to a finer grain than the census tract level. She also echoed concerns about displacement and fear mongering around the Census and ACS surveys. She asked why the proposal was to update this now, when next year the complete system may be overhauled. She also asked about the every-four-year update, whether they were required or if there were a way to acknowledge the economic and political occurrences since 2014, to create some sort of hybrid.

Ms. Beaulieu stated that they were bringing the item to the Board now because MTC's Plan Bay Area 2050 was updating the CoCs not for its equity analysis. She said that it



may be a good sign that they want to have a more robust process to update the framework starting next year, and that these updates might occur more frequently.

Ms. Beaulieu also noted that it is important for the Transportation Authority to do this relatively small update to use these geographies for use in the San Francisco Transportation Plan 2050, which will also be finalized this year. Once MTC completes their process, the Transportation Authority could also consider a more significant update.

Chair Larson asked why the large area around Lake Merced was a CoC in the past map, and if 2021 was a refinement due to the fact that most of the area was not comprised of residential parcels. Ms. Beaulieu responded that the base census tracts and block group geographies had not changed between the two maps, and that the tract with Lake Merced was likely shifting based on a small part of the tract with residential parcels.

Mr. Larson noted that the tracts were not all equal in population which means that only a few changes could swing a tract from meeting the thresholds or not. He noted that these CoC shifts likely showed that people are being pushed out of the city, and that with the 2020 decennial census, it may behoove MTC and others to revisit this framework. He said he hoped that this can be reexamined by the Transportation Authority in the not-too-distant future.

Mr. Ortiz also noted that there is a huge homeless population in the Lake Merced area, and does not want to remove access to resources for folks who may drop off the CoC map with this update if the Transportation Authority was going to be doing this again in a year anyway.

Ms. Beaulieu stated that the timing of this update was so that these geographies can be consistent with MTC's latest update for the update of the San Francisco Transportation Plan which will be wrapped up by the end of the year.

Mr. Larson asked how often the SFTP is updated.

Ms. Guiriba noted that it is updated on the same cycle as the regional plan, every four years.

Mr. Larson noted that we have to use the data we have, but that maybe the Transportation Authority should do an interim update of the SFTP as we get the 2020 decennial census data in.

Sophia Tupuola motioned to approve the item, seconded by Danielle Thoe.

The motion was approved by the following vote:

Ayes: Buffum, Chen, Gower, Klein, Larson, Levine, Liu, Tannen, Thoe, Tupuola
(10)



Nays: (1) Ortiz

Absent: (0)

12. Preliminary Fiscal Year 2021/22 Budget and Work Program - INFORMATION

Lily Yu, Principal Management Analyst, Finance and Administration presented the item.

Chair Larson asked if the revenue sales tax projections were a conservative estimate.

Ms. Yu replied that was correct.

During public comment Edward Mason asked what the definition of an express bus system was. He said there needs to be a clarification regarding what it really means.

Chair Larson replied that when the items come before the Committee, they will get further clarification.

Through the Chair, Hugh Louch, Deputy Director for Planning, said they are planning for both express lanes and express buses which include regional and Muni Express. He said they cannot prohibit the use of the lanes by other types of buses, but said the planning and funding work is for public buses.

Chair Larson said as they go forward, he hoped it would be possible to regulate the lanes in a way that will be more exclusive for public bus and transit use. With respect the Transportation Authority's proposed budget, he said there is a lot of bang for the buck for the money going to administration versus the amount of money that is going to programs.

Other Items

13. Introduction of New Business - INFORMATION

There were no new items introduced.

14. Public Comment

There was no general public comment.

15. Adjournment

The meeting was adjourned at 8:00 p.m.



RESOLUTION ADOPTING A SUPPORT POSITION ON SENATE BILL (SB) 339 (WIENER), AND AN OPPOSE UNLESS AMENDED POSITION ON ASSEMBLY BILL (AB) 859 (IRWIN)

WHEREAS, The Transportation Authority approves a set of legislative principles to guide transportation policy advocacy in the sessions of the Federal and State Legislatures; and

WHEREAS, With the assistance of the Transportation Authority's legislative advocate in Sacramento, staff has reviewed pending legislation for the current Legislative Session and analyzed it for consistency with the Transportation Authority's adopted legislative principles and for impacts on transportation funding and program implementation in San Francisco and recommended adopting a new support position on SB 339 (Wiener), and a new oppose unless amended position on AB 859 (Irwin), as shown in Attachment 1; and

WHEREAS, At its May 11, 2021 meeting, the Board reviewed and discussed AB 859 (Irwin) and SB 339 (Wiener); now, therefore, be it

RESOLVED, That the Transportation Authority hereby adopts a new support position on SB 339 (Wiener) and a new oppose unless amended position on AB 859 (Irwin); and be it further

RESOLVED, That the Executive Director is directed to communicate this position to all relevant parties.

Attachment:

1. State Legislation - May 2021

San Francisco County Transportation Authority

State Legislation - May 2021

(Updated May 4, 2021)

To view documents associated with the bill, click the bill number link.

Staff is recommending a new support position on Senate Bill (SB) 339 (Wiener), and an oppose unless amended position on Assembly Bill (AB) 859 (Irwin) as show in **Table 1**.

Table 2 provides an update on AB 550 (Chiu) on which the Transportation Authority has previously taken a support position.

Table 3 shows the status of active bills on which the Board has already taken a position.

Table 1. New Recommended Position

Recommended Positions	Bill # Author	Title and Update
Oppose Unless Amended	AB 859 Irwin D	<p>Mobility devices: personal information</p> <p>This bill would significantly restrict a public agency’s authority to collect anything but anonymized, aggregated, deidentified data from shared bicycles, scooters, transportation network companies (TNCs), and autonomous vehicles (AVs).</p> <p>The San Francisco Municipal Transportation Agency (SFMTA) has developed data-driven permit programs for bikeshare and e-scooters to address key safety, consumer protection, and equity concerns, and integrate emerging mobility modes with the city’s transportation infrastructure. It requires access to individual device data from permittees to enforce geographic distribution requirements, ensure adherence to the permitted number of devices on our streets, and monitor coverage of required service areas. San Francisco does not collect any personally identifiable information about riders of shared mobility devices, only data about the device itself. Under AB 859, SFMTA (nor any other public agency) would no longer be able to collect this critical data.</p> <p>Further, AB 859 expands these data sharing limitations to TNCs and AVs. This broad limitation would hinder what little regulation exists today for TNCs and would preemptively tie the City’s and state’s hands from having any information about AVs in the future. These restrictions would leave regulatory agencies in the dark when it comes to understanding how these for-profit services operate on the public right of way, while potentially increasing congestion, safety, and environmental concerns.</p> <p>The City’s State Legislation Committee has adopted an oppose unless position on this bill, and we are recommending the Transportation Authority adopt a similar position. We will join SFMTA and other cities such as Oakland, San Jose and Los Angeles on amendments that ensure our ability to collect information needed to effectively manage our streets while ensuring personal data privacy.</p>

San Francisco County Transportation Authority

Recommended Positions	Bill # Author	Title and Update
Support (Currently Watch)	SB 339 Wiener D	<p>Vehicles: road usage charge pilot program</p> <p>The state’s existing Road Usage Charge (RUC) Technical Advisory Committee is currently working to guide the development and evaluation of a pilot program to assess the potential for mileage-based revenue collection as an alternative to the gas tax, which has been declining in revenues as fuel efficiency increases and as the state moves toward electric and other clean fuel alternatives. This bill would extend the operation of the provisions for the RUC Technical Advisory Committee and require the California State Transportation Agency (CalSTA) to implement a pilot program to identify and evaluate issues related to the collection of revenue for a road charge program.</p> <p>The bill was amended in April to include deadlines for reporting to the Legislature, requiring an interim status report by January 1, 2024 and a final report with the findings of the pilot by July 1, 2016. The original bill required the pilot to be designed as revenue-neutral, and as amended the pilot program would now require one group in the pilot to charge all vehicles the same mileage-based fee regardless of their fuel efficiency in order to evaluate how much revenue the state is currently losing due to electric vehicles not currently paying gas taxes.</p>

Table 2. Notable Updates on Bills in the 2021-2022 Session

Adopted Positions	Bill # Author	Title and Update
Support	AB 550 Chiu D	<p>Vehicles: speed safety system pilot program.</p> <p>At the time of the April 27 Board meeting, this bill would have authorized six jurisdictions, including San Francisco, Oakland, and San Jose, to implement a pilot program after approving a Speed Safety System Use Policy and Speed Safety System Impact Report. The bill limited the locations as to where they could be implemented to streets on a high injury network or within 2,500 feet of a school, senior zone, public park, or recreational center. Subsequently, the bill has been amended to eliminate one of the Southern California pilot locations and to further restrict the number of sites based on the jurisdiction’s population. Jurisdictions with a population between 800,000 and 3,000,000 would be limited to no more than 33 systems.</p> <p>Securing authorization for a speed safety camera pilot program has been a top priority for SFMTA and the Transportation Authority for years. Mayor Breed and the Board of Supervisors are on record supporting AB 550. SFMTA continues to work closely with the author to improve some parts of the language.</p>

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Table 3. Bill Status for Active Positions Taken in the 2021-22 Session

Updates to bills since the last Board meeting are italicized.

Adopted Positions	Bill # Author	Bill Title	Update to Bill Status ¹ (as of 5/3/2021)
Support	AB 43 Friedman D	Traffic safety. Authorizes local jurisdictions or the state to further reduce speed limits than currently allowable, when justified.	Assembly Transportation to <i>Assembly Floor</i>
	AB 117 Boener Horvath D	Air Quality Improvement Program: electric bicycles. Creates statewide Electric Bicycle Incentive Pilot Program to provide consumer rebates for the purchase of electric bicycles, with priority given to low-income households.	Assembly Transportation to <i>Assembly Appropriations</i>
	AB 455 Bonta D Coauthors: Chiu D Wicks D Wiener D	Bay Bridge Fast Forward Program. Authorizes the Bay Area Toll Authority to designate transit-only traffic lanes on the San Francisco-Oakland Bay Bridge.	Assembly Transportation to <i>Assembly Appropriations</i>
	AB 550 Chiu D	Vehicles: speed safety system pilot program. Authorizes speed safety camera pilot program, subject to conditions, in San Francisco and four other cities. See Table 2 for additional detail.	Assembly Transportation to <i>Assembly Appropriations</i>
	AB 917 Bloom D	Vehicles: video imaging of parking violations. Authorizes the use of forward-facing cameras on buses to enforce parking violations in transit-only lanes and in bus stops statewide.	Assembly Privacy and Consumer Protection to <i>Assembly Floor</i>
	AB 1238 Ting D	Pedestrian access. Removes prohibition on pedestrians entering the roadway outside of a crosswalk, as long as no immediate hazard exists.	Assembly Transportation to <i>Assembly Appropriations</i>
	AB 1499 Daly D	Transportation: design-build: highways. Removes January 1, 2024 expiration of authority to use design-build method of contract procurement.	Assembly Transportation to <i>Assembly Appropriations</i>
Oppose	AB 5 Fong R	Greenhouse Gas Reduction Fund: High Speed Rail Authority: K-12 education: transfer and loan. Suspends appropriation of cap and trade funds to the HSRA for two years and transfers moneys collected for use on K-12 education.	Assembly Transportation

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¹Under this column, "Chaptered" means the bill is now law, "Dead" means the bill is no longer viable this session, and "Enrolled" means it has passed both Houses of the Legislature. "Two-year" bills have not met the required legislative deadlines and will not be moving forward this session but can be reconsidered in the second year of the session which begins in December 2021. Bill status at a House's "Desk" means it is pending referral to a Committee.

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Memorandum

AGENDA ITEM 5

DATE: May 21, 2021

TO: Transportation Authority Board

FROM: Cynthia Fong -Deputy Director for Finance and Administration

SUBJECT: 06/08/21 Board Meeting: Authorize the Executive Director to Execute Master Agreement, Program Supplements and Fund Transfer Agreements-Thereto with the California Department of Transportation for State-Funded Transit Projects

RECOMMENDATION Information Action

- Authorize the Executive Director to execute master agreement, program supplements and fund transfer agreements-thereto with the California Department of Transportation (Caltrans) for state-funded transit projects

SUMMARY

We are seeking authorization for the Executive Director to execute funding agreements between the Transportation Authority and Caltrans for receipt of state funds for transit projects. Guidelines established by Caltrans require that certain funding agreements be signed by the project sponsor and returned to Caltrans. For some grants, project sponsors are also required to adopt a Board resolution. Our current master agreement with Caltrans that covers state-funded transit projects will expire on July 11. Caltrans requires us to adopt an updated Board resolution before July 12 to execute a new master agreement to allow continuity between the two master agreements.

- Fund Allocation
- Fund Programming
- Policy/Legislation
- Plan/Study
- Capital Project Oversight/Delivery
- Budget/Finance
- Contract/Agreement
- Other:

BACKGROUND

We may receive state funding from Caltrans now or sometime in the future for transit projects. These grant funds are typically administered by Caltrans, which requires that various types of funding agreement be executed between the project sponsor and Caltrans before the project can claim (e.g., seek reimbursement) grant funds. Caltrans also requires an updated Board resolution to authorize the execution of these funding agreements.



DISCUSSION

Caltrans utilizes master agreements for state-funded transit projects, along with associated program supplements and fund transfer agreements, for the purpose of administering and reimbursing state transit funds to local agencies. Our existing master agreement with Caltrans for state-funded transit projects spanned for a 10-year period and will expire on July 11, 2021. We are recommending approval to execute a new master agreement to allow continuity between the two master agreements for another 10-year period, through July 12, 2031. The statutes related to state-funded transit projects require a local or regional implementing agency to execute an agreement with Caltrans before it can be reimbursed for project expenditures.

Under the terms of the master agreement, we agree to comply with all conditions and requirements set forth in the agreement and applicable statutes, regulations and guidelines for all state-funded transit projects. Applicable funding sources covered by this agreement, including State Highway Account and Local Partnership Program grant sources, will be identified in each specific program supplement or fund transfer agreement, which may be required for approval as part of future agenda items.

FINANCIAL IMPACT

Approval of the recommended action would facilitate compliance with Caltrans funding agreement deadlines (avoiding loss of grant revenues) and enable the Transportation Authority to seek reimbursement of state grant funds for transit projects administered by Caltrans. If received, we will incorporate project-specific grant funding awarded by Caltrans into the Fiscal Year 2021/22 mid-year budget amendment. We will also bring procurements to be funded by these grants, where applicable, to the Board for approval as part of future agenda items.

CAC POSITION

The CAC will consider this item at its May 26 meeting.

SUPPLEMENTAL MATERIALS

None



Memorandum

AGENDA ITEM 6

DATE: May 21, 2021
TO: Transportation Authority Board
FROM: Cynthia Fong - Deputy Director for Finance and Administration
SUBJECT: 06/15/21 Board Meeting: Recommend Approval of the Revised Administrative Code and Debt, Investment and Fiscal Policies

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Recommend approval of the revised Administrative Code, Debt, Investment, and Fiscal policies.</p> <p>SUMMARY</p> <p>It is the Transportation Authority's direction to review the Administrative Code and all policies periodically to ensure compliance with current statutes and Transportation Authority objectives. We are recommending revisions to the Administrative Code and Debt, Investment, and Fiscal policies to confirm to applicable law, provide additional clarity and flexibility, and reflect administrative and organizational changes since the last update.</p>	<p><input type="checkbox"/> Fund Allocation</p> <p><input type="checkbox"/> Fund Programming</p> <p><input type="checkbox"/> Policy/Legislation</p> <p><input type="checkbox"/> Plan/Study</p> <p><input type="checkbox"/> Capital Project Oversight/Delivery</p> <p><input type="checkbox"/> Budget/Finance</p> <p><input type="checkbox"/> Contract/Agreement</p> <p><input checked="" type="checkbox"/> Other: Policies</p>
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BACKGROUND

We develop and implement policies and procedures to organize and formalize agency activities, and to ensure compliance with current statutes and our objectives. Our direction is to review our Debt Policy annually, to maintain prudent debt management principles and to maximize our debt capacity, and our Investment Policy annually, to ensure policy language remains consistent with its governing code, while continuing to meet the primary investment objectives of safety of principal, liquidity, and a return on investment consistent with both the risk and cash flow characteristics of our portfolio. While we are not required to annual review our Administrative Code and Fiscal Policy, it is good management practice to do so on a regular basis.

Below is a brief description of the Administrative Code and Debt, Investment and Fiscal policies that are the subject of this memorandum.

Administrative Code: Prescribe powers and duties of officers, the method and appointment of employees, and the policies and systems of agency operation and management.



Debt Policy: Organize and formalize debt issuance-related policies and procedures necessary to carry out the operations of our agency.

Investment Policy: Set out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related procedures.

Fiscal Policy: Guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and our sales tax revenue allocation requirements.

DISCUSSION

The purpose of this memorandum is to present staff recommendations for updates to our policies. At our request, our legal counsels reviewed these policies. Based on that review, we are recommending revisions as redlined in the proposed policies in Attachments 1 through 4. We are recommending revisions to the Administrative Code and Debt, Investment, and Fiscal policies to confirm to applicable law, provide additional clarity and flexibility, and reflect administrative and organizational changes since the last update.

The Administrative Code was last adopted by the Board through Resolution 17-01. At our request, Nossaman LLP reviewed the Administrative Code adopted on February 28, 2017 and based on that review, we are recommending change as redlined in the proposed code in Attachment 1. This includes updating the name of the Citizens Advisory Committee to Community Advisory Committee as recommended by our Racial Equity Working Group and requested by the committee members.

The Debt and Investment Policies were last adopted by the Board through Resolution 20-23. At our request, Squire Patton Boggs LLP and KNN Public Finance, LLC have reviewed these policies adopted on December 17, 2019 and based on their reviews we are recommending changes as redlined in the proposed policies in Attachments 2 and 3.

The Fiscal Policy was last adopted by the Board through Resolution 18-07. At our request, Meyers Nave reviewed the Fiscal Policy adopted on July 25, 2017, and based on that review, we are recommending changes as redlined in Attachment 4.

FINANCIAL IMPACT

The recommended action would not have an impact on the amended Fiscal Year 2020/21 budget or the proposed Fiscal Year 2021/22 budget.

CAC POSITION

The CAC will consider this item at its May 26, 2021 meeting.

SUPPLEMENTAL MATERIALS

- Attachment 1 - Proposed Administrative Code



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- Attachment 2 - Proposed Debt Policy
- Attachment 3 - Proposed Investment Policy
- Attachment 4 - Proposed Fiscal Policy



ADMINISTRATIVE CODE

SECTION 1. TITLE AND AUTHORITY.

This Ordinance is enacted pursuant to the provisions of California Public Utilities Code Section 131265, and may be referred to as the "San Francisco County Transportation Authority Administrative Code." This Ordinance prescribes the powers and duties of the San Francisco County Transportation Authority (Transportation Authority) Board; the method of appointment of employees of the Transportation Authority; and the policies, and systems of operation and management of the Transportation Authority.

SECTION 2. DUTIES OF THE TRANSPORTATION AUTHORITY.

The Transportation Authority shall have the power, authority, and duty to do all things necessary and required to accomplish the stated purposes and goals of Division 12.5 of the California Public Utilities Code, also known as the Bay Area County Traffic and Transportation Funding Act, including the following:

- (a) Administer the Transportation Expenditure Plan which became effective upon approval by the voters as Proposition B on November 7, 1989, as superseded by the New Transportation Expenditure Plan which became effective upon adoption by the voters as Proposition K on November 4, 2003, which extended the sales tax implemented by Proposition B for a 30-year period.
- (b) Adopt an annual budget by June 30 and fix the compensation of its commissioners and employees. The compensation of commissioners shall be as provided in Section 3.2 herein.
- (c) Cause a post audit of its financial transactions and records at least annually by a certified public accountant.
- (d) Prepare and adopt an annual report by January 31 of each year on the progress to achieve the objectives of completion of the projects in the Transportation Expenditure Plan.
- (e) Conduct an employee performance evaluation of the Executive Director by December 31 of each year for the Executive Director's work performance for the current year.
- (f) Perform other related responsibilities, including but not limited to (i) serving as the county program manager for the Transportation Fund for Clean Air, (ii) serving as the county Congestion Management Agency, ~~and~~ (iii) administering Proposition AA projects, and (iv) administering Prop D projects.

SECTION 3. POWERS AND DUTIES OF THE TRANSPORTATION AUTHORITY COMMISSIONERS.

The eleven members of the Board of Supervisors of the City and County of San Francisco shall be the commissioners of the Transportation Authority. They shall be known as "Commissioners" individually, and as the Board of Commissioners, or Board, collectively.



- (a) **Chair.** The Chair shall possess the following powers and duties:
1. To preside at all meetings;
 2. To appoint the membership and the Chair and Vice-Chair of the committees of the Transportation Authority, except for the ~~Citizens-Community~~ Advisory Committee;
 3. To decide the agenda of Board meetings;
 4. To sign contracts, deeds, and other instruments on behalf of the Transportation Authority; and
 5. To perform such additional duties as may be designated by the Transportation Authority.
- (b) **Vice-Chair.** The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair.

SECTION 3.1. METHOD OF APPOINTMENT OF THE TRANSPORTATION AUTHORITY OFFICERS.

- (a) The Chair shall be elected at the first meeting of the Transportation Authority, and thereafter, after the first complete calendar year, annually at the first meeting in January. The newly appointed Chair shall immediately preside following ~~their~~~~his or her~~ election at the same meeting.
- (b) The Vice-Chair shall be elected at the first meeting of the Transportation Authority, and thereafter, after the first complete calendar year, annually at the first meeting in January.
- (c) If the Chair or Vice-Chair resigns or is removed from office, the election for Chair or Vice-Chair to serve the remainder of the term, shall be at the next meeting of the Transportation Authority. Except as provided in Section 3.2(a) below, the Chair and Vice Chair shall serve without compensation but shall be entitled to reimbursement as provided in Section 3.2(b) below.

SECTION 3.2. COMPENSATION OF COMMISSIONERS.

- (a) As required by the provisions of California Public Utilities Code Section 131268, Commissioners shall be compensated at the rate of \$100 for each day attending the business of the Transportation Authority, but not to exceed \$400 in any month, for any of the following occurrences that are related to business of the Transportation Authority:
1. A meeting of the legislative body, ~~or committee thereof;~~
 2. A meeting of an advisory body;
 3. A conference or organized educational activity, including ethics training; or
 4. Any other occurrence, if the Transportation Authority has adopted a written policy in a public meeting specifying that the attendance at such occurrence would constitute the performance of official duties for which Commissioners may receive compensation.



- (b) Commissioners shall receive reimbursement for necessary travel and personal expenses incurred in the performance of their duties when such expenses are authorized in advance and as set forth in the Transportation Authority's adopted Travel, Conference, Training and Business Expense Reimbursement Policy.

SECTION 4. STAFF TO THE TRANSPORTATION AUTHORITY.

- (a) **Executive Director.** The Board shall appoint the Executive Director, who shall serve at the pleasure of the Board. The Executive Director shall possess the power and duty to administer the business of the Transportation Authority, including the following powers and duties:
1. To supervise and direct preparation of the annual budget for the Transportation Authority;
 2. To formulate and present plans for implementation of the Transportation Expenditure Plan, including establishment of project priorities within the priorities set by the plan, and the means to finance them;
 3. To provide guidance, monitor and coordinate the activities of the project sponsors to ensure that the projects are completed;
 4. To submit to the Board each year a complete report of the finances and administrative activities of the Transportation Authority for the preceding year;
 5. To direct the preparation and administration of purchase orders and contracts for goods and services, to execute contracts for goods, materials and services, including support services, and agreements with sponsoring agencies where estimated expenditures thereunder do not exceed \$75,000 and to execute any agreements with sponsoring agencies where sufficient funding for such is available in the Transportation Authority's budget;
 6. To administer the personnel system of the Transportation Authority, including hiring, controlling, supervising, promoting, transferring, suspending with or without pay or discharging any employee. To this end, the Executive Director shall prepare and maintain a personnel manual, stating the rules of employment of the Transportation Authority, and methods of compensation established by the Transportation Authority (Personnel Manual); and
 7. To provide the day-to-day administration of the Transportation Authority and to perform such other and additional duties as the Transportation Authority may prescribe.
- (b) **Chief Deputy Director.** The Executive Director shall appoint a Chief Deputy Director. In the event of the Executive Director's temporary absence, disability or unavailability or during a vacancy in that position, the Chief Deputy Director shall act as the Executive Director.
- (c) **Additional Staff.** The Executive Director may create additional staff positions subject to the approval of the Board. Duties shall be defined by the Executive Director and shall be contained in a written job description. The Executive Director shall appoint additional staff members to approved positions. All employees are "at-will" employees and serve at the pleasure of the Executive Director.



SECTION 4.1. BENEFITS FOR EMPLOYEES.

The Transportation Authority may contract with the appropriate agencies of the State of California to provide retirement and health benefits for its employees or with any other retirement or health system which it determines is in the best interests of its employees, and in accordance with applicable state and federal laws.

SECTION 4.2. RULES OF EMPLOYMENT.

The Executive Director or ~~their~~~~his~~~~or~~~~her~~ designee shall administer the personnel policies of the Transportation Authority as set forth in the Personnel Manual. The Executive Director shall take all necessary actions to hire, promote, transfer, suspend with or without pay, or discharge any employee in accordance with the procedures in the Personnel Manual.

SECTION 5. METHODS, PROCEDURES AND SYSTEMS OF OPERATION AND MANAGEMENT.

SECTION 5.1. COMMITTEES OF THE TRANSPORTATION AUTHORITY.

- (a) **Personnel Committee.** The Chair shall appoint a Personnel Committee which shall be composed of the Chair and Vice-Chair of the Transportation Authority, and the City and County of San Francisco's representative to the Metropolitan Transportation Commission (MTC), as appointed by the San Francisco Board of Supervisors. If the MTC representative is also the Chair or Vice-Chair of the Board, the Chair shall be able to appoint a third member to the Personnel Committee. The Chair or ~~their~~~~his~~~~or~~~~her~~ designee shall serve as the Chair of the Personnel Committee. Two members shall constitute a quorum and all official acts of the Personnel Committee shall require the affirmative vote of a majority of the authorized number of members of the ~~c~~Committee. Meetings of the Personnel Committee shall be held at the call of the Chair. The responsibilities of this ~~c~~Committee shall include the following:
1. To make recommendations on the hiring, firing, and employment status of the Executive Director of the Transportation Authority;
 2. To conduct annual performance evaluations of the Executive Director; and
 3. To make recommendations on the Transportation Authority's policies and actions related to staffing levels, job specifications, compensation ranges and employment conditions.
- (b) **Additional Committees.** The Board may create, and the Chair shall appoint the membership of select committees consisting of Commissioners and established consistent with the following criteria:
1. The committee shall have a clear, simple, narrow, single statement of purpose;
 2. The committee will be created for a specified maximum period of time; and
 3. The size of the committee will be ~~no less than~~~~either~~ three ~~nor more than~~~~or~~ five Commissioners, based on the committee purpose.



- (c) **Transportation Authority Committee Procedures.** The Chair shall be eligible to be appointed and to serve on ~~each any c~~Committee established under this Code as a voting, regular member. If not appointed as a regular member of a ~~c~~Committee, the Chair shall serve as a non-voting, ex-officio member, except that the Chair shall serve as a voting member when ~~theirhis or her~~ presence is necessary in order to constitute a quorum. ~~With the exception of the Personnel Committee, a~~ majority of the authorized number of members of a committee shall constitute a quorum for the transaction of business and all official acts of the committee shall require the affirmative vote of the majority of the authorized number of members of the committee. In the case of a tie vote, the Chair, if present but not acting as a voting member, may cast the deciding vote. If the Chair's presence ~~as a nonvoting ex-officio member~~ causes a ~~majority quorum~~ of the members of the full Board to be present, the committee meeting shall be recessed, ~~if necessary~~, and the meeting convened or reconvened as a special Board meeting.

SECTION 5.2. ~~CITIZEN-COMMUNITY~~ ADVISORY COMMITTEES.

- (a) **~~Citizens-Community~~ Advisory Committee.** The Board shall appoint eleven ~~non-Commission~~ members to a ~~Citizens-Community~~ Advisory Committee. This ~~c~~Committee shall include representatives from various segments of the community, such as public policy organizations, labor, business, seniors ~~s~~~~citizens~~, ~~people with the disabilities~~led, environmentalists, and the neighborhoods, and reflect broad transportation interests. ~~The committee is also intended to reflect the racial and gender diversity of San Francisco residents.~~ The ~~c~~Committee members shall be residents of San Francisco and shall serve without compensation for ~~a~~ ~~a~~two-year period. Any member who is absent for four of any twelve regularly scheduled consecutive meetings shall ~~have their membership~~be automatically terminated. Any resulting vacancy shall be filled for a new two-year period. Any ~~terminated~~ member ~~who is se membership has been term~~terminated or whose ~~term of office has expired and~~ who wishes to be reappointed shall contact ~~his~~~~their~~ ~~or her~~district Supervisor and shall reappear before the Board to speak on ~~his or her~~~~their~~ behalf. This ~~c~~Committee shall meet at least quarterly and all meetings ~~shall be conducted pursuant to the Brown Act and~~ shall be open to the public. The regular meetings of the ~~c~~Committee shall be held on the fourth Wednesday of each month at 6:00 p.m. at the Transportation Authority's offices at 1455 Market Street, Floor 22, San Francisco, California. The staff of the Transportation Authority will be available to assist the ~~c~~Committee. This ~~Committee-committee~~ shall provide input to the Transportation Authority in:
1. Defining the mission of the Transportation Authority;
 2. Reflecting community values in the development of the mission and program of the Transportation Authority, and channeling that mission and program back to the community;
 3. ~~Defining criteria and priorities for implementing the New Transportation Expenditure Plan program consistent with the intention of Proposition K; and~~
 3. ~~Reviewing and making recommendations to the Board on proposed Board agenda items; and~~



4. Monitoring the Transportation Authority's programs and evaluating the sponsoring agencies' productivity and effectiveness.
- (b) **Additional Advisory Committees.** The Board may appoint any other advisory committees that it deems necessary.

SECTION 5.3. CONTRACTS.

- (a) Contracts for the purchase of supplies, equipment and materials in excess of \$75,000 shall be awarded after a formal competitive procurement process in conformance with the Transportation Authority's adopted Procurement Policy.
- (b) Contracts for the purchase of services in excess of \$75,000 shall be awarded after a formal competitive procurement process in conformance with the Procurement Policy.
- (c) The Executive Director is authorized to contract for ~~goods, supplies, equipment, and materials~~ and for services for an amount less than or equal to \$75,000 in conformance with the Procurement Policy. The Executive Director is authorized to amend contracts and agreements within the parameters specified in the Procurement Policy.
- (d) Where advantageous, the Transportation Authority may contract without initiating a competitive procurement process with any public agency, including but not limited to, the State Department of Transportation, the Metropolitan Transportation Commission, or any transit district, county, or city, including the City to render designated services or to provide materials on behalf of the Transportation Authority in conformance with the Procurement Policy.
- (e) All contracts shall reflect the Disadvantaged Business Enterprise/Local Business Enterprise goals, if applicable and as permitted by law, and Equal Benefits provisions adopted by the Transportation Authority.

SECTION 5.4. PROCEDURES FOR IMPLEMENTING THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

Section 5.4.1. Authority and Mandate.

- (a) This Section 5.4 is adopted pursuant to the California Environmental Quality Act, Public Resources Code Sections 21000 and following, as amended; and pursuant to the Guidelines for Implementation of the California Environmental Quality Act, as amended, appearing as Title 14, Division 6, Chapter 3 of the California Code of Regulations (hereinafter referred to collectively as "CEQA").
- (b) Any amendments to CEQA adopted subsequent to the effective date shall not invalidate any provision of this Section 5.4. Any amendments to CEQA that



may be inconsistent with this Section 5.4 shall govern until such time as the relevant provision is amended to remove such inconsistency.

- (c) This Section 5.4 shall govern in relation to all other ordinances of the Transportation Authority and rules and regulations pursuant thereto. In the event of any inconsistency, the provisions of this Section 5.4 shall prevail.

Section 5.4.2. Incorporation by Reference.

The provisions of CEQA are not repeated here, but are expressly incorporated herein by reference as though fully set forth.

Section 5.4.3. Responsibility.

The administrative actions required by CEQA with respect to the preparation of environmental documents, giving of notice and completing other activities shall be performed by staff of the Transportation Authority or by consultants under the direction of the Transportation Authority. These activities may include, but are not limited to:

- (a) Preparing any necessary forms, checklists and processing guidelines to implement CEQA in accordance with this Section 5.4;
- (b) Determining excluded and exempt activities which are not subject to CEQA;
- (c) Determining when a negative declaration or environmental impact report (EIR) is required when acting as a lead agency or as is otherwise required by CEQA;
- (d) Ensuring that agencies and other interested parties are consulted and have an opportunity to comment during the CEQA process when acting as a lead agency or as is otherwise required by CEQA;
- (e) Preparing environmental documents and notices when acting as a lead agency or as is otherwise required by CEQA;
- (f) Consulting, providing comments, and attending hearings as necessary on behalf of the Transportation Authority when it acts as a responsible agency under CEQA; and
- (g) Ensuring coordination with federal lead and responsible agencies when project review is required under both CEQA and the National Environmental Policy Act ("NEPA").

Section 5.4.4. List of Non-Physical and Ministerial Projects.

The Transportation Authority shall maintain a list of types of ministerial projects excluded from CEQA. Such lists shall be modified over time as the status of types of projects may change under applicable laws, ordinances, rules and regulations. The list shall not be considered totally inclusive, and may at times require refinement or interpretation on a case-by-case basis. The list of ministerial projects and modifications thereto shall be kept posted in the offices of the Transportation Authority, and copies shall be sent to the Board.



Section 5.4.5. Categorical Exemptions.

The Transportation Authority shall maintain a list of types of projects that are categorically exempt from CEQA. This list shall be kept posted in the offices of the Transportation Authority, with updated copies sent to the Board. The list shall be kept up to date in accordance with any changes in CEQA.

Section 5.4.6. Initial Evaluation of Projects

- (a) For projects that are not statutorily excluded or categorically exempt from CEQA, an initial study shall be prepared to establish whether a negative declaration or an EIR is required prior to the decision as to whether to carry out or approve the project. If it is clear at the outset that an EIR is required, however, such determination may be made immediately and no initial study shall be required.
- (b) Each initial study shall meet the requirements of CEQA with respect to contents and consultation with Responsible and Trustee Agencies. During preparation of the initial study, the Transportation Authority may consult with any person having knowledge or interest concerning the project.
- (c) If a project is subject to both CEQA and NEPA, an initial evaluation prepared pursuant to NEPA may be used to satisfy the requirements of this Section.
- (d) Based on the analysis and conclusions in the initial study, the Transportation Authority shall determine, based on the requirements of CEQA, whether there is substantial evidence that any aspect of the project may cause a significant effect on the environment, and whether a negative declaration or and EIR shall be prepared.

Section 5.4.7. Negative Declarations or Mitigated Negative Declarations.

- (a) When a negative declaration is required, it shall be prepared by or at the direction of the Transportation Authority. All CEQA requirements governing contents, notice, and recirculation shall be met.
- (b) The Board shall review and consider the information contained in the final negative declaration, together with any comments received during the public review process, and, upon making the findings as provided in CEQA, shall adopt the negative declaration, prior to approving the project. If the Board adopts a mitigated negative declaration, it shall also adopt a program for reporting on or monitoring the mitigation measures for the project that it has either required or made a condition of approval to mitigate or avoid significant environmental effects.

Section 5.4.8. Draft Environmental Impact Reports.

- (a) If it is determined that a project may have a significant effect on the environment and that an EIR is required, the Transportation Authority shall



prepare a Notice of Preparation and shall meet all requirements for notice and circulation as required by CEQA.

- (b) The EIR shall be prepared by or under the direction of the Transportation Authority. The EIR shall first be prepared as a draft report. During preparation of the draft EIR, the Transportation Authority may consult with any person having knowledge or interest concerning the project and shall meet all CEQA consultation requirements.
- (c) When the draft EIR has been prepared, the Transportation Authority shall file a Notice of Completion and shall provide public notice of the draft EIR, as required by CEQA. The comment period on draft EIRs shall meet the requirements of CEQA. The draft EIR shall be available to the general public upon filing of the Notice of Completion.
- (d) Public participation, both formal and informal, shall be encouraged at all stages of review, and written comments shall be accepted at any time up to the conclusion of the public comment period. The Transportation Authority may give public notice at any formal stage of the review process, beyond the notices required by CEQA, in any manner it may deem appropriate, and may maintain a public log as to the status of all projects under formal review. Members of the general public shall be encouraged to submit their comments in writing as early as possible.

Section 5.4.9. Final Environmental Impact Reports.

- (a) A final EIR shall be prepared in accordance with CEQA by, or at the direction of, the Transportation Authority, based upon the draft EIR, the consultations and comments received during the review process, and additional information that may become available.
- (b) In the judgment of the Board, if the final EIR is adequate, accurate and objective, and reflects the independent judgment and analysis of the Board, the Board shall certify its completion in compliance with CEQA. The certification of completion shall contain a finding as to whether the project as proposed will, or will not, have a significant effect on the environment.

Section 5.4.10. Actions on Projects.

- (a) Before making its decision whether to carry out or approve the project, the Board shall review and consider the information contained in the environmental document and shall make findings as required by CEQA.
- (b) After the Board has decided to carry out or approve a project, the Transportation Authority shall file a notice of determination with the county clerk of the county or counties in which the project is to be located and as required by CEQA. Such notice shall contain the information required by



CEQA. If required by CEQA, the notice of determination shall also be filed with the California Governor's Office of Planning and Research.

Section 5.4.11. Additional Environmental Review.

If the Transportation Authority or the Board determine that additional environmental review is required by CEQA, or if modifications to a project require additional environmental review, such review will be conducted as provided by CEQA and in accordance with the applicable procedures set forth in this Section 5.4.

Section 5.4.12. Evaluation of Modified Projects.

- (a) After evaluation of a proposed project has been completed, a substantial modification of the project may require reevaluation of the proposed project.
- (b) Where such a modification occurs as to a project that has been determined to be excluded or categorically exempt, a new determination shall be made. If the project is again determined to be excluded or categorically exempt, no further evaluation shall be required. If the project is determined not to be excluded or categorically exempt, an initial study shall be conducted as provided in Section 5.4.6.
- (c) Where such a modification occurs as to a project for which a negative declaration has been adopted or a final EIR has been certified, the Transportation Authority shall reevaluate the proposed project in relation to such modification. If, on the basis of such reevaluation, the Transportation Authority determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons supporting the determination shall be noted in writing in the case record, and no further evaluation shall be required. If the Transportation Authority determines that additional environmental review is necessary, a new evaluation shall be completed prior to the decision by the Board as to whether to carry out or approve the project as modified. CEQA sets forth specific requirements for the determination of whether a supplemental or subsequent EIR is necessary, as well as the applicable process.

Section 5.4.13. Multiple Actions on Projects.

- (a) The concept of a project is broadly defined by CEQA so that multiple actions of the same or of different kinds may often constitute a single project. This concept of a project permits all the ramifications of a public action to be considered ~~together, and~~together and avoids duplication of review.
- (b) Early and timely evaluation of projects and preparation of EIRs shall be emphasized.
- (c) Only one initial study, negative declaration or EIR shall be required for each project.
- (d) Only one evaluation of a project or preparation of an EIR shall occur in cases in which both the Transportation Authority and one or more other public agencies are to carry out or approve a project. In such cases the evaluation or



preparation is performed by the lead agency, which agency is selected by reference to criteria in CEQA.

- (e) CEQA provides that a single initial study, negative declaration or EIR may be employed for more than one project, if all such projects are essentially the same in terms of environmental effects. Furthermore, an initial study, negative declaration or EIR prepared for an earlier project may be applied to a later project, if the circumstances of the projects are essentially the same.
- (f) Reference is made in CEQA to simultaneous consideration of multiple and phased projects, related projects, cumulative effects of projects, projects elsewhere in the region, existing and planned projects.

Section 5.4.14. Severability.

- (a) If any article, section, subsection, paragraph, sentence, clause or phrase of this Section 5.4, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, or other competent agency, such decision shall not affect the validity or effectiveness of the remaining portions. The Board hereby declares that it would have passed each article, section, subsection, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more articles, sections, subsections, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid or ineffective.
- (b) If the application of any provision or provisions of this Section 5.4 to any person, property or circumstances is found to be unconstitutional or invalid or ineffective in whole or in part by any court of competent jurisdiction, or other competent agency, the effect of such decision shall be limited to the person, property or circumstances immediately involved in the controversy, and the application of any such provision to other persons, properties and circumstances shall not be affected.
- (c) These severability provisions shall apply to this Section 5.4 as it now exists and as it may exist in the future, including all modifications thereof and additions and amendments thereto.

SECTION 6. SEAL.

The Transportation Authority may provide for and adopt an official seal. The use of the seal of the Transportation Authority shall be for purposes directly connected with the official business of the Transportation Authority.



DEBT POLICY

I. INTRODUCTION

The purpose of this Policy is to organize and formalize debt issuance-related policies and procedures for the San Francisco County Transportation Authority (Transportation Authority) and to establish a systematic debt policy (Debt Policy). The Debt Policy is, in every case, subject to and limited by applicable provisions of state and federal law and to prudent debt management principles.

II. DEBT POLICY OBJECTIVE

The primary objectives of the Transportation Authority's debt and financing related activities are to

- Maintain cost-effective access to the capital markets and other financing alternatives through prudent yet flexible policies;
- Moderate debt principal and debt service payments through effective planning and project cash management in coordination with Transportation Authority project sponsors; and
- Achieve the highest practical credit ratings that also allow the Transportation Authority to meet its objectives.

III. SCOPE AND DELEGATION OF AUTHORITY

This Debt Policy shall govern, except as otherwise covered by the Transportation Authority's adopted Investment Policy and the Transportation Authority's adopted Fiscal Policy, the issuance and management of all debt funded through the capital markets, including the selection and management of related financial and advisory services and products.

This Policy shall be reviewed and updated at least annually and more frequently as required. Any changes to the policy are subject to approval by the Transportation Authority Board of Commissioners (Board) at a legally noticed and conducted public meeting. Overall policy direction of this Debt Policy shall be provided by the Board. Responsibility for implementation of the Debt Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's debt and finance program shall lie with the Executive Director. The Board's adoption of the Annual Budget does not constitute authorization for debt issuance for any capital projects. This Debt Policy requires that the Board specifically authorize each debt financing. Each financing shall be presented to the Board in the context of and consistent with the Annual Budget.

While adherence to this Policy is required in applicable circumstances, the Transportation Authority recognizes that changes in the capital markets, agency programs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy and require modifications or exceptions to achieve the Transportation Authority's policy goals. In these cases, management flexibility is appropriate, provided specific authorization from the Board is obtained.



IV. ETHICS AND CONFLICTS OF INTEREST

Officers, employees and agents of the Transportation Authority involved in the debt management program will not engage in any personal business activities or investments that would conflict with proper and lawful execution of the debt management program, or which could impair their ability to make impartial decisions.

V. SOURCE OF SECURITY FOR DEBT FINANCING

Beginning in April of 1990, the State of California Board of Equalization (now the California Department of Tax and Fee Administration) started collecting the sales tax revenues for the Transportation Authority as set forth in the San Francisco County Transportation Expenditure Plan (Prop B Expenditure Plan) for a period not to exceed twenty years. In November of 2003, San Francisco voters approved the Proposition K Sales Tax (Prop K) a new 30-year Expenditure Plan (Expenditure Plan) that superseded Prop B and continued the one-half of one percent sales tax. The Transportation Authority's current debt obligations are secured by the sales tax revenues generated from the Transportation Authority's one-half cent (0.5%) sales tax collections in the City and County of San Francisco. The sales tax is currently set to expire on March 31, 2034.

VI. STRATEGIC PLAN INTEGRATION

The Transportation Authority's multi-year Strategic Plan, which programs the Expenditure Plan, shall be used in combination with this Debt Policy and the Fiscal Policy to ensure proper allocation and financing of Prop K eligible projects. The Strategic Plan sets priorities and strategies for allocating Prop K funds under its guiding principles, while the Debt Policy provides policy direction and limitations for proposed financing and the Fiscal Policy provides guidance on decisions pertaining to internal fiscal management. Debt issuance for capital projects shall not be recommended for Board approval unless such issuance has been incorporated into the Strategic Plan.

VII. STANDARDS FOR USE OF DEBT FINANCING

The Transportation Authority's debt management program will promote debt issuance only in those cases where public policy, equity and economic efficiency favor debt over cash (pay-as-you-go) financing.

A. Credit Quality.

Credit quality is an important consideration and will be balanced with the Transportation Authority's objectives and the associated size, structure and frequency of issuances of debt. All Transportation Authority debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest credit ratings possible consistent with the Transportation Authority's debt management objectives, and to maintaining or improving the current credit ratings assigned to the Transportation Authority's outstanding debt by the major credit rating agencies.

B. Long-Term Capital Projects.

The Transportation Authority will issue long-term debt only to finance and refinance long-term capital projects. When the Transportation Authority finances capital projects by issuing bonds, the average principal amortization should not exceed 120% of the weighted average useful life of the project being financed or refinanced if the bonds are intended to be federally tax-exempt and the debt repayment period should not exceed the earlier of the following: (1) the sunset date of the current Expenditure Plan or (2) forty (40) years from the date of issuance. Inherent in its long-term debt policies, the Transportation Authority recognizes that future taxpayers will benefit from the capital investment and that it is appropriate that they pay a share of the asset cost. Long-term debt financing shall not be used to fund operating costs unless such costs qualify as capital expenditures under federal tax principles.



C. Debt Financing Mechanism.

The Transportation Authority will evaluate the use of available financial alternatives including, but not limited to, tax-exempt and taxable debt, long-term debt (both fixed and variable rate), short-term debt; commercial paper, lines of credit, ~~and~~ sales tax revenue and grant anticipation notes; ~~negotiated sale, competitive sale, and;~~ private placement and inter-fund borrowing. The Transportation Authority will utilize the most advantageous financing alternative ~~or combination of alternatives.~~ that effectively balances the cost of the financing with the risk of the financing structure to the Transportation Authority.

D. Ongoing Debt Administration and Internal Controls.

The Transportation Authority shall maintain all debt-related records for a period of not less than the term of the debt plus three years. At a minimum, this repository will include all official statements, bid documents, ordinances, indentures, trustee reports, continuing disclosure reports, material events notices, tax certificates, information regarding the investment of and project costs paid with bond proceeds, underwriter and other agreements, etc. for all Transportation Authority debt. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice (transcripts may be hard copy or stored on CD-ROM). The Transportation Authority developed a standard procedure for archiving transcripts for any new debt. The Transportation Authority developed procedures and controls that will be reviewed periodically. The Transportation Authority has established internal controls to ensure compliance with the Debt Policy, all debt covenants and any applicable requirements of applicable law.

E. Tax Law Compliance, Rebate Policy and System.

Debt issued by the Transportation Authority, the interest on which is intended to be federally tax-exempt, is subject to requirements and limitations in order that such debt qualifies for tax-exemption initially at issuance and remains tax-exempt on an ongoing basis until such debt is fully repaid. Failure to comply with such requirements and limitations could cause an issue of the Transportation Authority's debt to be determined to fail to qualify for tax-exemption, retroactive to the date of issuance. The Transportation Authority designates the Executive Director, and ~~their~~ ~~his~~ ~~or~~ ~~her~~ designee, to periodically undertake procedures to confirm compliance with such requirements and limitations. In furtherance thereof, the Executive Director, and ~~their~~ ~~his~~ ~~or~~ ~~her~~ designee, will consult with the Transportation Authority's bond counsel or others as deemed necessary regarding such periodic procedures or in the event that it is discovered that noncompliance has or may have occurred.

In addition, in furtherance of the above, the Transportation Authority will accurately account for all interest earnings in debt-related funds. These records will be designed to ensure that the Transportation Authority is in compliance with all debt covenants, including covenants related to the preservation of the tax-exempt status of debt issued on such basis, and with all applicable laws. The Transportation Authority will maximize the interest earnings on all funds within the investment parameters set forth in each respective indenture, consistent with consideration of applicable yield limits and arbitrage requirements and as permitted by the Investment Policy. The Transportation Authority will develop a system of reporting interest earnings that relates to and complies with any tax certificate(s) relating to its outstanding debt and Internal Revenue Code rebate, yield limits and arbitrage rules, and of making any required filings with State and Federal agencies. The Transportation Authority will retain records as required by its tax certificate(s). The Transportation Authority shall have the authority to retain the services of an Arbitrage Rebate Consultant.



VIII. FINANCING CRITERIA

A. Purpose of Debt.

When the Transportation Authority determines the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

1. NEW MONEY FINANCING.

New money issues are financings that generate funding for capital projects. Eligible capital projects for allocation of Transportation Authority funds include the acquisition, construction or major rehabilitation of capital assets. In accordance with the philosophy of the Debt Policy, long-term debt proceeds generally may not be used for operating expenses. Capital project funding requirements are outlined in the annual budget, the Strategic Plan and the Expenditure Plan.

2. REFUNDING FINANCING.

Refunding debt is issued to retire all or a portion of an outstanding bond issue or other debt. Refunding issuances can be used to achieve present-value savings on debt service, to modify interest rate risk, or to restructure the payment schedule, type of debt instrument used, or covenants of existing debt. The Transportation Authority must analyze each refunding issue on a present-value basis to identify economic effects before approval. Policies on the administration of refunding financings are detailed further in Section X: Refinancing Outstanding Debt.

B. Types of Debt.

When the Transportation Authority determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

1. LONG-TERM DEBT.

The Transportation Authority may issue long-term debt (e.g. fixed or variable rate revenue bonds) when funding allocations cannot be financed from current revenues. The proceeds derived from long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that average principal amortization does not exceed 120% of the weighted average useful life of the project being financed or refinanced if the bonds are intended to be federally tax-exempt and the debt repayment period does not exceed the earlier of the following: (a) the sunset date of the current Expenditure Plan and (b) forty (40) years from the date of issuance.

Fixed Rate

- a) *Current Coupon Bonds* are bonds that pay interest periodically and principal at maturity. They may be used for both new money and refunding transactions. Bond features may be adjusted to accommodate the market conditions at the time of sale, including changing dollar amounts for principal maturities, offering discount and premium bond pricing, modifying call provisions, utilizing bond insurance, and determining how to fund the debt service reserve fund, if any, and costs of issuance.
- b) *Zero Coupon and Capital Appreciation Bonds* pay interest that is compounded and paid only when principal matures. Interest continues to accrue on the unpaid interest, and these types of bonds typically bear interest at rates that are higher than those on current-coupon bonds, therefore representing a more expensive funding option. In the case of zero-coupon bonds, principal paid at maturity is discounted back to the initial investment amount received at issuance. In the case of capital appreciation bonds (CABs), interest on the bond accretes until maturity. Often, CABs are structured so as not to be callable prior to maturity.



even if economic conditions are such that substantial savings could be achieved through refunding those CABs

- c) *Special Government Obligations (both tax-exempt and taxable)*, such as the Build America Bond program authorized for calendar years 2009 and 2010, or any other type of existing or new municipal security, structure or tax credit authorized by the Federal Government to assist local governments in accessing the capital markets. So long as the program's requirements allow the Transportation Authority to adhere to its Debt Policy, the Transportation Authority will evaluate it along with traditional financing structures in order to determine which is the most appropriate for a particular issuance.
- d) *Transportation Infrastructure Finance Innovation Act (TIFIA) Loan* is a loan provided by the United States Department of Transportation for certain transportation projects of regional importance. The Transportation Authority may elect to apply for a TIFIA loan if it is determined that it is the most cost-effective debt financing option available.

Variable Rate

- a) *Variable Rate Demand Bonds (VRDBs)* are long-term bonds with a fixed principal amortization, but the interest rate resets at certain established periods such as daily, weekly, monthly, or such other period as the Transportation Authority deems advisable, given current market conditions. VRDBs often require credit enhancement and third party liquidity in the forms of Letters or Lines of Credit and/or bond insurance. VRDBs generally allow bondholders to "put" their bonds back to the Transportation Authority on any rate reset date, given certain notice. The Transportation Authority will need to retain an investment bank to remarket bonds that are "put."
- b) *Indexed Notes* are forms of variable rate debt that do not require Letters or Lines of Credit. These forms of variable rate debt have a fixed spread to a certain identified index such as the Securities Industry and Financial Markets Association. The rate will reset on a weekly, monthly, or other basis.

2. SHORT-TERM DEBT.

Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues, where anticipated revenues are defined as an assured revenue source with the anticipated amount based on conservative estimates. In the case of the Transportation Authority's revolving credit facility or any future commercial paper program or replacement revolving credit facility, short-term borrowings may also be utilized for funding of the Transportation Authority's capital projects. The Transportation Authority will determine and utilize the least costly method for short-term borrowing. The Transportation Authority may issue short-term debt when there is a defined repayment source or amortization of principal, subject to the following policies:

- a) *Commercial Paper Notes* may be issued as an alternative to fixed rate debt, particularly when the timing of funding requirements is uncertain. The Transportation Authority may maintain an ongoing commercial paper program to ensure flexibility and immediate access to capital funding when needed.
- b) *Grant Anticipation Notes (GANs)* are short-term notes that are repaid with the proceeds of State or Federal grants of any type. The Transportation Authority shall generally issue GANs only when there is no other viable source of funding for the project.
- c) *Sales Tax and Revenue Anticipation Notes* shall be issued only to meet sales tax revenue cash flow needs consistent with a finding by bond counsel that that the sizing of the issue fully conforms to Federal tax requirements and limitations for tax-exempt borrowings.
- d) *Letters or Lines of Credit* shall be considered as an alternative to or credit support for other short-term borrowing options. The Transportation Authority presently has a \$140 million



revolving credit facility. Amounts can be repaid and reborrowed under the revolving credit facility or another letter or line of credit without further Board action. The average amortization of amounts drawn under the revolving credit facility, letter or line of credit may not exceed 120% of the weighted average useful life of the project being financed or refinanced if the borrowing is intended to be federally tax-exempt and the borrowing must be fully repaid by the earlier of the following: (a) the sunset date of the current Expenditure Plan and (b) forty (40) years from the date of issuance. The repayment of loans under a revolving credit facility or other letter or line of credit is often facilitated by the issuance of long-term bonds or the repaying of principal from cash on hand. If proceeds of long-term bonds are used to repay loans under the revolving credit facility or other letter or line of credit, the amortization and the repayment of the long-term bonds must satisfy the limits set forth above.

- e) *Grant Anticipation Revenue Vehicle Financing (GARVEE)* are bonds issued by the State and enable entities to fund transportation projects that are secured by certain federal grants. The Transportation Authority may consider the issuance of GARVEEs to meet cash flow shortfalls of grant revenues.

3. VARIABLE RATE DEBT.

To maintain a predictable debt service burden, the Transportation Authority may give preference to debt that carries a fixed interest rate. An alternative to the use of fixed rate debt is floating or variable rate debt. It may be appropriate to issue short-term or long-term variable rate debt to diversify the Transportation Authority's debt portfolio, reduce interest costs, provide interim funding for capital projects and improve the match of assets to liabilities. Variable rate debt typically has a lower initial cost of borrowing than fixed rate financing and shorter maturities but carries both interest rate and liquidity risk. Under no circumstances will the Transportation Authority issue variable rate debt solely for the purpose of earning arbitrage. The Transportation Authority, however, may consider variable rate debt in certain instances.

- a) *Variable Rate Debt Capacity.* Except for the existing \$140 million revolving credit facility (to which the following requirements of variable rate debt do not apply) or any replacement facility, the Transportation Authority will maintain a conservative level of outstanding variable rate debt in consideration of general rating agency guidelines recommending a maximum of a 20-30% variable rate exposure, in addition to maintaining adequate safeguards against risk and managing the variable revenue stream both as described below:
 - (1) *Adequate Safeguards Against Risk.* Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate swaps, interest rate caps and the matching of assets and liabilities.
 - (2) *Variable Revenue Stream.* The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.
 - (3) *As a Component to Synthetic Fixed Rate Debt.* Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt, subject to other provisions of the Debt Policy regarding Financial Derivative Products.

4. FINANCIAL DERIVATIVE PRODUCTS.

Financial Derivative Products such as interest rate swaps will be considered appropriate in the issuance or management of debt only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces the risk of fluctuations in expense or revenue, or alternatively where the derivative product will significantly reduce total project cost. Financial Derivative Products shall be considered only: (1) after a thorough evaluation of risks

associated therewith, including counterparty credit risk, basis risk, tax risk, termination risk and liquidity risk, (2) after consideration of the potential impact on the Transportation Authority's ability to refinance bonds at a future date and (3) after the Board has adopted separate policy guidelines for the use of interest rate swaps and other Financial Derivative Products. Derivative products will only be utilized with prior approval from the Board.

IX. TERMS AND CONDITIONS OF BONDS

The Transportation Authority shall establish all terms and conditions relating to the issuance of bonds, and will control, manage, and invest all bond proceeds. Unless otherwise authorized by the Transportation Authority, the following shall serve as bond requirements:

A. Term.

All capital improvements financed through the issuance of debt will be financed for a period such that average principal amortization of the debt does not exceed 120% of the weighted average useful life of the project being financed or refinanced, if the bonds are intended to be federally tax-exempt and the debt repayment period does not exceed the earlier of the following: (a) the sunset date of the current Expenditure Plan and (b) forty (40) years from the date of issuance.

B. Capitalized Interest.

The nature of the Transportation Authority's revenue stream is such that funds are generally continuously available, and the use of capitalized interest should not normally be necessary. However, certain types of financings may require the use of capitalized interest from the issuance date until the project sponsor has constructive use of the financed project. Unless otherwise required, including as may be required by statute with respect to the deposit of original issue premium, the Transportation Authority will avoid the use of capitalized interest to obviate unnecessarily increasing the bond issuance size. Interest shall not be funded (capitalized) beyond three (3) years, unless required by statute with respect to the deposit of original issue premium, or a shorter period if further restricted by statute. The Transportation Authority may require that capitalized interest on the initial series of bonds be funded from the proceeds of the bonds. Interest earnings may, at the Transportation Authority's discretion and, if permitted under applicable federal tax law, be applied to extend the term of capitalized interest but in no event beyond the authorized term.

C. Lien Levels.

Senior, Parity and Subordinate Liens have been established under the Transportation Authority's Indenture governing the Transportation Authority's sales tax revenue bonds. The Transportation Authority may utilize any of these lien levels in a manner that will maximize the most critical constraint, typically either cost or capacity, allowing for the most beneficial use of sales tax revenues securing the series of bonds.

D. Additional Bonds Test.

Any new money senior lien sales tax debt issuance must not cause the Transportation Authority's debt service to be expected to exceed the level at which the incoming sales tax revenues are less than one and three quarters times (1.75x) the maximum annual principal, interest, and debt service for the aggregate outstanding Senior Lien bonds including the debt service for the new issuance, calculated in accordance with the Indenture. This test shall not apply to refunding debt. The Transportation Authority may by Supplemental Indenture issue or incur Parity Debt and Subordinate Obligations, subject to the limitations set forth in the Indenture, the Act, the Ordinance and other applicable law.



E. Debt Service Structure.

Debt issuance shall be planned to achieve relatively rapid repayment of debt while still matching debt service to the useful life of facilities. The Transportation Authority will amortize its debt within each lien level to achieve overall level debt service (although principal may be deferred in the early years of a bond issue to maximize the availability of pay-as-you-go dollars during that time) or may utilize more accelerated repayment schedules after giving consideration to bonding capacity constraints. The Transportation Authority shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to level existing debt service.

F. Call Provisions.

In general, the Transportation Authority's securities will include a call feature, based on market conventions, which is typically at par no later than ten and one-half (10.5) years from the date of delivery of tax-exempt bonds. In 2018, tax law was amended such that tax-exempt bonds can only be refunded on a tax-exempt basis 90 days before the call date and cannot be advance refunded with tax-exempt bond proceeds. The Transportation Authority may determine that a shorter call or premium feature is appropriate based on market dynamics and/or the desire for increased future optionality.

G. Original Issue Discount and Original Issue Premium.

An original issue discount or original issue premium applicable to a particular maturity of any series of Transportation Authority bonds will be permitted only if the Transportation Authority determines that such discount or premium results in a lower true interest cost on such series of bonds and that the use of an original issue discount or original issue premium will not adversely affect the project identified by the bond documents.

H. Deep Discount Bonds.

Deep discount bonds may provide a lower cost of borrowing in certain markets though they may also limit opportunities to refinance at lower rates in the future. The Transportation Authority will carefully consider their value and the effect on any future refinancings as a result of the lower-than-market coupon.

I. Derivative Products.

The Transportation Authority will consider the use of derivative products only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces risk of fluctuations in expense or revenue, or alternatively, where the derivative product will reduce the total project cost. If interest rate swaps are considered, the Transportation Authority shall develop and maintain an Interest Rate Swap Policy governing the use and terms of these derivative products. For derivatives other than interest rate swaps, the Transportation Authority will undertake an analysis of early termination costs and other conditional terms given certain financing and marketing assumptions. Such analysis will document the risks and benefits associated with the use of a particular derivative product. Derivative products will only be utilized with prior approval from the Board.

J. Multiple Series.

In instances where multiple series of bonds are to be issued, the Transportation Authority shall make a final determination as to which allocations are of the highest priority. Projects chosen for priority financing, based on funding availability and proposed timing, will generally be subject to the earliest or most senior of the bond series.



X. CREDIT ENHANCEMENTS

The Transportation Authority will consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings or positive impact on overall debt capacity can be shown shall enhancement be considered. The Transportation Authority will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancement.

A. Bond Insurance.

The Transportation Authority shall have the authority to purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest expense on insured bonds versus uninsured bonds.

B. Debt Service Reserves.

When required, a reserve fund equal to not more than the least of ten percent (10%) of the original principal amount of the bonds, maximum annual debt service or one-hundred-and-twenty-five (125%) percent of average annual debt service (Reserve Requirement) shall be funded from the proceeds of each series of bonds, subject to Federal tax regulations and in accordance with the requirements of credit enhancement providers, and rating agencies and with investors' requirements.

The Transportation Authority shall have the authority to purchase reserve equivalents (i.e., the use of a reserve fund surety) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis.

C. Liquidity Facilities and Letters of Credit.

The Transportation Authority shall have the authority to enter into liquidity facilities and letter-of-credit agreements when such agreements are deemed prudent and advantageous. Only those financial institutions with short-term ratings of not less than VMIG 1/P1, A-1 and F1, by Moody's Investor Services, Standard & Poor's and Fitch Ratings, respectively, and with ratings from at least two of the three aforementioned ratings agencies, may participate in Transportation Authority liquidity facilities and letter of credit agreements.

XI. REFINANCING OUTSTANDING DEBT

The Transportation Authority shall have the responsibility to analyze outstanding bond issues for refunding opportunities that may be presented by underwriting and/or financial advisory firms. The Transportation Authority will consider the following issues when analyzing possible refunding opportunities:

A. Debt Service Savings.

The Transportation Authority has established a minimum present value savings threshold goal of three (3) percent of the refunded bond principal amount, unless there are other compelling reasons for undertaking the refunding. Additionally, the Transportation Authority has established a minimum present value savings threshold goal of five (5) percent of the refunded bond principal amount for refinancings involving derivative products such as the issuance of synthetic fixed rate refunding debt service, unless there are other compelling reasons for undertaking the refunding. For this purpose, the present value savings will be net of all costs related to the refinancing. The decision to take savings on an upfront or deferred basis must be explicitly approved by the Board.



B. Restructuring.

The Transportation Authority will refund debt when in its best interest to do so. Refunding purposes may include, but not limited to: restructuring to meet unanticipated revenue expectations, terminating swaps, achieving cost savings, mitigating irregular debt service payments, releasing reserve funds, removing unduly restrictive bond covenants, or any combination of purposes beneficial to the Transportation Authority.

C. Term of Refunding Issues.

Except for commercial paper and loans under a line of credit (including the current revolving credit facility), the Transportation Authority generally will refund bonds without extending the maturity beyond that of the originally issued debt. However, the Transportation Authority may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Transportation Authority may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

D. Escrow Structuring.

The Transportation Authority shall utilize the least costly securities available in structuring refunding escrows. The Transportation Authority will examine the viability of an economic versus legal defeasance on a net present value basis. A certificate from a third-party agent, who is not a broker-dealer, is required stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS) (this is required only if SLGS are then available for purchase), and that the price paid for the securities was reasonable within Federal guidelines. Such certificate shall not be required in the case of SLGs purchased directly from the U.S. Treasury. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Transportation Authority from its own account.

E. Arbitrage.

The Transportation Authority shall take all necessary steps (permitted under Federal tax law when tax-exempt debt is involved) to optimize escrows and to avoid negative arbitrage in its refundings. Any resulting positive arbitrage will be rebated as necessary according to Federal guidelines.

F. Commercial Paper Program, Revolving Credit Facility.

The requirements of this Section XI and of Section VIII.A.2 shall not apply to or restrict the issuance of commercial paper notes for the purpose of refunding maturing commercial paper notes, or of borrowing under a revolving credit facility for the purpose of repaying prior loans under the facility or under a prior facility, nor shall this Section XI or Section VIII.A.2 apply to long-term refinancing of commercial paper or of loans under a revolving credit facility, subject to limitations otherwise contained in this policy.

XII. METHODS OF ISSUANCE

The Transportation Authority will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation, including a direct placement or similar transaction.

A. Competitive Sale

In a competitive bond sale, the Transportation Authority's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the "winning" bid and the bidding process also



adheres to the requirements set forth in the official notice of sale. Conditions under which a competitive sale would be preferred are as follows (not all conditions need be present/satisfied):

- a) Bond prices are stable and/or demand is strong
- b) Market timing and interest rate sensitivity are not critical to the pricing
- c) Participation from DBE firms is "best effort" and not required for winning bid;
- d) There are no complex explanations required during marketing regarding the Transportation Authority's projects, media coverage, political structure, political support, funding or credit quality;
- e) The bond type and structure are conventional;
- f) Bond insurance is included or pre-qualified (available);
- g) Manageable transaction size;
- h) The Transportation Authority has strong credit rating(s); and
- i) The Transportation Authority is well known to investors

B. Negotiated Sale.

The Transportation Authority recognizes that some securities are best sold through negotiation. Conditions under which a negotiated sale would be preferred are as follows (not all conditions need be present/satisfied):

- a) Bond prices are volatile;
- b) Demand is weak, or supply of competing bonds is high;
- c) Market timing is important, such as for refundings;
- d) The Transportation Authority has lower or weakening credit rating(s);
- e) The Transportation Authority is not well known to investors;
- f) Sale and marketing of the bonds will require complex explanations about the Transportation Authority projects, media coverage, political structure, political support, funding, or credit quality;
- g) The bond type and/or structural features are non-standard, such as for a forward delivery bond sale, issuance of variable rate bonds, or where there is the use of derivative products
- h) Bond insurance is not available or not offered;
- i) Early structuring and market participation by underwriters are desired;
- j) The par amount for the transaction is significantly larger than normal;
- k) Demand for the bonds by retail investors is expected to be high; and
- l) Participation from DBE firms is required

C. Private Placement.

From time to time the Transportation Authority may elect to privately place its debt or borrow directly from a bank or other financial institution. Such placement or borrowing shall only be considered if this method is likely to result in a cost savings to the Transportation Authority relative to other methods of debt issuance on a net present value basis, using the Transportation Authority's investment rate as the appropriate measure of the discount rate. For the existing \$140 million revolving credit facility or any replacement facility that is bank purchased, such requirements do not apply.

D. Issuance Method Analysis.

The Transportation Authority shall evaluate each method of issuance based on the factors set forth above.



XIII. MARKET RELATIONSHIPS

A. Rating Agencies.

The Executive Director shall be responsible for maintaining the Transportation Authority's relationships with Moody's Investors Service, Standard & Poor's and Fitch Ratings. The Transportation Authority may, from time-to-time, choose to deal with only one or two of these agencies as circumstances dictate. In addition to general communication, the Executive Director shall: (1) meet with credit analysts prior to each sale (competitive or negotiated) to the extent as advantageous, and (2) prior to each competitive or negotiated sale, offer conference calls or meetings with agency analysts in connection with the planned sale.

B. Investor Outreach.

The Transportation Authority shall participate in informational meetings or conference calls with institutional investors in advance of bond or note sales to the extent such meetings are advantageous to the sale of such bonds or notes. Ad-hoc information requests and inquiries from investors that hold the Transportation Authority's bonds should be met to the extent the requested information is publicly available. The provision of any information to investors shall be discussed with the Deputy Director Finance and Administration prior to the release of any information.

C. Transportation Authority Communication.

The Executive Director shall include in the annual report to the Board feedback from rating agencies and/or investors regarding the Transportation Authority's financial strengths and weaknesses and recommendations for addressing any weaknesses.

D. Disclosure.

The Transportation Authority shall comply with the terms of its continuing disclosure undertakings (CDUs). Material noncompliance with any CDU must be reported to the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access system ("EMMA") and disclosed in bond offering documents, which could reflect negatively on the Transportation Authority. The Executive Director will take all reasonable steps to ensure that the Transportation Authority files timely annual reports and "listed event" notices ~~(there are 15 such events in the Transportation Authority's existing CDUs, including the requirement that the Transportation Authority give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in its CDUs; amendments to Rule 15c-12 effective [i.e., applicable to CDUs entered by the Transportation Authority after] February 27, 2019 added two more "listed events" relating to a debt issuer's "material financial obligations" that could impact bond holders) notices with the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access system ("EMMA")~~ EMMA, and that all such filings are (i) complete and accurate under the law and (ii) clear, concise, and readable for the investing community. The Transportation Authority's existing CDUs contain 15 listed events, including the requirement that the Transportation Authority give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in its CDUs. Amendments to Rule 15c-12 effective (i.e., applicable to CDUs entered into by the Transportation Authority after) February 27, 2019 added two more "listed events" relating to a debt issuer's "material financial obligations" and to changes to primary documents relating to such obligations that could impact bond holders. The Transportation Authority may consider establishing guidelines for making the determination as to whether a financial obligation is material or whether a change to a document relating to a material financial obligations is, in itself, material. The Transportation Authority may also, from time to time, evaluate using the services of a dissemination agent, such as the Transportation Authority's Financial Adviser or Digital Assurance Certification, LLC, to assist with CDU compliance.



From time to time, the Transportation Authority prepares disclosure documents. Disclosure documents include offering documents for Transportation Authority bonds (e.g., preliminary and final Official Statements), (b) annual continuing disclosure reports filed with EMMA, (c) event notices and any other filings with EMMA, (d) the Transportation Authority's audited financial statements and (e) any other documents that are reasonably likely to reach investors or the securities markets, including but not limited to press releases, web site postings, and other communications required to be certified as representations of the City's financial condition to investors or the securities markets

To help ensure that the Transportation Authority's disclosure documents comply with all applicable federal securities laws and promote best practices regarding the preparation and review of the disclosure documents, the Transportation Authority promotes communication among its departments so that disclosure documents/filings are being reviewed by the staff persons who have the knowledge and ability to assess the accuracy and completeness of the document. The Executive Director or the Deputy Director for Finance and Administration may develop additional disclosure procedures including record retention policies. The Transportation Authority may engage with an external disclosure counsel to provide additional guidance and training.

E. Rebate Reporting.

The use of bond proceeds and their investments must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate annual rebates related to any bond issues, with rebate paid every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. Therefore, the Executive Director shall take all reasonable steps to ensure that proceeds and investments are tracked in a manner that facilitates accurate, complete calculation, and timely rebates, if necessary.

F. Other Jurisdictions.

From time to time, the Transportation Authority may issue bonds on behalf of other public entities. While the Transportation Authority will make every effort to facilitate the desires of these entities, the Executive Director will take all reasonable steps to ensure that only the highest quality financings are done and that the Transportation Authority is insulated from all risks. The Transportation Authority shall require that all conduit financings achieve a rating at least equal to the Transportation Authority's ratings (including, where necessary, through the use of credit enhancement).

G. Fees.

The Transportation Authority will charge recipients of debt issuance proceeds an administrative fee equal to the recipient's pro rata share of administrative costs incurred by the Transportation Authority by issuing debt.

XIV. CONSULTANTS

The Transportation Authority shall select its primary consultant(s) by competitive qualifications-based process through Request for Proposals.

A. Selection of Financing Team Members.

The Executive Director will make recommendations for all financing team members, with the Board providing final approval.

B. Financial Advisor.

The Transportation Authority shall utilize a financial advisor to assist in its debt issuance and debt administration processes as prudent. Selection of the Transportation Authority's financial advisor(s) shall be based on, but not limited to, the following criteria:



- a) Experience in providing consulting services to complex issuers
- b) Knowledge and experience in structuring and analyzing complex issues
- c) Experience and reputation of assigned personnel
- d) Fees and expenses

Financial advisory services provided to the Transportation Authority shall include, but shall not be limited to:

- a) Evaluation of risks and opportunities associated with debt issuance;
- b) Monitoring marketing opportunities;
- c) Evaluation of proposals submitted to the Transportation Authority by investment banking firms;
- d) Structuring and pricing;
- e) Preparation of request for proposals for other financial services such as trustee and paying agent services, printing, credit facilities, remarketing agent services, etc.;
- f) Advice, assistance and preparation for presentations with rating agencies and investors; and
- g) Assisting in preparation of official statements.

The Transportation Authority also expects that its financial advisor will provide the Transportation Authority with objective advice and analysis, maintain the confidentiality of Transportation Authority financial plans, and be free from any conflicts of interest.

C. Bond Counsel.

Transportation Authority debt will include a written opinion by legal counsel affirming that the Transportation Authority is authorized to issue the proposed debt, that the Transportation Authority has met all constitutional and statutory requirements necessary for issuance, and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by nationally-recognized counsel with extensive experience in public finance and tax issues. Counsel will be selected by the Transportation Authority through its request for proposal process.

The services of bond counsel may include, but are not limited to:

- a) Rendering a legal opinion with respect to authorization and valid issuance of debt obligations including whether the interest paid on the debt is tax exempt under federal and State of California law;
- b) Preparing all necessary legal documents in connection with authorization, sale, issuance and delivery of bonds and other obligations;
- c) Assisting in the preparation of the preliminary and final official statements and commercial paper memorandum;
- d) Participating in discussions with potential investors, insurers and credit rating agencies, if requested; and
- e) Providing continuing advice, as requested, on the proper use and administration of bond proceeds under applicable laws and the indenture, particularly arbitrage tracking and rebate requirements.

D. Disclosure Counsel

For Transportation Authority debt issued and sold through the use of an official statement or offering memorandum, the Transportation Authority may retain disclosure counsel with experience in public finance and securities law issues. Disclosure counsel will be selected by the Transportation Authority through its Request for Proposal (RFP) process.

The services of disclosure counsel may include, but are not limited to:



- a) Assisting the internal due diligence process;
- b) Preparation and/or review of disclosure documents necessary for the sale and delivery of securities, including preliminary and final official statements (or offering memoranda) and continuing disclosure agreements;
- c) Delivery of a negative assurance letter regarding the disclosure document; and
- d) The Transportation Authority may also retain disclosure counsel with experience in public finance and securities law issues to provide advice and support between issuances of debt sold through the use of an official statement or offering memorandum, as determined by the Executive Director.

XV. UNDERWRITER SELECTION

A. Senior Manager Selection.

The Transportation Authority may select a senior manager for a proposed negotiated sale. The criteria shall include but not be limited to:

- a) The firm's ability and experience in managing complex transactions;
- b) Demonstrated ability to structure debt issues efficiently and effectively;
- c) Prior knowledge and experience with the Transportation Authority;
- d) The firm's willingness to risk capital and demonstration of such risk;
- e) The firm's ability to sell bonds;
- f) Quality and experience of personnel assigned to the Transportation Authority's engagement and
- g) Financing plan presented.

B. Co-Manager Selection.

Co-managers, if any, will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the Transportation Authority's bonds.

C. Selling Groups.

The Transportation Authority may establish selling groups in certain transactions. To the extent that selling groups are used, the Transportation Authority may make appointments to selling groups from within the pool of underwriters or from outside the pool, as the transaction dictates.

D. Underwriter's Counsel.

In any negotiated sale of Transportation Authority debt, in which legal counsel is required to represent the underwriter, the lead underwriter will make the appointment, subject to Transportation Authority consent.

E. Underwriter's Discount.

- a) The Transportation Authority will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Transportation Authority will determine the allocation of fees with respect to the management fee. The determination will be based upon participation in the structuring phase of the transaction.
- b) All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Transportation Authority. The senior manager shall



submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

F. Evaluation of Financing Team Performance.

The Transportation Authority will evaluate each bond sale after its completion to assess the following: costs of issuance, including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Following each sale, the Transportation Authority shall provide a post-sale evaluation on the results of the sale to the Board.

G. Syndicate Policies.

For each negotiated transaction, the senior manager will prepare syndicate policies for approval by the Executive Director that will describe the designation policies governing the upcoming sale. The Executive Director shall ensure that the senior manager receives each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

H. Designation Policies.

To encourage the pre-marketing efforts of each member of the underwriting team, orders for the Transportation Authority's bonds will be net designated, unless otherwise expressly stated. The Transportation Authority shall require the senior manager to:

- a) Equitably allocate bonds to other managers and the selling group;
- b) Comply with MSRB regulations governing the priority of orders and allocations; and
- c) Within 10 working days after the sale date, submit to the Executive Director a detail of orders, allocations and other relevant information pertaining to the Transportation Authority's sale.

I. Disclosure by Financing Team Members.

All financing team members will be required to provide full and complete disclosure, relative to agreements with other financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction. However, under no circumstances will agreements be permitted which could compromise the firm's ability to provide independent advice which is solely in the Transportation Authority's best interests or which could reasonably be perceived as a conflict of interest.

GLOSSARY

Arbitrage. The difference between the interest paid on an issue of tax exempt debt and the interest earned by investing the debt proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage earned pursuant to the investment of the proceeds of tax-exempt municipal securities.

Balloon Maturity. A maturity within an issue of bonds that contains a disproportionately large percentage of the principal amount of the original issue.

Bullet Maturity. The maturity of an issue of bonds for which there are no principal payments prior to the final stated maturity date.

Call Provisions. The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

Capitalized Interest. A portion of the proceeds of an issue that is set aside to pay interest on the securities for a specific period of time. Interest is sometimes capitalized for the construction period of the project.

Commercial Paper. Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank that, upon the maturity thereof, successively rolls into other short term promissory notes until the principal thereof is paid by the Transportation Authority.

Competitive Sale. A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.

Continuing Disclosure. The ongoing disclosure provided by an issuer to comply with a continuing disclosure undertaking. Generally includes annual updates of operating and financial information, audited financial statements, and notice of events specifically identified in the undertaking.

Credit Enhancement. Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

DBE. Disadvantaged Business Enterprises as defined by the Transportation Authority's current DBE policy.

Debt Service Reserve Fund. The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Deep Discount Bonds. Bonds that are priced for sale at a substantial discount from their face or par value.

Derivatives. (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Designation Policies. Outline as to how an investor's order is filled when a maturity in an underwriting syndicate is oversubscribed. The senior managing underwriter and issuer decide how the bonds will be allocated among the syndicate. There are three primary classifications of orders, which form the designation policy. The highest priority is given to Group Net orders; the next priority is given to Net Designated orders and Member orders are given the lowest priority.

Escrow. A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

Expenses. Compensates senior managers for out-of-pocket expenses including: underwriters counsel, DTC charges, travel, syndicate expenses, dealer fees, overtime expenses, communication expenses, computer time and postage.

Grant Anticipation Notes (GANs). Short-term notes issued by the government unit, usually for capital projects, which are paid from the proceeds of State or Federal grants of any type.



Grant Anticipation Revenue Vehicle Financing (GARVEE) are bonds issued by the State and enable entities to fund transportation projects that are secured by certain federal grants.

Letters of Credit. A bank credit facility supporting the payment of bonds wherein the bank agrees to lend a specified amount of funds for a limited term.

Management Fee. The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Members. Underwriters in a syndicate other than the senior underwriter.

Negotiated Sale. A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

Original Issue Discount. The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

Original Issue Premium. The amount by which the public offering price of an issue exceeds its original par amount at the time it is originally offered to an investor.

Pay-As-You-Go. An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Present Value. The current value of a future cash flow.

Private Placement. The original placement of an issue with one or a limited number of investors as opposed to being publicly offered or sold.

Rebate. A requirement imposed by the Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to its profit earned from investment of bond proceeds at a yield above the bond yield calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment subject to certain exceptions.

Sales Tax and Revenue Anticipation Notes (TRANS). Short-term notes issued by a government unit, usually for operating purposes, which are paid from the proceeds of sales tax or other anticipated revenue sources.

Selling Groups. The group of securities dealers who participate in an offering not as underwriters but rather as those who receive securities less the selling concession from the managing underwriter for distribution at the public offering price.

Syndicate Policies. The contractual obligations placed on the underwriting group relating to distribution, price limitations and market transactions.

Transportation Infrastructure Finance Innovation Act (TIFIA). Loans and loan guaranty program provided by the United States Department of Transportation for transportation projects of regional importance.

Underwriter. A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.

Underwriter's Discount. The difference between the price at which the Underwriter buys bonds from the Issuer and the price at which they are reoffered to investors.

Variable Rate Debt. An interest rate on a security, which changes at intervals according to an index or a formula or other standard of measurement as, stated in the bond contract.



INVESTMENT POLICY

PROPOSED INVESTMENT POLICY

I. INTRODUCTION

The purpose of this document is to set out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related procedures.

The investment policies and procedures of the San Francisco County Transportation Authority (Transportation Authority) are, in every case, subject to and limited by applicable provisions of state law and to prudent money management principles. All funds will be invested in accordance with the Transportation Authority's Investment Policy, and applicable provisions of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53600 et seq.). The investment of bond proceeds (including proceeds of notes issued pursuant to bond documents) will be further restricted by the provisions of relevant bond documents.

II. SCOPE

This policy covers all funds and investment activities under the jurisdiction of the Transportation Authority.

Bond proceeds (including proceeds of notes issued pursuant to bond documents) shall be invested in the securities permitted pursuant to the relevant bond documents, including any tax certificate. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. In addition to the securities listed in Section IX below, bond proceeds may also be invested in investment and forward delivery agreements. Notwithstanding the other provisions of this Investment Policy, the percentage or dollar portfolio limitations listed elsewhere in this Investment Policy do not apply to bond proceeds.

III. PRUDENT INVESTOR STANDARD

In managing its investment program, the Transportation Authority will observe the "Prudent Investor" standard as stated in Government Code Section 53600.3, applied in the context of managing an overall portfolio. Investments will be made with care, skill, prudence and diligence, taking into account the prevailing



circumstances, including, but not limited to general economic conditions, the anticipated needs of the Transportation Authority and other relevant factors that a prudent person acting in a fiduciary capacity and familiar with those matters would use in the stewardship of funds of a like character and purpose.

IV. OBJECTIVES

The primary objectives, in priority order, for the Transportation Authority's investment activities are:

- 1) Safety. Safety of the principal is the foremost objective of the investment program. Investments of the Transportation Authority will be undertaken in a manner that seeks to ensure preservation of the principal of the funds under its control.
- 2) Liquidity. The Transportation Authority's investment portfolio will remain sufficiently liquid to enable the Transportation Authority to meet its reasonably anticipated cash flow requirements.
- 3) Return on Investment. The Transportation Authority's investment portfolio will be managed with the objective of attaining a market rate of return throughout budgetary and economic cycles commensurate with the Transportation Authority's investment risk parameters and the cash flow characteristics of the portfolio.

V. DELEGATION OF AUTHORITY

Management's responsibility for the investment program is derived from the Transportation Authority Board of Commissioners (Board) and is hereby delegated to the Executive Director acting as Transportation Authority Treasurer. Pursuant to the requirements of the California Government Code, the Board may renew the delegation pursuant to this section each year. No person may engage in an investment transaction except as provided under the limits of this policy. The Transportation Authority may retain the services of an investment advisor to advise it with respect to investment decision-making and to execute investment transactions for the Transportation Authority. The advisor will follow the policy and such other written instructions as are provided by the Executive Director.

VI. SOCIAL RESPONSIBILITY

Investment of funds should be guided by the following socially responsible investment goals when investing in corporate securities and depository institutions. Investments shall be made in compliance with the forgoing socially responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to investments permitted by state law.



1. Investments are encouraged in entities that support community well-being through safe and environmentally sound practices and fair labor practices. Investments are encouraged in entities that support equality of rights regardless of sex, race, age, disability or sexual orientation. Investments are discouraged in entities that manufacture tobacco products, firearms, or nuclear weapons. In addition, investments are encouraged in entities that offer banking products to serve all members of the local community, and investments are discouraged in entities that finance high-cost check-cashing, deferred deposit (payday lending) businesses and organizations involved in financing, either directly or indirectly, the Dakota Access Pipeline or, as determined by the Transportation Authority, similar pipeline projects. Prior to making investments, the Transportation Authority will verify an entity's support of the socially responsible goals listed above through direct contact or through the use of a third party such as the Investors Responsibility Research Center, or a similar ratings service. The entity will be evaluated at the time of purchase of the securities.
2. Investments are encouraged in entities that promote community economic development. Investments are encouraged in entities that have a demonstrated involvement in the development or rehabilitation of low income affordable housing and have a demonstrated commitment to reducing predatory mortgage lending and increasing the responsible servicing of mortgage loans. Securities investments are encouraged in financial institutions that have a Community Reinvestment Act (CRA) rating of either Satisfactory or Outstanding, as well as financial institutions that are designated as a Community Development Financial Institution (CDFI) by the United States Treasury Department, or otherwise demonstrate commitment to community economic development.
3. All depository institutions are to be advised of applicable Transportation Authority contracting ordinances, and shall certify their compliance therewith, if required.

VII. ETHICS AND CONFLICT OF INTEREST

Officers, employees and agents of the Transportation Authority involved in the investment process will not engage in any personal business activities that could conflict with proper and lawful execution of the investment program, or which could impair their ability to make impartial decisions.

VIII. INTERNAL CONTROLS

The Transportation Authority's internal controls ensures compliance with the Investment Policy and with the applicable requirements of the California Government Code. The Deputy Director for Finance and Administration is



responsible for developing and managing internal control procedures. The monitoring of ongoing compliance shall be reviewed quarterly.

IX. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Executive Director will establish and maintain a list of financial institutions and other financial services providers authorized to provide investment services. In addition, the Transportation Authority will establish and maintain a list of approved security broker/dealers, selected on the basis of credit worthiness, that are authorized to provide investment services in the State of California. These include primary dealers or regional dealers that meet the net capital and other requirements under Securities and Exchange Commission Rule 15c3-1. No public deposit will be made except in a qualified public depository as established by state law.

X. PERMITTED INVESTMENT INSTRUMENTS

California Government Code Section 53601 governs and limits the investments permitted for purchase by the Transportation Authority. Within those investment limitations, the Transportation Authority seeks to further restrict eligible investment to the investments listed below. The portfolio will be diversified by security type and institution, to avoid incurring unreasonable and avoidable concentration risks regarding specific security types or individual financial institutions.

Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase. In the event a security held by the Transportation Authority is subject to a rating change that brings it below the minimum specified rating requirement, the Executive Director will notify the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rating reduction, prognosis for recovery or further rating reductions and the current market price of the security.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that may be invested in this category.
3. Repurchase Agreements not to exceed one year duration. There is no limitation as to the percentage of the portfolio that may be invested in this category. The following collateral restrictions will be observed: Only U.S.



Treasury securities or Federal Agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the Transportation Authority's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The market value of securities that underlay a repurchase agreement will be valued at 102 percent or greater of the funds borrowed against those securities and the value will be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements will be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

4. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency; provided that the obligations are rated in one of the two highest categories by a nationally recognized statistical-rating organization (NRSRO). There is no limitation as to the percentage of the portfolio that may be invested in this category.
5. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California, provided that the obligations are rated in one of the two highest categories by a NRSRO. There is no limitation as to the percentage of the portfolio that may be invested in this category.
6. Bankers' Acceptances issued by domestic or domestic branches of foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a NRSRO. Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of the Transportation Authority's portfolio. No more than 30 percent of the Transportation Authority's portfolio may be invested in the Banker's Acceptances of any one commercial bank.
7. Commercial paper of "prime" quality rated the highest ranking or of the highest letter or number rating as provided by a NRSRO. The entity that issues the commercial paper will meet all of the criteria in either (1) or (2) as follows: (1) the corporation will be organized and operating within the United States as a general corporation, will have assets in excess of five hundred million dollars (\$500,000,000), and will issue debt, other than commercial paper, if any, that is rated "A" or higher by a NRSRO; or (2) the corporation will be organized within the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements



including, but not limited to, over collateralizations, letters of credit, or surety bond; has commercial paper that is rated "A-1" or higher, or equivalent by a NRSRO. Eligible commercial paper may not exceed 270 days' maturity nor represent more than 10% of the outstanding paper of an issuing corporation, or 25% of the Transportation Authority's portfolio.

8. Medium-term corporate notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes will be rated in a rating category "A" or better by a NRSRO. Purchases of medium-term notes will not exceed 30 percent of the Transportation Authority's portfolio.
9. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California. Purchases of time certificates of deposit may not exceed 1 year in maturity or 10 percent of the Transportation Authority's portfolio.

To be eligible to receive local agency money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. The FFIEC provides an overall assessment of the insured depositories' ability to meet the credit needs of their communities, consistent with safe and sound operations.

10. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the Transportation Authority's portfolio.
11. State of California's Local Agency Investment Fund (LAIF). The LAIF portfolio should be reviewed periodically. There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the maximum allowed by LAIF.
12. The California Asset Management Program, as authorized by Section 53601 (p) of the California Government Code. The Program constitutes shares in a California common law trust established pursuant to Section 6509.7 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by subdivisions (a) to (q) of Section 53601 of the Government Code of California, as it may be

amended.

13. Insured savings account or money market account. To be eligible to receive local agency deposits, a financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California communities in its most recent evaluation. There is no limitation as to the percentage of the portfolio that may be invested in this category. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The collateralization requirements may be waived for any portion that is covered by federal deposit insurance. The Transportation Authority shall have a signed agreement with any depository accepting Transportation Authority funds per Government Code Section 53649.
14. Placement Service Certificates of Deposit (CDs). Certificates of deposit placed with a private sector entity that assists in the placement of certificates of deposit with eligible financial institutions located in the United States (Government Code Section 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The combined maximum portfolio exposure to Placement Service CDs and Negotiable CDs is limited to 30%. The maximum investment maturity will be restricted to five years.
15. The San Francisco City and County Treasury Pool. ~~There is no limitation as to the percentage of the portfolio that may be invested in this category. Unless otherwise noted, the maximum maturity from the trade settlement date can be no longer than five years~~^[LPI]. Any loans or investments of Transportation Authority funds invested in the San Francisco City and County Treasury Pool to agencies of the City and County of San Francisco will specifically require the approval of the Board prior to purchase or acceptance.
16. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment pursuant to this subdivision these companies shall meet either of the following criteria:
 - Attain the highest ranking or highest letter and numerical rating provided by not less than two NRSROs.
 - Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).



The purchase price of shares of beneficial interest purchased will not include any commission that these companies may charge and will not exceed 20 percent of the Transportation Authority's portfolio.

XI. INELIGIBLE INVESTMENTS

The Transportation Authority will not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity.

XII. MAXIMUM MATURITY

Investment maturities will be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Transportation Authority to meet all projected obligations.

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment will be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

XIII. REPORTING REQUIREMENTS

The Executive Director will submit a quarterly list of transactions to the Board. In addition, the Executive Director will submit to the Board an investment report each quarter, which will include, at a minimum, the following information for each individual investment:

- Type of investment instrument
- Issuer name
- Purchase date
- Maturity date
- Purchase price
- Par value
- Amortized cost
- Current market value and the source of the valuation
- Credit rating
- Overall portfolio yield based on cost
- Sale Date of any investment sold prior to maturity

The quarterly report also will (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the Transportation Authority's funds, investments or programs that are under the management of contracted parties, and (iii) include a statement denoting the ability of the Transportation Authority to meet its



expenditure requirements for the next six months, or provide an explanation as to why sufficient money may, or may, not be available. For all of the Transportation Authority's investments held in the City and County of San Francisco's Treasury Pool the Executive Director will provide the Board with the most recent investment report furnished by the Office of the Treasurer and Tax Collector.

XIV. SAFEKEEPING AND CUSTODY

All security transactions entered into by the Transportation Authority will be conducted on a delivery-versus-payment basis. Securities will be held by an independent third-party custodian selected by the Transportation Authority. The securities will be held directly in the name of the Transportation Authority as beneficiary.

XV. INVESTMENT POLICY REVIEW

The Executive Director will annually render to the Board a statement of investment policy, which the Board will consider at a public meeting. Any changes to the policy will also be considered by the Board at a public meeting.



GLOSSARY

AGENCIES. Federal agency securities and/or Government-sponsored enterprises.

ASKED. The price at which securities are offered.

BANKERS' ACCEPTANCE (BA). A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK. A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID. The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER. A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL. Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON. (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER. A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE. A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT. There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES. (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT. The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES. Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.



DIVERSIFICATION. Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES. Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&Ls, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE. The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB). Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA). FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC). Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM. The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

FINANCIAL STATEMENTS. Financial statements are an overview of the agency's finances and shall be prepared in accordance with generally accepted accounting principles and shall be accompanied by a report, certificate, or opinion of an independent certified public accountant or independent public accountant.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae). Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security



holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term “pass-throughs” is often used to describe Ginnie Maes.

LIQUIDITY. A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

MARKET VALUE. The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT. A written contract covering all future transactions between the parties to repurchase–reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY. The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET. The market in which short-term debt instruments (bills, commercial paper, bankers’ acceptances, etc.) are issued and traded.

NATIONALLY RECOGNIZED STATISCAL-RATING ORGANIZATION (NRSRO). A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

OFFER. The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS. Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.

PORTFOLIO. Collection of securities held by an investor.

PRIMARY DEALER. A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE. An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if



it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORY. A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN. The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (RP OR REPO). A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

SAFEKEEPING. A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET. A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND EXCHANGE COMMISSION (SEC). Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1. See Uniform Net Capital Rule.

STRUCTURED NOTES. Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS. A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS. Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES. Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE. Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital



ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD. The rate of annual income return on an investment, expressed as a percentage. (a) *INCOME YIELD* is obtained by dividing the current dollar income by the current market price for the security. (b) *NET YIELD* or *YIELD TO MATURITY* is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



FISCAL POLICY

I. INTRODUCTION

The Fiscal Policy is designed to guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements of the San Francisco County Transportation Authority (Transportation Authority). It is intended to be consistent with the Transportation Authority's adopted Administrative Code, the current Proposition K Sales Tax Expenditure Plan (Expenditure Plan), federal and state regulations, and general prudent accounting and financial management practices.

II. SCOPE AND AUTHORITY

The Fiscal Policy applies only to the operations of the Transportation Authority and is not applicable to the operations of any project sponsoring agencies of the Transportation Authority, unless specifically provided. The Fiscal Policy is separate from, but should be applied in conjunction with, the Transportation Authority's Strategic Plan, adopted Debt Policy, and adopted Investment Policy. Overall policy direction shall be the responsibility of the Transportation Authority Board of Commissioners (Board). Responsibility for implementation of the Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's policies, goals, and objectives, shall lie with the Transportation Authority Executive Director (Executive Director). This Policy will be reviewed and updated as required or deemed advisable at least once every three years. Any changes to the policy are subject to approval by the Board at a public meeting.

III. ANNUAL BUDGET PROCESS

The Board shall adopt an Annual Budget by the beginning of each fiscal year. The purpose of the Annual Budget is to provide management guidance and control over disbursement of the Transportation Authority's revenues in accordance with the goals and objectives as determined by the Board and as set forth in other policies including, but not limited to, the Transportation Authority's investment, debt, procurement and disadvantaged business enterprise policies. The Transportation Authority's fiscal year extends from July 1 of each calendar year through June 30 of the following calendar year. The sections below further define the process involved in the development of the final budget.

A. Preparation and Review of a Draft Budget

The Executive Director is charged with responsibility for the preparation of a draft budget for each fiscal year. The draft budget will consist of line items for Revenues, including investment income, Administrative Operating Expenses, Debt Service Expenses as applicable, Program and Operating Reserve, and a single line item for each of the Transportation Authority's capital expenditure programming roles as Proposition K Sales Tax (Prop K) Administrator; San Francisco Congestion Management Agency (CMA); San Francisco Program Manager for the



Transportation Fund for Clear Air (TFCA); ~~and~~ Proposition AA Vehicle Registration Fee (Prop AA) Administrator; and Traffic Congestion Mitigation Tax (TNC Tax) Administrator.

Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items. The draft budget may also include other functional categories as deemed appropriate.

B. Public Review of Draft Budget

The draft budget shall be presented at a public hearing at a publicly noticed Transportation Authority Board or Committee meeting prior to being approved by the Board. Notice of the time and place of the public meeting shall be published pursuant to Sections 6060 and 6061 of the California Government Code no later than the 15th day prior to the day of the hearing, and the draft budget shall be available for public inspection at least 15 days prior to the hearing.

C. Adoption of a Final Budget

As established by the Administrative Code, the Transportation Authority Board shall be responsible for review of the proposed overall operating and capital budget of the Transportation Authority. The Board shall set the budget parameters (spending limits) by budget line item as detailed in Section III.A. Preparation and Review of a Draft Budget, and shall recommend adoption of a draft budget to the Board.

The final budget for a given fiscal year shall be approved and adopted by resolution of the Board by June 30 of the prior fiscal year. If the Transportation Authority is unable to adopt a final budget by June 30, it must adopt a resolution to continue services and payment of expenses, including debt service. The continuing resolution shall include a date certain by which the annual budget will be adopted.

D. Amendments to the Adopted Budget

Except as otherwise provided in this section, the adopted final budget is not subject to further review or reopener after the Board resolution has passed. The adopted final budget may be amended during the fiscal year to reflect actual revenues and expenses incurred to the date of amendment during the fiscal year. Amendments to the budget will be presented at a publicly noticed Transportation Authority Board or Committee meeting prior to being approved by the Board. The Executive Director shall be responsible for proposing amendments to the adopted final budget; the Board shall be responsible for review of the proposed amended adopted final budget, which shall be adopted by Board resolution.

IV. BUDGET REQUIREMENTS

A. Administrative Operating Expenses

Administrative operating expenses include all expenses related to the operations and maintenance of the Transportation Authority, including, among others, staff salaries, staff benefits, office lease costs, equipment rental, supplies, and travel. Specific requirements with respect to certain budgeted expenses are set forth below.



1. Salaries and Benefits

The Board shall budget annually for the compensation (salaries and benefits) of the Transportation Authority's staff. Pursuant to the Transportation Authority's enabling legislation (Sections 131100 et seq. of the California Public Utilities Code), the Transportation Authority will observe the statutory limit of one percent (1%) of the annual net amount of Prop K revenues for the salaries and benefits of Prop K program administrative personnel, and will follow applicable statutes for all other staff expenses.

2. Emergency Expenditures

The Executive Director is authorized to exceed the overall administrative operating expense line items by up to seventy-five thousand dollars (\$75,000), for the actual cost of emergency expenditures that are made to protect the health, safety, and welfare of the agency or the public, or to repair/restore damaged/destroyed property for the Transportation Authority. The Executive Director shall submit a report to the Board within thirty (30) days of the emergency explaining the necessity of the action, a listing of expenditures, and future recommended actions.

3. Petty Cash

A petty cash revolving account in the amount of one thousand dollars (\$1,000) may be established and maintained by the Executive Director for the purposes of paying miscellaneous expenses of the Transportation Authority. Individual expenditures may not exceed two hundred and fifty dollars (\$250). Such miscellaneous expenses include outside photocopying expenses, office supplies, meeting and travel expenses, and other practical expenses as determined by the Executive Director to be necessary or convenient for proper administration. The Executive Director is authorized from time to time to seek reimbursement of this account to the maximum balance by allocation from the operating budget.

B. Debt Service

Proposed debt service includes debt service of outstanding debt as well as of anticipated financings within the fiscal year. Decisions to fund capital expenditures through debt issuance must adhere to the policies outlined in the Transportation Authority's most current adopted Strategic Plan and Debt Policy.

C. Capital Expenditures

Capital Expenditures shall be listed as a single line item for each of the Transportation Authority's capital expenditure programming roles, which currently are Prop K Administrator, Proposition AA Administrator, TNC Tax Administrator, and CMA and TFCA local administrator. Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items.

D. Program and Operating Reserve

The Transportation Authority shall allocate not less than five percent (5%) and up to fifteen percent (15%) of the estimated net annual sales tax revenue as a hedge against an emergency occurring during the budgeted fiscal year. The adopted final budget, as it may be amended as



provided in this Policy, will demonstrate the percentage and amount set aside in the reserve as a separate budget line item.

E. Other Functional Categories

The Executive Director may designate other functional categories as deemed appropriate or necessary.

V. CAPITAL EXPENDITURE ALLOCATIONS

As provided by the Administrative Code, the Board shall be responsible for recommending allocation of funding for those capital expenditure programs and projects in the adopted final budget. The Board shall also be responsible for allocating project funds by resolution. The Transportation Authority will adopt, maintain and periodically update a multi-year strategic plan that derives from the provisions of the Expenditure Plan and outlines the categories, funding and delivery priority of projects to be funded. The Strategic Plan shall encompass the period remaining on the Expenditure Plan and shall be updated periodically as necessary. The Strategic Plan and its governing policies shall be used in combination with the Fiscal and Debt Policies to ensure the proper allocation of funds for and timely financing of eligible programs and projects. No allocations shall be approved that are inconsistent with the adopted Strategic Plan in force at the time of the allocation.

Changes in the capital expenditure supplemental budget documentation do not constitute a budget revision unless such changes exceed authorization for the respective budget line item. Any changes that exceed the amount of the budget line item will require an amendment to the approved final budget to be adopted by the Board. The total allocated capital funding for each Transportation Authority role should be no greater than the respective Capital Expenditures budget line item for the fiscal year.

For allocations with multi-year cash distributions, the resolution shall spell out the maximum reimbursement level per fiscal year, and only the reimbursement amount authorized in the year of allocation shall count against the Capital Expenditures line item for that budget year. The Capital Expenditures line item for subsequent year annual budgets shall reflect the maximum reimbursement schedule amounts committed through the original and any subsequent allocation actions. The Transportation Authority will not guarantee reimbursement levels higher than those adopted in the original and any subsequent allocation actions.

VI. DEBT ISSUANCE

As defined by the Administrative Code and the Debt Policy, the Board shall be responsible for oversight of the debt issuance program for the Transportation Authority. Please refer to the current version of the Debt Policy maintained by the Transportation Authority, for guidelines regarding the issuance and management of debt for financing eligible programs and projects.



VII. INVESTMENTS

As defined by the Administrative Code and the Investment Policy, the Board shall be responsible for oversight of the investment program for Transportation Authority funds. Please refer to the current version of the Investment Policy maintained by the Transportation Authority, for the investment program guidelines regarding all funds and investment-related activities of the Transportation Authority.

VIII. REPORTING REQUIREMENTS

The Executive Director shall report to the Board at least on a quarterly basis on the Transportation Authority's actual expenditures, budgetary performance, authorized variances that have been implemented pursuant to this Fiscal Policy, the Transportation Authority debt program and the Transportation Authority investment program. The Board shall cause the Transportation Authority's financial transactions and records to be audited by an independent, certified public accountant firm at least annually and a report to be submitted to the Board on the results of the audit.

IX. PROCUREMENT OF GOODS AND SERVICES

~~It shall be the policy of the Transportation Authority to competitively bid the procurement of goods and services. Procurements in amounts greater than seventy-five thousand dollars (\$75,000) shall require a formal bid process including advertising requests for bids and/or proposals in appropriate local newspapers or other media outlets. Pursuant to California Public Utilities Code Sections 131285 and 131286, formal procurement of supplies, equipment, and materials in excess of \$75,000 shall be awarded to the lowest responsible bidder after competitive bidding, except in an emergency declared by the vote of two-thirds of the voting membership of the Transportation Authority, or, if after rejecting bids received, the Transportation Authority determines and declares by a two-thirds vote of all of its voting members that, in its opinion the supplies, equipment or materials may be purchased at a lower price in the open market:~~

~~A.—Procurements of supplies, equipment, and materials in amounts equal to or less than \$75,000 shall be awarded to the lowest responsive bidder following an informal competitive bid process:~~

~~B.—The selection of providers of professional services, such as legal, financial advisory, private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms, shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required in accordance with the Transportation Authority's Procurement Policy:~~

~~All procurement transactions, regardless of dollar value and regardless of whether by sealed bid, informal quote, or by negotiation, shall be conducted in a manner that promotes free and open competition:~~

~~C.—Disadvantaged Business Enterprise Requirement~~

~~Any procurement whether formal or informal shall comply with the Transportation Authority's applicable non-discrimination, minority/local/women-owned business and other applicable contracting policies in place at the time of procurement:~~



~~D.—Conflict of Interest~~

~~No employee, officer or agent of the Transportation Authority shall participate in the selection or in the award or administration of a contract if such participation would result in a conflict of interest, real or apparent, as defined by state statute and applicable case law. No employee, officer, or agent shall solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements.~~

~~E.—Contracts~~

~~Approval of the Board is required prior to the execution of any contract for the procurement of goods or professional services that authorizes payments that in the aggregate exceed seventy-five thousand dollars (\$75,000) in a fiscal year. The Executive Director is authorized to approve and execute all such contracts that authorize payments not in excess of \$75,000 per fiscal year, provided that the amounts are consistent with the adopted final budget, as amended in accordance with this Policy for the current fiscal year or, in the event that the contract was not completed in a single fiscal year, the contiguous fiscal year(s). The Executive Director is authorized to amend contracts to extend time, to add or delete tasks of similar scope and nature, and to increase or reduce the total amount of the contract. The Executive Director may execute such amendments without prior Board approval, if the amount of the amendment does not exceed \$75,000 and so long as the amendment is consistent with the adopted final budget.~~

~~The foregoing notwithstanding, the Executive Director is authorized to execute, without prior Board approval, all standard grant agreements based upon a grant award to a sponsoring agency for programs and projects defined in the adopted final budget supplemental documentation, or as approved by specific Board action.~~

~~No contractual obligations, administrative or capital, shall be assumed by the Transportation Authority in excess of its ability to pay, as defined by the adopted final budget and the Strategic Plan. All expenditures shall comply with all federal, state, and local statutory and other legal restrictions placed on the use of said funds.~~

~~The Transportation Authority shall establish contracts for banking, investment and standard accounting services. Said contracts shall include provisions for the receipt, maintenance, investment and disbursement of funds, payroll functions, and ongoing financial data reports as required by the Transportation Authority. As defined by the Procurement Policy, the Board shall be responsible for oversight of the procurement program for the Transportation Authority. Please refer to the current version of the Procurement Policy maintained by the Transportation Authority, for guidelines regarding the procurement of materials and supplies, professional and technical services, and lease and rental agreements.~~



Memorandum

AGENDA ITEM 7

DATE: May 20, 2021

TO: Transportation Authority Board

FROM: Anna LaForte - Deputy Director for Policy and Programming

SUBJECT: 06/08/2021 Board Meeting: Allocate \$9,762,378, with Conditions, and Appropriate \$100,000 in Prop K Funds for Nine Requests, and Allocate \$926,928 in Prop AA Vehicle Registration Fee Funds for One Request

RECOMMENDATION

Information Action

Allocate \$6,648,086 in Prop K funds, with conditions, to the San Francisco Municipal Transportation Agency (SFMTA) for:

1. New Traffic Signal Contract 65 (\$3,126,086)
2. Traffic Signal Visibility Upgrades FY22 (\$660,000)
3. Application-Based Traffic Calming Program - FY19/20 Cycle Construction (\$1,612,000)
4. Application-Based Traffic Calming Program - FY21/22 Cycle Planning (\$250,000)
5. Central Embarcadero Quick Build (\$1,000,000)

Allocate \$100,000 and Appropriate \$100,000 in Prop K funds to the SFMTA and the Transportation Authority, respectively for:

6. NTIP Program Coordination (\$200,000)

Allocate \$3,014,292 in Prop K funds to San Francisco Public Works (SFPW) for:

7. Street Repair and Cleaning Equipment (\$908,990)
8. Public Sidewalk and Curb Repair (\$612,238)
9. Tree Planting and Establishment (\$1,493,064)

Allocate \$926,928 in Prop AA funds to SFPW for:

10. Western Addition Pedestrian Lighting

SUMMARY

Attachment 1 lists the requests, including phase(s) of work and supervisorial district(s). Attachment 2 provides brief descriptions of the projects. Attachment 3 contains the staff recommendations. Project sponsors will attend the meeting to answer any questions the Board may have.

Fund Allocation

Fund Programming

Policy/Legislation

Plan/Study

Capital Project
Oversight/Delivery

Budget/Finance

Contract/Agreement

Other:



DISCUSSION

Attachment 1 summarizes the subject allocation and appropriation requests, including information on proposed leveraging (i.e. stretching Prop K sales tax dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop K Expenditure Plan. Attachment 2 includes brief project descriptions. Attachment 3 summarizes the staff recommendations for each request, highlighting special conditions and other items of interest. An Allocation Request Form for each project is enclosed, with more detailed information on scope, schedule, budget, funding, deliverables and special conditions.

FINANCIAL IMPACT

The recommended action would appropriate \$100,000 in Prop K funds, allocate \$9,762,378 in Prop K funds and allocate \$926,928 in Prop AA funds. The allocations and appropriations would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the enclosed Allocation Request Forms.

Attachment 4 shows the requested allocations and appropriation, which will be the first for Fiscal Year 2021/22, and summarizes the recommended allocations and appropriation and cash flow amounts that are the subject of this memorandum.

Sufficient funds are included in the proposed Fiscal Year 2021/22 annual budget, to be presented to the Board for first approval at its June 8, 2021 meeting. Furthermore, sufficient funds will be included in future budgets to cover the recommended cash flow distributions for those respective fiscal years.

CAC POSITION

The CAC will consider this item at its May 26, 2021 meeting.

SUPPLEMENTAL MATERIALS

- Attachment 1 – Summary of Requests
- Attachment 2 – Project Descriptions
- Attachment 3 – Staff Recommendations
- Attachment 4 – Prop K and Prop AA Allocation Summaries – FY 2021/22
- Enclosure – Allocation Request Forms (10)

Source	EP Line No./ Category ¹	Project Sponsor ²	Project Name	Current Prop K Request	Current Prop AA Request	Total Cost for Requested Phase(s)	Leveraging		Phase(s) Requested	District(s)
							Expected Leveraging by EP Line ³	Actual Leveraging by Project Phase(s) ⁴		
Prop K	31	SFMTA	New Traffic Signal Contract 65	\$ 3,126,086		\$ 3,826,086	26%	18%	Construction	5, 6, 8, 10, 11
Prop K	33	SFMTA	Traffic Signal Visibility Upgrades FY22	\$ 660,000		\$ 660,000	41%	0%	Construction	To be determined
Prop K	35	SFPW	Street Repair and Cleaning Equipment	\$ 908,990		\$ 908,990	29%	0%	Construction	Citywide
Prop K	37	SFPW	Public Sidewalk and Curb Repair	\$ 612,238		\$ 826,138	48%	26%	Construction	Citywide
Prop K	38	SFMTA	Application-Based Traffic Calming Program - FY19/20 Cycle Construction	\$ 1,612,000		\$ 1,612,000	51%	0%	Construction	Citywide
Prop K	38	SFMTA	Application-Based Traffic Calming Program - FY21/22 Cycle Planning	\$ 250,000		\$ 250,000	51%	0%	Planning	Citywide
Prop K	39	SFMTA	Central Embarcadero Quick Build	\$ 1,000,000		\$ 1,000,000	28%	0%	Construction	3, 6
Prop K	42	SFPW	Tree Planting and Establishment	\$ 1,493,064		\$ 1,493,064	57%	0%	Construction	Citywide
Prop K	44	SFMTA, SFCTA	NTIP Program Coordination	\$ 200,000		\$ 200,000	40%	0%	Construction	Citywide
Prop AA	Ped	SFPW	Western Addition Pedestrian Lighting		\$ 926,928	\$ 926,928	NA	0%	Construction	5
TOTAL				\$ 9,862,378	\$ 926,928	\$ 11,703,206	35%	8%		

Footnotes

- ¹ "EP Line No./Category" is either the Prop K Expenditure Plan line number referenced in the 2019 Prop K Strategic Plan or the Prop AA Expenditure Plan category referenced in the 2017 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit) or the Traffic Congestion Mitigation Tax (TNC Tax) category referenced in the Program Guidelines.
- ² Acronyms: SFCTA (Transportation Authority); SFMTA (San Francisco Municipal Transportation Agency); SFPW (San Francisco Public Works)
- ³ "Expected Leveraging By EP Line" is calculated by dividing the total non-Prop K funds expected to be available for a given Prop K Expenditure Plan line item (e.g. Pedestrian Circulation and Safety) by the total expected funding for that Prop K Expenditure Plan line item over the 30-year Expenditure Plan period. For example, expected leveraging of 90% indicates that on average non-Prop K funds should cover 90% of the total costs for all projects in that category, and Prop K should cover only 10%.
- ⁴ "Actual Leveraging by Project Phase" is calculated by dividing the total non-Prop K or non-Prop AA funds in the funding plan by the total cost for the requested phase or phases. If the percentage in the "Actual Leveraging" column is lower than in the "Expected Leveraging" column, the request (indicated by yellow highlighting) is leveraging fewer non-Prop K dollars than assumed in the Expenditure Plan. A project that is well leveraged overall may have lower-than-expected leveraging for an individual or partial phase.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
31	SFMTA	New Traffic Signal Contract 65	\$ 3,126,086	\$ -	Construction of new traffic signals at six intersections and pedestrian-activated flashing beacons at one intersection to improve traffic, pedestrian, and bicycle safety and traffic operations. See page E7-3 of the enclosure for locations. The scope of work includes new traffic signals (mast arms, signal heads, controllers, conduit, wiring, and poles), pedestrian countdown signals, accessible (audible) pedestrian signals, curb ramps and a pedestrian crossing with pedestrian-activated rectangular rapid-flashing beacon. SFMTA expects to activate all six signals and the pedestrian beacon by December 2022.
33	SFMTA	Traffic Signal Visibility Upgrades FY22	\$ 660,000	\$ -	Upgrade traffic signals at approximately 30 intersections by replacing 8-inch signal heads with 12-inch LED signal heads on arterials with 30 MPH or higher speed limits and multiple lanes, where signal visibility can be improved using existing signal poles and/or where there is a history of right angle collisions. See page E7-15 of the enclosure for prioritized candidate locations. SFMTA expects all upgrades to be complete by September 2023.
35	SFPW	Street Repair and Cleaning Equipment	\$ 908,990	\$ -	Purchase 3 pieces of street repair and cleaning equipment to replace equipment that has exceeded its useful life, including 2 regenerative air sweepers and 1 10-wheel dump truck. All requested equipment is California Air Resources Board compliant and meets current emissions standards. SFPW expects to receive and place in service all three vehicles by December 2022.
37	SFPW	Public Sidewalk and Curb Repair	\$ 612,238	\$ -	SFPW is responsible for repairing sidewalks around City-maintained trees, adjacent to City properties, and at the angular returns of all intersections. Requested funds will be used to repair non tree-related damage to public sidewalks, curb and gutters, and angular returns at approximately 568 locations. See page E7-38 of the enclosure for the list of backlog locations as of April 2021. A portion of the Tree Maintenance Fund established by Prop E (2016) will be used to repair sidewalks damaged by City maintained trees. SFPW expects all repairs funded by this request to be done by June 2022. Members of the public can request sidewalk repairs by calling 311.
38	SFMTA	Application-Based Traffic Calming Program - FY19/20 Cycle Construction	\$ 1,612,000	\$ -	Construction of traffic calming at 48 site-specific locations on residential streets as identified, evaluated and ranked through the program's Fiscal Year 2019/20 cycle (applications were due in June 2020). See page E7-128 of the enclosure for the list of requested and approved locations. The scope involves approximately 121 individual traffic calming measures, including speed humps, speed cushions, speed tables and raised crosswalks. SFMTA anticipates all locations will be open for use by June 2022.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
38	SFMTA	Application-Based Traffic Calming Program - FY21/22 Cycle Planning	\$ 250,000	\$ -	Project includes citywide program outreach as well as data collection, evaluation and prioritization of all eligible traffic calming applications received by June 30, 2021. Scope includes recommendations for traffic calming measures (e.g. traffic islands, speed humps raised crosswalks), community balloting and targeted community outreach where needed, and conceptual engineering of traffic calming measures at approximately 50 locations. SFMTA will request future Prop K funds for the design and construction phases, with projects open for use by Fall 2024. Members of the public can find the residential traffic calming application at www.sfmta.com/calming . Due to the shelter-in-place and social distancing orders, for this application cycle SFMTA will waive the application requirement of a petition signed by at least 20 neighbors from separate households on a block (or 50% of households if there are fewer than 40 addresses on the block).
39	SFMTA	Central Embarcadero Quick Build	\$ 1,000,000	\$ -	The requested funds will be used for the construction phase of the Central Embarcadero Quick Build (Mission to Broadway), which includes a two-way protected bikeway, northbound lane diet, and expanded loading near the Ferry Building. This quick build project will be evaluated and monitored to support a follow-up capital phase, the larger Central Embarcadero Safety Project (Bryant Street to Broadway) that will focus on expanding the bikeway south to Bryant Street, improving and shortening pedestrian crossings, and including traffic signal and wayfinding upgrades. Quick build construction is expected to begin in Summer 2021 and be complete by March 2022.
42	SFPW	Tree Planting and Establishment	\$ 1,493,064	\$ -	Requested funds will be used to plant approximately 655 trees in the public right-of-way and water them regularly for three years to ensure successful establishment. Once established, these trees will be maintained with funds from the Tree Maintenance Fund. To identify priority planting sites, SFPW will use data from the comprehensive street tree census, which identified all street trees in the public right-of-way as well as existing empty basins and potential new planting sites, and will focus on areas with the greatest number of existing empty tree wells and the lowest canopy coverage. See page E7-160 of the enclosure for the list of priority locations for planting based on SFPW's tree database. Plantings will be complete by June 2022. Members of the public can request a tree planting by calling 311.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
44	SFMTA, SFCTA	NTIP Program Coordination	\$ 200,000	\$ -	The purpose of the Transportation Authority’s Neighborhood Transportation Improvement Program (NTIP) is to build community awareness of, and capacity to provide input to, the transportation planning process and to advance delivery of community-supported neighborhood-scale projects that can be funded by Prop K sales tax and/or other sources. This funding request provides support for implementation of the NTIP, including working with district supervisor offices, implementing agencies, and community stakeholders to identify, develop, and support delivery of NTIP planning and capital projects. See page E7-207 of the enclosure for tables listing all NTIP projects to date, including percent complete, and a summary of remaining NTIP funds by supervisorial district. The NTIP Planning Guidelines are attached to the allocation request form for reference..
Ped	SFPW	Western Addition Pedestrian Lighting	\$ -	\$ 926,928	Requested funds will be used to install 14 new pedestrian lights on McAllister Street, between Fillmore and Webster Streets, and upgrade 13 additional lighting fixtures on Fillmore Street, between Golden Gate Avenue and Turk Street. This project will improve pedestrian safety, enhance community connections to recreational spaces and the overall walkability of community-identified priority streets by installing additional pedestrian lights, pullboxes, conduit, PG&E service and tree-trimming. This project implements recommendations from the Western Addition Community Based Transportation Plan funded with NTIP planning funds. SFPW anticipates the project will be open for use in June 2022.
TOTAL			\$9,862,378	\$926,928	

¹ See Attachment 1 for footnotes.

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Recommended	Prop AA Funds Recommended	Recommendations
31	SFMTA	New Traffic Signal Contract 65	\$ 3,126,086	\$ -	5-Year Prioritization Program (5YPP) Amendment: The recommended allocation is contingent upon amendment of the Prop K New Signals 5YPP. See enclosure for details.
33	SFMTA	Traffic Signal Visibility Upgrades FY22	\$ 660,000	\$ -	Deliverable: Prior to the start of construction (expected September 2021), SFMTA will provide final list of locations for the signal visibility upgrades.
35	SFPW	Street Repair and Cleaning Equipment	\$ 908,990	\$ -	
37	SFPW	Public Sidewalk and Curb Repair	\$ 612,238	\$ -	
38	SFMTA	Application-Based Traffic Calming Program - FY19/20 Cycle Construction	\$ 1,612,000	\$ -	
38	SFMTA	Application-Based Traffic Calming Program - FY21/22 Cycle Planning	\$ 250,000	\$ -	
39	SFMTA	Central Embarcadero Quick Build	\$ 1,000,000	\$ -	5YPP Amendment: Funding this request requires a concurrent amendment to the Bicycle Circulation and Safety 5YPP. See enclosure for details.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Recommended	Prop AA Funds Recommended	Recommendations
42	SFPW	Tree Planting and Establishment	\$ 1,493,064	\$ -	
44	SFMTA, SFCTA	NTIP Program Coordination	\$ 200,000	\$ -	
Ped	SFPW	Western Addition Pedestrian Lighting	\$ -	\$ 926,928	
TOTAL			\$ 9,862,378	\$ 926,928	

¹ See Attachment 1 for footnotes.

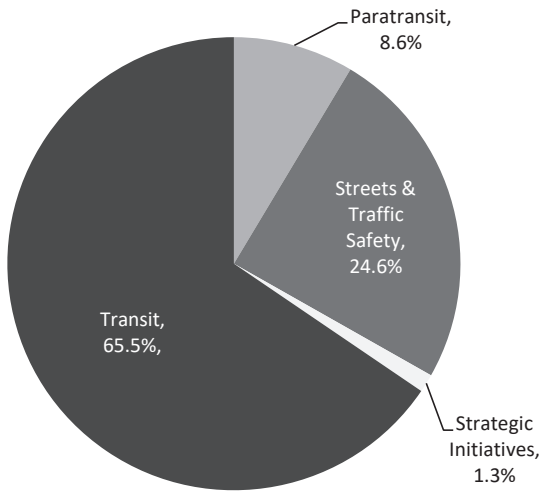
Attachment 4.
Prop K Allocation Summary - FY2020/21

PROP K SALES TAX

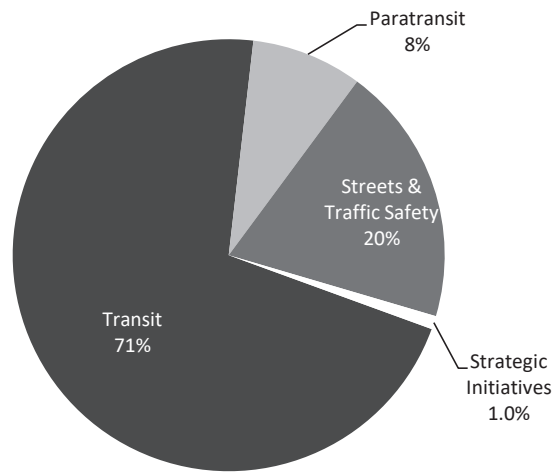
FY2021/22	Total	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Prior Allocations	\$ -					\$ -
Current Request(s)	\$ 9,862,378	\$ 6,549,781	\$ 3,147,597	\$ 165,000	\$ -	\$ -
New Total Allocations	\$ 9,862,378	\$ 6,549,781	\$ 3,147,597	\$ 165,000	\$ -	\$ -

The above table shows maximum annual cash flow for all FY 2021/20 allocations and appropriations approved to date, along with the current recommended allocation(s) and appropriation.

Investment Commitments, per Prop K Expenditure Plan



Prop K Investments To Date

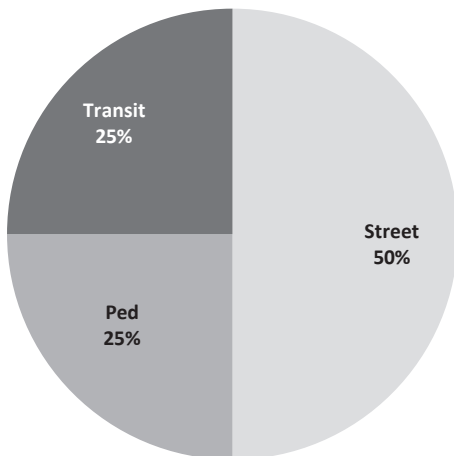


PROP AA VEHICLE REGISTRATION FEE

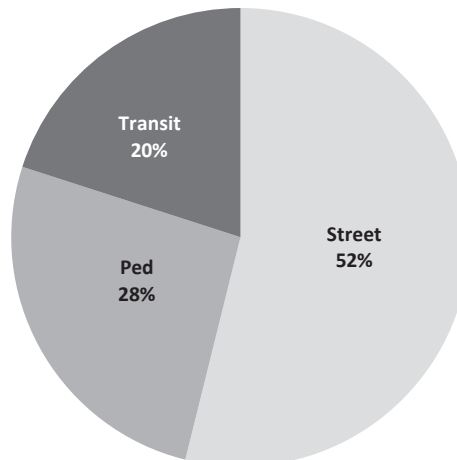
FY2021/22	Total	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Prior Allocations	\$ -			\$ -	\$ -
Current Request(s)	\$ 926,928	\$ 926,928	\$ -	\$ -	\$ -
New Total Allocations	\$ 926,928	\$ 926,928	\$ -	\$ -	\$ -

recommended allocation(s).

Investment Commitments, per Prop AA Expenditure Plan



Prop AA Investments To Date





**San Francisco
County Transportation
Authority**

1455 Market Street, 22ND Floor, San Francisco, California 94103 415-522-4800 info@sfcta.org www.sfcta.org

Memorandum

AGENDA ITEM 8

DATE: May 10, 2021
TO: Transportation Authority Board
FROM: Anna LaForte - Deputy Director for Policy and Programming
SUBJECT: 6/8/2021 Board Meeting: Approve the Fiscal Year 2021/22 Transportation Fund for Clean Air Program of Projects

RECOMMENDATION Information Action

Approve the Fiscal Year (FY) 2021/22 Transportation Fund for Clean Air (TFCA) Program of Projects including:

- Emergency Ride Home (\$75,210 to the Department of the Environment (SFE))
- Short-Term Bike Parking (\$643,829 to the San Francisco Municipal Transportation Agency (SFMTA))
- University Park North Bike Cage (\$15,000 to San Francisco State University (SFSU))
- Program Administration (\$40,415 to the Transportation Authority)

SUMMARY

As the San Francisco TFCA County Program Manager, the Transportation Authority annually develops the Program of Projects for San Francisco's share of TFCA funds. Revenues come from a portion of a \$4 vehicle registration fee in the Bay Area and are used for projects that reduce motor vehicle emissions. After netting out 6.25% or \$40,415 for Transportation Authority program administration, as allowed by the Air District, the estimated amount available to program to projects is \$734,039. Following Board approval of the Local Expenditure Criteria in February, we issued a call for projects on March 10. We received three project applications by the April 23, 2021 deadline, requesting \$824,256 in TFCA funds compared to the \$734,039 available. For the FY 2021/22 TFCA County Program Manager program we are recommending fully funding two of the three project applications received (Emergency Ride Home and University Park North Bike Cage) and partially funding the third project application received (Short Term Bike Parking) to match the funds available. SFMTA will seek Prop K funds to make the latter project whole.

- Fund Allocation
- Fund Programming
- Policy/Legislation
- Plan/Study
- Capital Project Oversight/Delivery
- Budget/Finance
- Contract/Agreement
- Other:



BACKGROUND

The TFCA Program was established to fund the most cost-effective transportation projects that achieve emission reductions from motor vehicles in accordance with the Bay Area Air Quality Management District's (Air District's) Clean Air Plan. Funds are generated from a \$4 surcharge on the vehicle registration fee collected by the Department of Motor Vehicles in San Francisco. 40% of the funds are distributed on a return-to-source basis to Program Managers for each of the nine counties in the Air District. The Transportation Authority is the designated County Program Manager for the City and County of San Francisco. The remaining 60% of the revenues, referred to as the TFCA Regional Fund, are distributed to applicants from the nine Bay Area counties via programs administered by the Air District.

DISCUSSION

Funds Available. As shown in the table below, the amount of available fund for the FY 2021/22 San Francisco County Program Manager program is comprised of estimated FY 2021/22 TFCA revenues, interest income, and de-obligated funds from completed prior-year TFCA projects as shown in the table below.

Estimated TFCA Funds Available for Projects FY 2021/22	
Estimated TFCA Revenues (FY 2021/22)	\$672,700
Interest Income	\$2,863
De-obligated Funds from Golden Gate Transit's Bike Racks on Buses project (completed under budget)	\$100,094
Total Funds	\$775,657
Administrative Expense (6.25%, less \$1,203 adjustment to account for lower than estimated FY 2020/21 revenues)	(\$40,415)
Total Available for Projects	\$734,039

After netting out 6.25% for Transportation Authority program administration, as allowed by the Air District, the amount available to program to projects is \$734,039.

Prioritization Process. On March 10, 2021 we issued the FY 2021/22 TFCA San Francisco County Program Manager call for projects. We received three project applications by the April 23, 2021 deadline, requesting \$824,256 in TFCA funds compared to the \$734,039 available. [The amount available for projects is \$7 less than our initial call for projects amount (\$734,046), reflecting an updated revenue estimate approved by the Air District on May 5, 2021.]

We evaluated the TFCA project applications following the Board adopted prioritization process for developing the TFCA Program of Projects shown in Attachment 1. The first step involved screening projects to ensure eligibility according to the Air District's TFCA guidelines. One of the most important aspects of this screening was ensuring a project's cost effectiveness (CE) ratio was calculated correctly and was low enough to be eligible for



consideration. The Air District's CE ratio, described in detail in Attachment 1, is designed to measure the cost effectiveness of a project in reducing air pollutant emissions and to encourage submittal of projects that leverage funds from non-TFCA sources. CE ratio limits are expressed in dollars per ton of emissions reduced and vary by project type. CE limits for FY 2021/22 for relevant project types are: Bicycle Parking - \$250,000 and Ridesharing Projects - Existing - \$150,000.

We performed our review of the CE ratio calculations in consultation with project sponsors and the Air District. The focus was to ensure that the forms were completed correctly, that values other than default values had adequate justification, and that assumptions were consistently applied across all project applications for a fair evaluation. Inevitably, as a result of our review, we had to adjust some of the submitted CE worksheets. In these cases, we worked with the project sponsor to determine the correct CE ratio and whether or not it exceeded the Air District's CE threshold.

We then prioritized projects that passed the eligibility screening using factors such as project type (e.g., first priority to zero emission projects), cost effectiveness, program diversity, project delivery (i.e., readiness), benefits to Communities of Concern, investment from non-public project sponsors, community support, and other considerations (e.g., a sponsor's track record for delivering prior TFCA projects). Our prioritization process also considered carbon dioxide (CO₂) emissions reduced by each project. CO₂ emissions are estimated in the Air District's CE worksheets but were not a subject of the state legislation that created TFCA and are not a factor in the CE calculations.

Staff Recommendation. Attachment 2 shows the three candidate projects, listed in ranked order based on the scoring criteria and other information, including a brief project description, total project cost, and the amount of TFCA funds requested. Attachment 3 includes a Project Information Form for each project with additional detail on the proposed scope, schedule, cost, and funding plan, as well as proposed deliverables. We are recommending funding at the requested amounts for the SFE's Emergency Ride Home (\$75,210) and SFSU's University Park North Bike Cage (\$15,000) projects, the first and third ranked projects, respectively. Due to the limited funds available and after consulting with SFMTA, we are recommending partial funding for the SFMTA's Short-Term Bike Parking (\$643,829), which is scalable and could seek supplemental funding from other sources including Prop K. This allows us to fully fund SFSU's bike cage project. SFMTA staff have raised no objections to the staff recommendation.

Schedule for Funds Availability. We expect to enter into a master funding agreement with the Air District by August 2021 after which we will issue grant agreements for the recommended FY 2021/22 TFCA funds. Pending timely review and execution of the grant agreements by the Air District and project sponsors, we expect funds to be available for expenditure beginning in September 2021. Projects are expected to be completed within two years, unless otherwise specified, per Air District policy.

FINANCIAL IMPACT

The estimated total budget for the recommended FY 2021/22 TFCA program is \$774,454. This includes \$734,039 for the three proposed projects and \$40,415 for administrative



expenses. Revenues and expenditures for the TFCA program are included in the proposed Transportation Authority's FY 2021/22 budget, which will be considered for adoption by the Transportation Authority Board on June 22, 2021.

CAC POSITION

The Citizens Advisory Committee will consider this item at its May 26, 2021 meeting.

SUPPLEMENTAL MATERIALS

- Attachment 1 - FY 2021/22 TFCA Local Expenditure Criteria
- Attachment 2 - FY 2021/22 TFCA Program of Projects - Detailed Staff Recommendation
- Attachment 3 - Project Information Forms (3)

Attachment 1
Fiscal Year 2021/22 Transportation Fund for Clean Air (TFCA)
LOCAL EXPENDITURE CRITERIA

The following are the Fiscal Year 2021/22 Local Expenditure Criteria for San Francisco's TFCA County Program Manager Funds.

ELIGIBILITY SCREENING

In order for projects to be considered for funding, they must meet the eligibility requirements established by the Air District's TFCA County Program Manager Fund Policies for Fiscal Year Ending 2022. Consistent with the policies, a key factor in determining eligibility is a project's cost effectiveness (CE) ratio. The TFCA CE ratio is designed to measure the cost effectiveness of a project in reducing motor vehicle air pollutant emissions and to encourage projects that contribute funding from non-TFCA sources. TFCA funds budgeted for the project are divided by the project's estimated emissions reduction. The estimated reduction is the weighted sum of reactive organic gases (ROG), oxides of nitrogen (NOx), and particulate matter (PM) emissions that will be reduced over the effective life of the project, as defined by the Air District's guidelines.

TFCA CE is calculated by inputting information provided by the applicant into the Air District's CE worksheets. Transportation Authority staff will be available to assist project sponsors with these calculations and will work with Air District staff and the project sponsors as needed to verify reasonableness of input variables. The worksheets also calculate reductions in carbon dioxide (CO₂) emissions, which are not included in the Air District's official CE calculations, but which the Transportation Authority considers in its project prioritization process.

Consistent with the Air District's Guidelines, in order to be eligible for Fiscal Year 2021/22 TFCA funds, a project must meet the CE ratio for emissions (i.e., ROG, NOx, and PM) reductions as specified in the guidelines for each project type. Projects that do not meet the appropriate CE threshold cannot be considered for funding.

PROJECT PRIORITIZATION

Candidate projects that meet the cost effectiveness thresholds will be prioritized for funding based on the two-step process described below:

Step 1 - TFCA funds are programmed to eligible projects, as prioritized using the Transportation Authority Board-adopted Local Priorities (see next page).

Step 2 - If there are TFCA funds left unprogrammed after Step 1, the Transportation Authority will work with project sponsors to develop additional TFCA candidate projects. This may include refinement of projects that were submitted for Step 1, but were not deemed eligible, as well as new projects. This approach is in response to an Air District policy that does not allow County Program Managers to rollover any unprogrammed funds to the next year's funding cycle. If Fiscal Year 2021/22 funds are not programmed within 6 months of the Air District's approval of San Francisco's funding allocation, expected in May 2021, funds can be redirected (potentially to non-San Francisco projects) at the Air District's discretion. New candidate projects must meet all TFCA eligibility requirements and will be prioritized based on the Transportation Authority Board's adopted Local Priorities.

Local Priorities

The Transportation Authority's Local Priorities for prioritizing TFCA funds include the following factors:

1. Project Type - In order of priority:

- 1) Zero emissions non-vehicle projects including, but not limited to, bicycle and pedestrian facility improvements, transit priority projects, traffic calming projects, and transportation demand management projects;
- 2) Shuttle services that reduce vehicle miles traveled (VMT);
- 3) Alternative fuel vehicles and alternative fuel infrastructure; and
- 4) Any other eligible project.

2. Cost Effectiveness of Emissions Reduced- Priority will be given to projects that achieve high CE (i.e. a low cost per ton of emissions reduced) compared to other applicant projects. The Air District's CE worksheet predicts the amount of reductions each project will achieve in ROG, NO_x, PM, and CO₂ emissions. However, the Air District's calculation only includes the reductions in ROG, NO_x, and PM per TFCA dollar spent on the project. The Transportation Authority will also give priority to projects that achieve high CE for CO₂ emission reductions based on data available from the Air District's CE worksheets. The reduction of transportation-related CO₂ emissions is consistent with the City and County of San Francisco's 2013 *Climate Action Strategy*.

3. Project Readiness - Priority will be given to projects that are ready to proceed and have a realistic implementation schedule, budget, and funding package. Projects that cannot realistically commence in calendar year 2022 or earlier (e.g. to order or accept delivery of vehicles or equipment, begin delivery of service, award a construction contract, start the first TFCA-funded phase of the project) and be completed within a two-year period will have lower priority. Project sponsors may be advised to resubmit these projects for a future TFCA programming cycle.

4. Community Support - Priority will be given to projects with demonstrated community support (e.g. recommended in a community-based transportation plan, outreach conducted to identify locations and/or interested neighborhoods, or a letter of recommendation provided by the district Supervisor).

5. Benefits Communities of Concern - Priority will be given to projects that directly benefit Communities of Concern, whether the project is directly located in a Community of Concern (see map) or can demonstrate benefits to disadvantaged populations.

6. Investment from Non-Public Project Sponsors or Partners - Non-public entities may apply for and directly receive TFCA grants for alternative-fuel vehicle and infrastructure projects and may partner with public agency applicants for any other project type. For projects where a non-public entity is the applicant or partner, priority will be given to projects that include an investment from the non-public entity that is commensurate with the TFCA funds requested.

7. Project Delivery Track Record - Projects that are ranked high in accordance with the above local expenditure criteria may be lowered in priority or restricted from receiving TFCA funds if either of the following conditions applies or has applied during the previous two fiscal years:

- **Monitoring and Reporting** - Project sponsor has failed to fulfill monitoring and reporting requirements for any previously funded TFCA project.
- **Implementation of Prior Project(s)** - Project sponsor has a signed Funding Agreement for a TFCA project that has not shown sufficient progress; the project sponsor has not implemented the project by the project completion date without formally receiving a time extension from the Transportation Authority; or the project sponsor has violated the terms of the funding agreement.

8. Program Diversity - Promotion of innovative TFCA projects in San Francisco has resulted in increased visibility for the program and offered a good testing ground for new approaches to reducing motor vehicle emissions. Using the project type criteria established above, the Transportation Authority will continue to develop an annual program that contains a diversity of project types and approaches and serves multiple constituencies. The Transportation Authority believes that this diversity contributes significantly to public acceptance of and support for the TFCA program.

Attachment 2
 San Francisco County Transportation Authority
 Fiscal Year 2021/2022 TFCA Program of Projects – Detailed Staff Recommendation

PROJECTS RECOMMENDED FOR TFCA FUNDS [sorted by project type priority and then cost-effectiveness]										
Rank	Sponsor ¹	Project Description	District	Project Type ²	Prop K Eligible	CE Ratio ³	CO ₂ Tons Reduced ⁴	Total Project Cost	TFCA Amount Requested	TFCA Amount Proposed
1	SFE	Emergency Ride Home - This program furthers San Francisco's Transit First Policy by incentivizing commuters' usage of sustainable commute modes by providing a subsidized taxi ride home in the event of a personal emergency.	Citywide	1	Yes	\$ 21,468	1,887	\$ 75,210	\$75,210	\$ 75,210
2	SFMTA	Short-Term Bike Parking - Plan, coordinate, and install 1,800 bicycle parking racks in San Francisco, providing an additional 3,600 bicycle parking spaces. Bicycle parking spaces will provide end-of-trip facilities for new bicycle and scooter trips, thereby replacing vehicle trips and reducing motor vehicle emissions. [SFMTA will seek Prop K funds to cover the difference between the TFCA funds requested vs. recommended.]	Citywide	1	Yes	\$ 162,849	1,879	\$ 1,484,046	\$734,046	\$ 643,829
3	SFSU	University Park North Bike Cage - Secure storage cage for 40 bicycles, built in four carport spaces in San Francisco State University's University Park North housing area.	7	1	No	\$ 233,383	30	\$ 15,000	\$15,000	\$ 15,000
TOTAL								\$ 1,574,256	\$ 824,256	\$ 734,039
Total TFCA Funding Available for Projects:										\$ 734,039

¹ Sponsor acronyms include San Francisco Municipal Transportation Agency (SFMTA), San Francisco Department of the Environment (SFE), and San Francisco State University (SFSU).
² Priority based on project type is established in the Local Expenditure Criteria, with zero-emissions non-vehicle projects as the highest priority, followed by shuttle services, followed in turn by alternative fuel vehicle projects, and finally any other eligible project.
³ The TFCA cost effectiveness ratio (CE) is designed to measure the cost effectiveness of a project in reducing motor vehicle air pollutant emissions and to encourage projects that contribute funding from non-TFCA sources. For 2021/22 the CE limits, in dollars per ton of emissions reduced, for relevant project types are: Bike Parking - \$250,000, Ridesharing Projects - Existing - \$150,000.
⁴ CO₂ Reduction is based on tons of carbon dioxide reduced over the lifetime of the project. This figure is calculated in the cost effectiveness worksheet.

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Memorandum

AGENDA ITEM 9

DATE: May 20, 2021
TO: Transportation Authority Board
FROM: Cynthia Fong - Deputy Director for Finance and Administration
SUBJECT: 06/08/21 Board Meeting: Adopt the Proposed Fiscal Year 2021/22 Budget and Work Program

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Adopt the Proposed Fiscal Year (FY) 2021/22 Budget and Work Program</p> <p>SUMMARY</p> <p>The purpose of this memorandum is to present the proposed FY 2021/22 annual budget and work program and seek its adoption. The June 8 Board meeting will serve as the official public hearing prior to final consideration of the annual budget and work program at the June 22 Board meeting. There have been no changes made to the proposed annual budget and work program since the item was presented to the Citizens Advisory Committee at its April 28 meeting.</p>	<p><input type="checkbox"/> Fund Allocation</p> <p><input type="checkbox"/> Fund Programming</p> <p><input type="checkbox"/> Policy/Legislation</p> <p><input type="checkbox"/> Plan/Study</p> <p><input type="checkbox"/> Capital Project Oversight/Delivery</p> <p><input checked="" type="checkbox"/> Budget/Finance</p> <p><input type="checkbox"/> Contract/Agreement</p> <p><input type="checkbox"/> Other: _____</p>
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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.

DISCUSSION

The proposed FY 2021/22 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 2021/22. 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 2021/22 Budget and Work Program will be presented as a separate item to the TIMMA Committee at its June 15 meeting and to the TIMMA Board at its June 22 meeting.

Revenues. Total revenues are projected to be \$126.3 million and are budgeted to decrease by an estimated \$148,593 from the FY 2020/21 Amended Budget, or 0.1%. Sales tax revenues, net of interest earnings, are projected to be \$92.9 million or 73.6% of revenues. This is an increase of \$11.9 million compared to the budgeted sales tax revenues for FY 2020/21, reflecting a moderate economic recovery as San Francisco continues to slowly reopen various sectors. Program revenues are projected to be \$23.7 million or 18.8% of revenues. This is a decrease of \$9.3 million compared to the budgeted program revenues for FY 2020/21, which is largely due to decreased activities for the Southgate Road Realignment Improvements Project, or Phase 2 of the Interstate 80/Yerba Buena Island (YBI) Improvement Project, and YBI West Side Bridges.

Expenditures. Total expenditures are projected to be about \$226.0 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 \$191.4 million. Capital projects costs are 84.7% of total projected expenditures, with another 5.5% of expenditures budgeted for administrative operating costs, and 9.8% for debt service and interest costs. Capital expenditures in FY 2021/22 of \$191.4 million are budgeted to increase by \$13.8 million, or 7.8%, from the FY 2020/21 amended budget, which is primarily due to the increase in Prop K capital expenditures.

Debt service costs of \$22.2 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. During the first quarter of the fiscal year, we anticipate bringing a new Revolving Credit Loan Agreement to the Board for approval, up to \$200 million, to support the



Transportation Authority's interim borrowing program. Our debt program has allowed us more flexibility and has enabled us to cost effectively accelerate delivery of the Prop K program that we could do on a pay-go basis.

Other Financing Sources/Uses. The Other Financing Sources/Uses section of Attachment 6 - Line Item Detail for the FY 2021/22 proposed budget includes anticipated drawdown from the Revolving Credit Loan Agreement. The estimated level of sales tax capital expenditures for FY 2021/22 may trigger the need to drawdown up to \$100 million from the Revolving Credit Loan Agreement. 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 US 101/I-280 Managed Lanes and Express Bus and the I-280/Ocean Avenue South Bound Off-Ramp Realignment projects.

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 \$73.5 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 May 26, 2021 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 2021/2022 Annual Work Program

The Transportation Authority's Fiscal Year (FY) 2021/22 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 (TNC Tax) program. The Transportation Authority is also operating as the Treasure Island Mobility Management Agency (TIMMA). The TIMMA FY 2021/22 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 2021/22, we will continue to implement recommendations from the existing San Francisco Transportation Plan (SFTP, 2017), while completing 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 conducting a major update of the SFTP in concert with the adoption of Plan Bay Area 2050, to set a future transportation policy and investment blueprint for the city that coordinates with regional plans. 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 research and active congestion management as the economy emerges from shelter-in-place toward recovery. Most of the FY 2021/22 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

- COVID-Era Congestion Tracker and COVID-19 Recovery Scenario Analysis.** The shelter-in-place (SIP) orders issued in mid-March 2020 rapidly changed traffic patterns, resulting in less congestion and significantly lower transit ridership. Since last spring, congestion has slowly increased, but roadway travel speeds remain above pre-pandemic levels, and transit ridership continues to be at historically low levels. We anticipate that these patterns will change

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Proposed Fiscal Year 2021/2022 Annual Work Program

significantly in the coming months, as increased vaccination rates lead to easing of travel restrictions and increased economic activity, which combined with reduced levels of transit service provision may lead to a sharp increase in congestion. The Transportation Authority will continue with frequent updates to the COVID-Era Congestion Tracker (<https://covid-congestion.sfcta.org/>), 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 partner agencies like the SFMTA and other users to view speed data for the city overall, or for particular segments, and to compare current speeds to pre-COVID conditions. This year we expect to expand the Congestion Tracker to include more streets across more of the city. In addition, we will continue to use the Transportation Authority's San Francisco Chained Activity Modeling Process (known as SF-CHAMP) activity-based travel demand model to analyze a wide range of recovery scenarios that look at the impacts of telecommuting, transit service provision, public willingness to ride transit, and other factors on travel demand and system performance.

- **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; to conduct outreach to shape alternative scenarios; and technical screening of policy options. We will extend the study schedule, as directed by the Chair in response to stakeholder feedback, through the end of calendar year 2021. Remaining study tasks include the detailed evaluation work and working 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.

SFTP Implementation and Board Support

- **Neighborhood Transportation Improvement Program (NTIP) Cycle 2 (Fiscal Years 2019/20-2023/24).** We will identify and advance new projects through Cycle 2 of the sales tax-funded NTIP, and monitor implementation of previously funded NTIP projects. 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. Scoping of new NTIP planning and capital efforts, including advancing recommendations from recently completed plans, will be done in coordination with Transportation Authority Board members and SFMTA's NTIP Coordinator. We will continue to lead NTIP projects in three City supervisorial districts: Districts 4 (D4 Mobility Study), 5 (D5 Circulation and Access Study), and 9 (Alemany Realignment Study), and we anticipate supporting the next phase of D1 NTIP work on JFK and Golden Gate Park Access including Equity studies (D10 request).
- **San Francisco School Access Plan.** Caltrans awarded a Caltrans Sustainable Planning Grant to the Transportation Authority 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. This study started slowly in the prior fiscal year reflecting the lack of in-person schooling. As schools reopen in FY 2021/22, we anticipate making substantial progress on this study, with study completion expected in FY 2022/23.

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Long Range, Countywide, and Inter-Jurisdictional Planning

- **SFTP 2050 and ConnectSF.** We plan to present the SFTP 2050 to the Board for approval by the end of calendar year 2021, building on the Streets and Freeways Study, the Transit Corridors Study, and other ConnectSF work, as well as other plans and studies conducted by the Transportation Authority and others. We are planning outreach this summer to review potential tradeoffs among major investments and policy choices. The SFTP will result in a fiscally constrained transportation investment and policy blueprint for San Francisco through the year 2050. The plan 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 will be a key element of our work program in FY 2021/22 (see Fund section for additional details).
- **Managed Lane and Express Bus System Planning and Policy Support.** We continue to work on planning and regional coordination for the San Francisco freeway system, including conducting an equity study of managed lanes in the US 101/I-280 corridor. The project is evaluating an HOV lane to improve transit speed and reliability. The equity study of the US 101/I-280 corridor will include outreach on improvement concepts identified in prior studies and will identify a full program to address congestion in this corridor, including transit service, local improvements, and potential lane changes to the freeway system. We are also continuing to coordinate with regional agencies on the Express Lane Strategic Plan and US 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.
- **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 (including SB 1376 Access for All regulations); and the Metropolitan Transportation Commission's (MTC's) Blue Ribbon Transit Recovery Task Force. We will also continue to coordinate with BART and other partner agencies to advance Link21, the study of a potential second Transbay rail crossing, and associated connection to the west side.
- **SFTP Modal Planning Follow-on Studies.** Looking ahead, we anticipate working in collaboration with Board members, partners agencies and the community on the following, which will also be dependent upon securing funding through future appropriations or discretionary grants:
 - West side transit planning/subway feasibility study
 - Active transportation connectivity, street reconfiguration, and safety improvements on Brotherhood and Alemany (D11)
 - D4 Mobility Study implementation of recommendations such as a community shuttle

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- Local waterfront ferry (D10, 6, 3, 2)
- Shifting truck access to industrial areas in the southeast away from Third Street (D10)
- SE Caltrain station follow on to SF Planning study
- Citywide shuttle planning to help fill gaps in the future City transit network
- Potential Fare Free Muni Pilot Evaluation

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; Downtown Rail Extension; US 101/280 Managed Lanes and Express Bus Study; Treasure Island Mobility Management Program; and Downtown Congestion Pricing Study.
- **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, and the CMP update will be completed in fall 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 to quantify the effectiveness of the TDM strategies included in San Francisco's Transportation Sustainability Program (TSP) in reducing VMT and single-occupancy vehicle trips.
- **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 and transit ridership trends and representing the evolving transit service levels in the region during recovery.

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 or TNC Tax), 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

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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 revenues for transportation-related projects and programs. The work program activities highlighted below are typically led by the Policy and Programming Division with support from all agency divisions. Notable efforts planned for FY 2021/22 include:

Fund Programming and Allocations. We will continue to administer the Prop K sales tax, Prop AA vehicle registration fee, TFCA, and TNC Tax programs through which the agency directly allocates or prioritizes projects for grant funding; monitor and provide project delivery support and oversight for the 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 FY 2021/22 include conducting a Prop AA call for projects for the Strategic Plan and 5-Year Prioritization Programs update covering FY 2022/23 through FY 2026/27, with Board adoption of the update by the end of FY 2021/22; and allocating the second year of TNC Tax funds for the SFMTA's Quick-Build Program by the end of the calendar year.

Senate Bill 1. In FY 2020/21, we were pleased to see major Bay Area and local San Francisco projects receive grant funds from the Solutions for Congested Corridors program (BART Core Capacity), Local Partnership Program (LPP) competitive funds (Mission Geneva Safety), and State Highway Operations and Preservation Program's Complete Streets Reservation (Vision Zero Ramp Intersection). This coming FY, we will work internally and with San Francisco project sponsors to identify strong candidates for the next funding cycles of these SB 1 programs. After seeking Board approval of project priorities for the Transportation Authority's share of LPP formula funds (anticipated in June 2021 for a portion of the funds, with the remainder in fall 2021), we will seek approval from the California Transportation Commission (CTC) and support allocation requests for projects recommended to receive FY 2021/22 programming. We will continue to support regional requests for funding, provide input to CTC on revisions to program guidelines, and engage our Board and MTC Commissioners, including seeking guidance on prioritizing funds.

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), through their completion in the fall of 2021. These efforts involve close coordination with San Francisco agencies, the Mayor's office, our representatives on the Association of Bay Area Governments and MTC, and with Bay Area County Transportation Agencies (CTAs), regional transit agencies, and other community stakeholders.

New Revenue Options. We continue to track Regional Measure 3 status (in litigation) and are coordinating with SFMTA on needs and opportunities for a potential local transportation measures in upcoming election cycles, including reauthorization of the Prop K sales tax (see below), a regional transportation measure (eyeing 2024 potentially), and new opportunities at the federal and state levels including but not limited to a new federal surface transportation bill, a federal infrastructure bill and new state funding for climate and safety projects.

Prop K Strategic Plan Update. We will finish the Strategic Plan update started in FY 2020/21 that was initiated given the pandemic-induced decline in sales tax revenues. We have already done a lot of the foundational work with sponsors to true up revenues and expenditures to reflect actuals

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since the 2019 Strategic Plan was adopted and adjusted anticipated reimbursement schedules for grants with the largest remaining balances. The next steps involve incorporating new short- and long-term revenue projections into the Strategic Plan financial model. Given that the revenue forecast will be lower than in the current Strategic Plan, we will work with project sponsors to counterbalance the decline as much as possible by updating project reimbursement schedules for existing allocations and programmed but unallocated funds, while also working to keep project pipelines moving until a New Expenditure Plan is approved (see entry below). We anticipate completing the Strategic Plan update this fall.

New Transportation Sales Tax Expenditure Plan. Following Board direction, we will continue work on reauthorization of the Prop K half-cent transportation sales tax, which provides the opportunity to update the Prop K Expenditure Plan to reflect new priorities that are not eligible under the 2003 Expenditure Plan, to incorporate recommendations from ConnectSF and SFTP work, and to replenish funds for categories running out of funds by extending the FY 2033/34 end date of the Expenditure Plan. We will continue public engagement, expanding our toolkit of engagement methods as SIP orders ease up, while maintaining a strong focus on equity. Subject to Board approval of the Expenditure Plan Advisory Committee (EPAC) structure, we plan to convene the EPAC in July with regular meetings through the end of the calendar year to develop and recommend a new Expenditure Plan to the Transportation Authority Board. We will work with San Francisco project sponsors, including regional transit operators, to provide input to and support the work of the EPAC. Our current schedule targets placing a measure on the ballot in June 2022, though the schedule is flexible should the Board decide to bring the ballot measure to the November 2022 election instead.

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 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. This year our efforts will include advocacy and coordination on the Biden Administration's American Jobs Plan proposal and subsequent legislation that Congress authors, as we continue to advocate and provide input on the Invest Act/Reauthorization bill and other federal policies that support San Francisco projects and strategies (e.g. emerging technology regulations, new safety and equity legislation, transportation pricing authorization).

Funding and Financing Strategy Opportunities. 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 Rail Extension, and Better Market Street. We will help position San Francisco's projects and programs to receive funding from reauthorization of the federal transportation bill, infrastructure bill funding opportunities, and any additional federal COVID relief funds. We serve as a funding resource for all San Francisco project sponsors (e.g. brokering fund exchanges). At the regional level, in summer 2021, MTC will be kicking off the program development for the One Bay Area Grant (OBAG) program cycle 3 to inform the regional distribution of future federal Surface Transportation Block Grant and Congestion Mitigation and Air Quality Improvement funding. In our role as a CTA and advisors to our MTC Commissioners, we will provide input to the program

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development process, to support equitable distribution of funds across the region, including for San Francisco local and regional priorities included in PBA 2050.

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, including the revolver credit agreement, to enable flexibility and accelerated delivery of sales-tax funded capital projects compared to what is supportable on a pay-go basis - at the lowest possible cost to the public. During the first quarter of the fiscal year, we anticipate bringing a new Revolving Credit Loan Agreement to the Board for approval, up to \$200 million, to support the Transportation Authority's interim borrowing program.

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 evaluating the potential to create a master grant number that agencies charge to for projects that draw funds from multiple expenditure plan categories rather than having to track multiple grant numbers. It also includes maintaining and enhancing mystreetsf.sfcta.org, our interactive project map, and the Portal, our web-based grants management database used by our staff and project sponsors. Our key areas of focus will be making refinements to project promotion tools, and enhancements to grant administration resources including cash flow amendments through the Portal and identifying projects ripe for closeout.

DELIVER

Supporting 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 oversight of Prop K sales tax major capital investments, such as SFMTA's Central Subway, Van Ness Bus BRT, and facility upgrade projects; the Downtown Rail Extension (DTX) and Pennsylvania Alignment Studies; and Caltrain Modernization, including electrification as well as railyards planning coordination and oversight (for which we will seek funding). We also serve as the lead agency for the delivery of certain capital 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 2021/22 include the following:

Transportation Authority - Lead Construction:

- **I-80/YBI East Bound Off Ramp/Southgate Road Realignment Project.** We will continue working with Caltrans, the Bay Area Toll Authority (BATA), Treasure Island Development Authority (TIDA), and the U.S. Coast Guard to advance construction of the new facility. The project broke ground in June 2020 and is on schedule and within budget for partial completion by the end of FY 2021/22.
- **YBI West Side Bridges.** We will continue working on securing full funding (if not done in FY 2020/21), executing funding agreements, and completing final engineering in preparation for award of the construction contract. We are also coordinating with bicycle/pedestrian path plans adjacent to the West Side bridges project. See YBI Bike/Ped Path below.

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Transportation Authority - Lead Project Development:

- **US 101/I-280 Managed Lanes and Express Bus Project.** The Transportation Authority will continue advancement of environmental approvals for the northbound I-280 carpool lanes between 18th and 3rd Street (Phase 1) as well as preliminary engineering and traffic analysis for the southbound lanes on I-280 and US 101 to the San Mateo County line. The companion equity study and related regional express lane policy work is described above under the Plan section.
- **I-280/Ocean Avenue South Bound Off-Ramp Realignment.** We will continue to advance I-280 Interchange modifications at Balboa Park including the start of design work for the southbound off ramp at Ocean Avenue and early planning for the connected northbound off ramp to Geneva Avenue. This is dependent upon securing Prop K funds to be reprogrammed from US 101/I-280 Managed Lanes and Express Bus Project, for which we plan to seek Board approval in fourth quarter of FY 2020/21.
- **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 fund and advance the preliminary engineering, environmental and design phases of the YBI multi-use path connecting the western side of the island from the SFOBB East Span YBI viewing area down to the future Treasure Island Ferry Terminal and providing an ultimate connection point to the planned BATA-led SFOBB West Span Skyway Path.
- **Quint Street.** We will continue to work with San Francisco Public Works and Office of Real Estate to acquire the right of way for the re-aligned Quint Street, if not already achieved by the end of June 2021. This acquisition will allow us to begin the design phase of the project, subject to funding availability.
- **Presidio Parkway.** We will continue development of an informational Case Study showcasing the Public Private Partnership delivery of Phase 2 in comparison to traditional delivery of Phase 1. The study explores the unique situation of a single project being delivered using two methods of procurement.

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 electrification project. 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 are also supporting policy discussions as requested for Caltrain funding and governance.
- **Caltrain Downtown Rail Extension (DTX) and Salesforce Transit Center.** We will continue moving forward with DTX project development efforts as part of the Executive Steering Committee (ESC), inclusive of regional partners per the SF-Peninsula rail program Memorandum of Understanding (MOU). This includes the Executive Director serving on the ESC and on the TJPA Board as an alternate. We will work closely with our MOU partners to

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advance critical phasing opportunities analysis, long range rail network planning, and funding plan development, and coordinating our efforts with BART/Capitol Corridor as they lead the Link21 planning efforts for a second transbay rail 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 site at 4th/5th and King streets through enhanced oversight (subject to Board approval of an appropriation anticipated first quarter FY 2021/2022), as well as lead preliminary engineering to inform the environmental phase for the Pennsylvania Avenue Extension (PAX) project. We are also partnering with Caltrain and SF Planning on ADA and station location/improvement studies for the 22nd Street Station and potential new southeast/Bayview station. Subject to Board approval, we anticipate taking the results of the Planning Department's screening and evaluation study and advancing them into the planning and design phases.
- **Geary and Van Ness Avenue BRTs.** We will continue to oversee SFMTA construction efforts including environmental compliance for Geary Phase I and Van Ness BRT projects. We will also keep working closely with SFMTA to review Geary BRT Phase II project plans and coordination with TCS recommendations for the west side subway.
- **Better Market Street.** We will continue to conduct oversight on city agencies' project delivery plans to minimize disruption to businesses during construction and reduce cost. We will also make further efforts to strengthen the project's funding plans both for the near-term improvements as well as the long-term vision for the corridor.
- **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.
- **Capital Projects Delivery Reform.** Lead and coordinate project delivery reform best practices (lessons learned) analysis, including workshops with City and regional agencies and industry experts leading to development of specific recommendation options. We anticipate scoping and seeking an appropriation for this work in first quarter FY 2021/22.

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.

Communications and Community Relations. Execute the agency's communications strategy with the general public, 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 work. Communications staff has listed the following growth goals for various platforms:

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- Instagram: Grow following by 50%
- Twitter: Grow following by 17%
- Facebook: Grow following by 15%
- Messenger: Grow subscriber list by 2.5%
- LinkedIn: Grow following by 20%
- Website: Increase unique website hits by 5%

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

- Continue refining outreach and communications techniques to adapt to SIP restrictions and the ongoing pandemic, with a focus on racial equity and seeking to engage Communities of Concern.
- Rollout agency Outreach Guidelines to agency staff to codify best practices when preparing for and executing agency outreach.
- Support agency experts in thought leadership roles and speaking engagements
- Support project delivery events (groundbreakings, ribbon cuttings), including anticipated Van Ness BRT opening and Tunnel Tops opening

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 are planning to perform a major upgrade to our enterprise resource planning system due to the end of mainstream support from the existing software developer.

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

Racial Equity Action Plan. Work through the Racial Equity Working Group to advance the Racial Equity Action Plan created in the prior fiscal year. The current phase of the plan identifies over 80 actions for implementation over a 3-year period. This year we anticipate making progress in several areas, including enhancing our hiring and recruiting processes and tracking success in this area, documenting procedures for advancement, and many others. The current plan focuses on internal agency operations and we anticipate that the Office of Racial Equity will initiate a second phase of work that is focused on public-facing activities. We have begun to incorporate racial equity into work

Attachment 1

Proposed Fiscal Year 2021/2022 Annual Work Program

products including our ConnectSF/SFTP and Downtown Congestion Pricing studies, our work on reauthorization of the Prop K expenditure plan, and others. We look forward to future guidance to develop plans, projects, and programs. We will provide quarterly updates to the Citizens Advisory Committee and Board on our progress on this plan.

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 implementation of the 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 assistance to the Clerk of the Transportation Authority 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 Annual 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	Budget Annual Fiscal Year 2021/22
Revenues:							
Sales Tax Revenues	\$ 92,879,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,879,800
Vehicle Registration Fee	-	-	-	4,834,049	-	-	4,834,049
Traffic Congestion Mitigation Tax	-	-	-	-	-	4,199,300	4,199,300
Interest Income	607,168	-	724	631	-	25,147	633,670
Program Revenues	-	20,345,877	672,708	-	2,656,232	-	23,674,817
Other Revenues	46,500	-	-	-	-	-	46,500
Total Revenues	93,533,468	20,345,877	673,432	4,834,680	2,656,232	4,224,447	126,268,136
Expenditures							
Capital Project Costs	150,674,687	22,422,367	1,385,939	11,162,165	1,790,963	4,005,686	191,441,807
Administrative Operating Costs	6,318,683	4,539,375	40,429	241,778	1,064,721	120,205	12,325,191
Debt Service Costs	22,192,850	-	-	-	-	-	22,192,850
Total Expenditures	179,186,220	26,961,742	1,426,368	11,403,943	2,855,684	4,125,891	225,959,848
Other Financing Sources (Uses):	93,184,683	6,615,865	-	-	199,452	-	100,000,000
Net change in Fund Balance	\$ 7,531,931	\$ -	\$ (752,936)	\$ (6,569,263)	\$ -	\$ 98,556	\$ 308,288
Budgetary Fund Balance, as of July 1	\$ 50,354,157	\$ -	\$ 1,003,204	\$ 15,490,329	\$ -	\$ 6,362,903	\$ 73,210,593
Budgetary Fund Balance, as of June 30	\$ 57,886,088	\$ -	\$ 250,268	\$ 8,921,066	\$ -	\$ 6,461,459	\$ 73,518,881



**San Francisco
County Transportation
Authority**

**Attachment 3
Proposed Fiscal Year 2021/22 Budget Annual
Comparison of Revenues and Expenditures**

Category	Fiscal Year 2019/20 Actual	Fiscal Year 2020/21 Amended Budget	Proposed Fiscal Year 2021/22 Budget Annual	Variance from Fiscal Year 2020/21 Amended Budget	% Variance
Sales Tax Revenues	\$ 99,268,709	\$ 81,028,216	\$ 92,879,800	\$ 11,851,584	14.6%
Vehicle Registration Fee	4,016,473	5,035,345	4,834,049	(201,296)	-4.0%
Traffic Congestion Mitigation Tax	-	6,683,182	4,199,300	(2,483,882)	-37.2%
Interest Income	2,782,633	692,060	633,670	(58,390)	-8.4%
Program Revenues					
Federal	6,559,443	24,725,310	8,629,623	(16,095,687)	-65.1%
State	117,621	2,475,524	3,587,961	1,112,437	44.9%
Regional and other	3,935,297	5,731,852	11,457,233	5,725,381	99.9%
Other Revenues	43,631	45,240	46,500	1,260	2.8%
Total Revenues	116,723,807	126,416,729	126,268,136	(148,593)	-0.1%
Capital Project Costs	92,514,661	177,603,846	191,441,807	13,837,961	7.8%
Administrative Operating Costs					
Personnel expenditures	6,613,922	8,607,126	9,226,939	619,813	7.2%
Non-Personnel expenditures	2,671,878	2,907,429	3,098,252	190,823	6.6%
Debt Service Costs	21,772,994	21,868,117	22,192,850	324,733	1.5%
Total Expenditures	123,573,455	210,986,518	225,959,848	14,973,330	7.1%
Other Financing Sources (Uses)	-	50,000,000	100,000,000	50,000,000	100.0%
Net change in Fund Balance	\$ (6,849,648)	\$ (34,569,789)	\$ 308,288	\$ 34,878,077	-100.9%
Budgetary Fund Balance, as of July 1	\$ 114,630,030	\$ 107,780,382	\$ 73,210,593		
Budgetary Fund Balance, as of June 30	\$ 107,780,382	\$ 73,210,593	\$ 73,518,881		



	Proposed Budget Annual by Fund						Proposed Fiscal Year 2021/22 Budget Annual
	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	\$ 92,879,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,879,800
Vehicle Registration Fee	-	-	-	4,834,049	-	-	4,834,049
Traffic Congestion Mitigation Tax	-	-	-	-	4,199,300	-	4,199,300
Interest Income	607,168	-	724	631	-	25,147	633,670
Program Revenues							
Federal							
Advanced Transportation and Congestion Management Technologies Deployment	-	-	-	-	1,106,232	-	1,106,232
Ferry Boat Discretionary Funds - Treasure Island Ferry Terminal	-	-	-	-	50,000	-	50,000
Highway Bridge Program - I-80/Yerba Buena Island (YBI) Interchange Improvement	-	5,907,214	-	-	-	-	5,907,214
Highway Bridge Program - YBI Bridge Structures	-	285,116	-	-	-	-	285,116
Priority Conservation Area Program - YBI Multi-Use Pathway	-	249,061	-	-	-	-	249,061
Surface Transportation Program 3% Revenue and Augmentation	-	1,032,000	-	-	-	-	1,032,000
State							
Affordable Housing and Sustainable Communities - I/80 YBI Interchange Improvement Project	-	2,980,245	-	-	-	-	2,980,245
Planning, Programming & Monitoring SB45 Funds	-	419,170	-	-	-	-	419,170
Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	-	57,350	-	-	-	-	57,350
Seismic Retrofit Proposition 1B - YBI Bridge Structures	-	20,875	-	-	-	-	20,875
Sustainable Communities - School Access Plan	-	110,321	-	-	-	-	110,321
Regional and other							
BATA - I-80/YBI Interchange Improvement	-	8,963,740	-	-	-	-	8,963,740
SFMTA - School Access Plan	-	17,662	-	-	-	-	17,662
SF Planning - Alemany Interchange Improvement Study	-	1,809	-	-	-	-	1,809
SF Planning - Housing Element	-	10,000	-	-	-	-	10,000
SF Planning - Transportation Demand Management Program	-	40,000	-	-	-	-	40,000
SFMTA - Travel Demand Modeling Assistance	-	75,000	-	-	-	-	75,000
TIDA - Treasure Island Mobility Management Agency	-	-	-	-	1,500,000	-	1,500,000
TIDA - YBI Interchange Improvement & Bridge Structures	-	176,314	-	-	-	-	176,314
Vehicle Registration Fee Revenues (TFCA)	-	-	672,708	-	-	-	672,708
Other Revenues							
Sublease of Office Space	46,500	-	-	-	-	-	46,500
Total Revenues	\$ 93,533,468	\$ 20,345,877	\$ 673,432	\$ 4,834,680	\$ 2,656,232	\$ 4,224,447	\$ 126,268,136



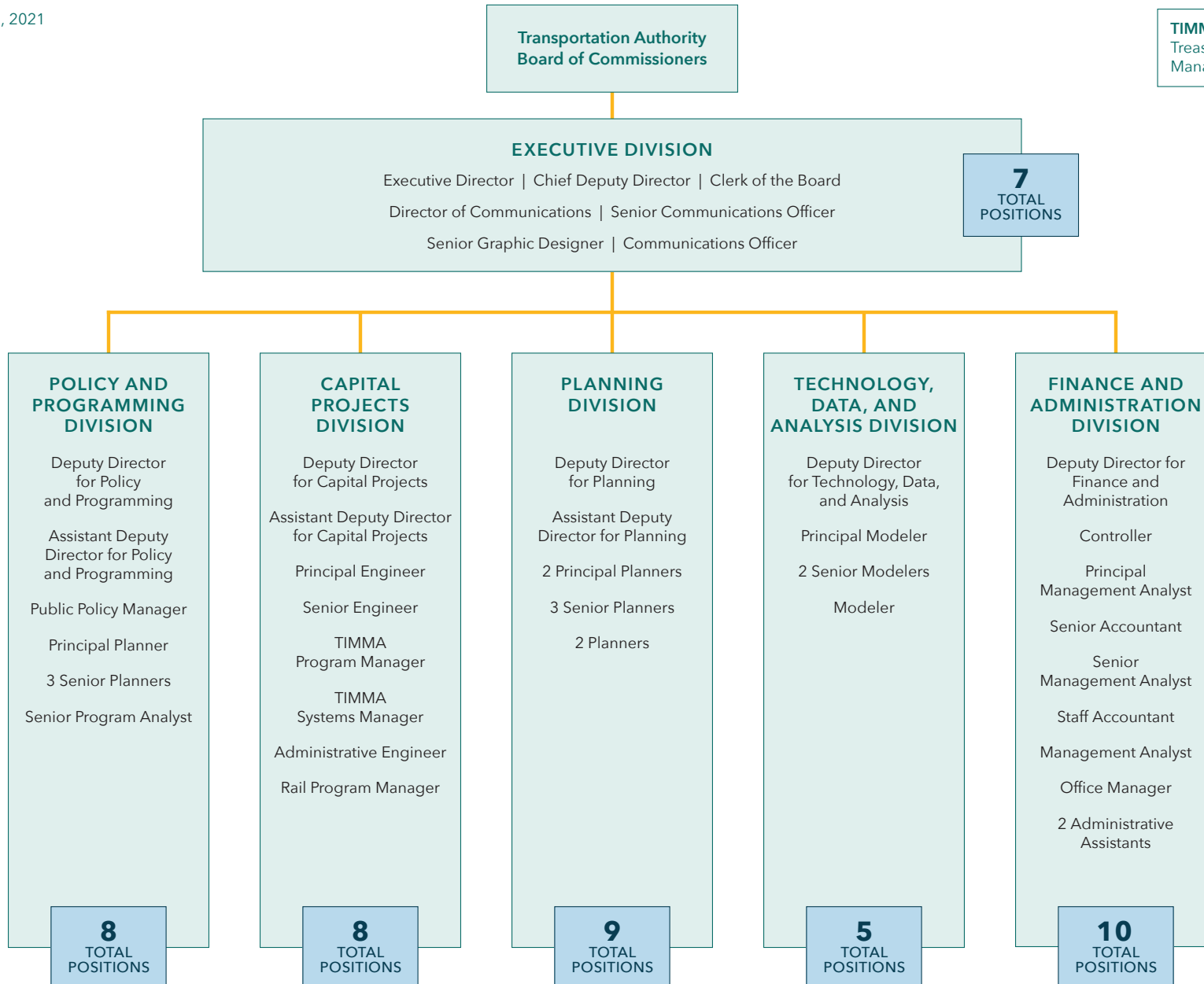
	Proposed Budget Annual by Fund						Proposed Fiscal Year 2021/22 Budget Annual
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
Expenditures:							
Capital Project Costs							
Individual Project Grants, Programs & Initiatives	\$ 150,000,000	\$ -	\$ 1,385,939	\$ 11,162,165	\$ -	\$ 4,005,686	\$ 166,553,790
Technical Professional Services	674,687	22,422,367	-	-	1,790,963	-	24,888,017
Administrative Operating Costs							
Personnel Expenditures							
Salaries	2,076,802	3,094,746	27,563	164,834	687,565	75,133	6,126,643
Fringe Benefits	969,453	1,444,629	12,866	76,944	320,956	35,072	2,859,920
Pay for Performance	240,376	-	-	-	-	-	240,376
Non-personnel Expenditures							
Administrative Operations	2,867,052	-	-	-	50,000	10,000	2,927,052
Equipment, Furniture & Fixtures	105,000	-	-	-	-	-	105,000
Commissioner-Related Expenses	60,000	-	-	-	6,200	-	66,200
Debt Service Costs							
Fiscal Charges	135,000	-	-	-	-	-	135,000
Interest Expenses	8,347,850	-	-	-	-	-	8,347,850
Bond Principal Payment	13,710,000	-	-	-	-	-	13,710,000
Total Expenditures	\$ 179,186,220	\$ 26,961,742	\$ 1,426,368	\$ 11,403,943	\$ 2,855,684	\$ 4,125,891	\$ 225,959,848
Other Financing Sources (Uses):							
Transfers in - Prop K Match to Grant Funding	-	6,615,865	-	-	199,452	-	6,815,317
Transfers out - Prop K Match to Grant Funding	(6,815,317)	-	-	-	-	-	(6,815,317)
Draw on Revolving Credit Agreement	100,000,000	-	-	-	-	-	100,000,000
Total Other Financing Sources (Uses)	93,184,683	6,615,865	-	-	199,452	-	100,000,000
Net change in Fund Balance	\$ 7,531,931	\$ -	\$ (752,936)	\$ (6,569,263)	\$ -	\$ 98,556	\$ 308,288
Budgetary Fund Balance, as of July 1	\$ 50,354,157	\$ -	\$ 1,003,204	\$ 15,490,329	\$ -	\$ 6,362,903	\$ 73,210,593
Budgetary Fund Balance, as of June 30	\$ 57,886,088	\$ -	\$ 250,268	\$ 8,921,066	\$ -	\$ 6,461,459	\$ 73,518,881
Fund Reserved for Program and Operating Contingency	\$ 9,287,980	\$ -	\$ 67,271	\$ 483,405	\$ -	\$ 419,930	\$ 10,258,586

Agency Structure 47 STAFF POSITIONS



Revised April 21, 2021

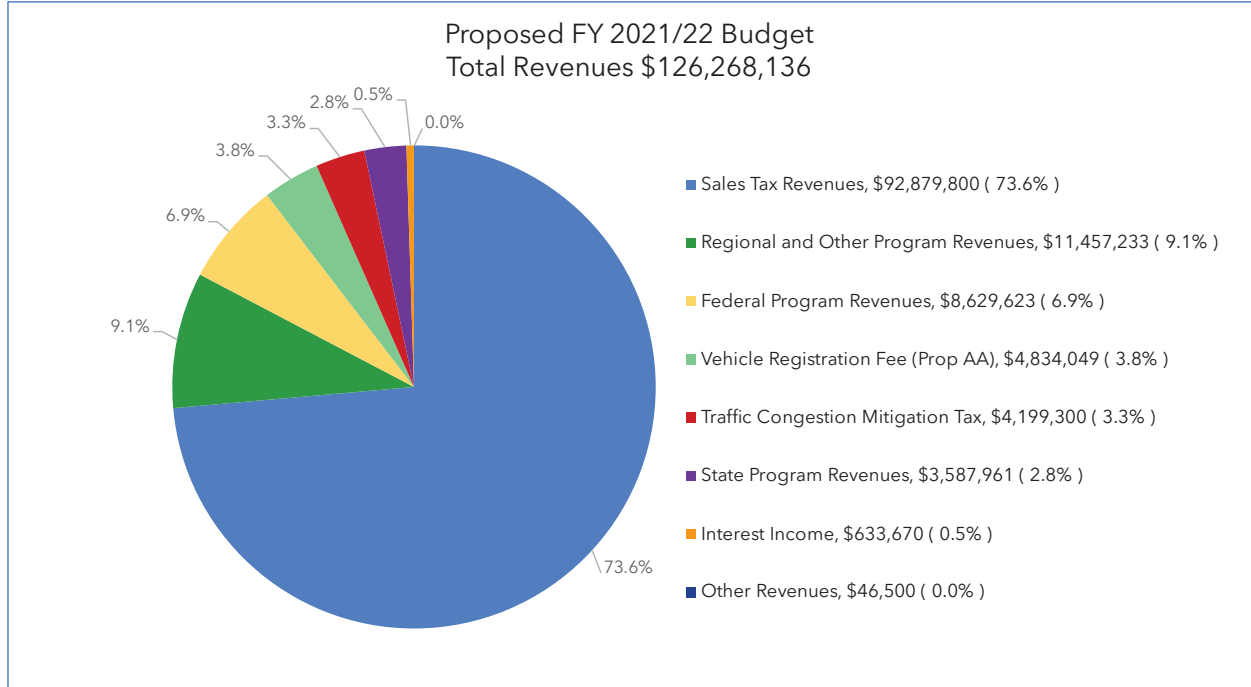
TIMMA:
Treasure Island Mobility
Management Agency



Attachment 6
Line Item Descriptions

TOTAL PROJECTED REVENUES..... \$126,268,136

The following chart shows the composition of revenues for the proposed FY 2021/22 budget.



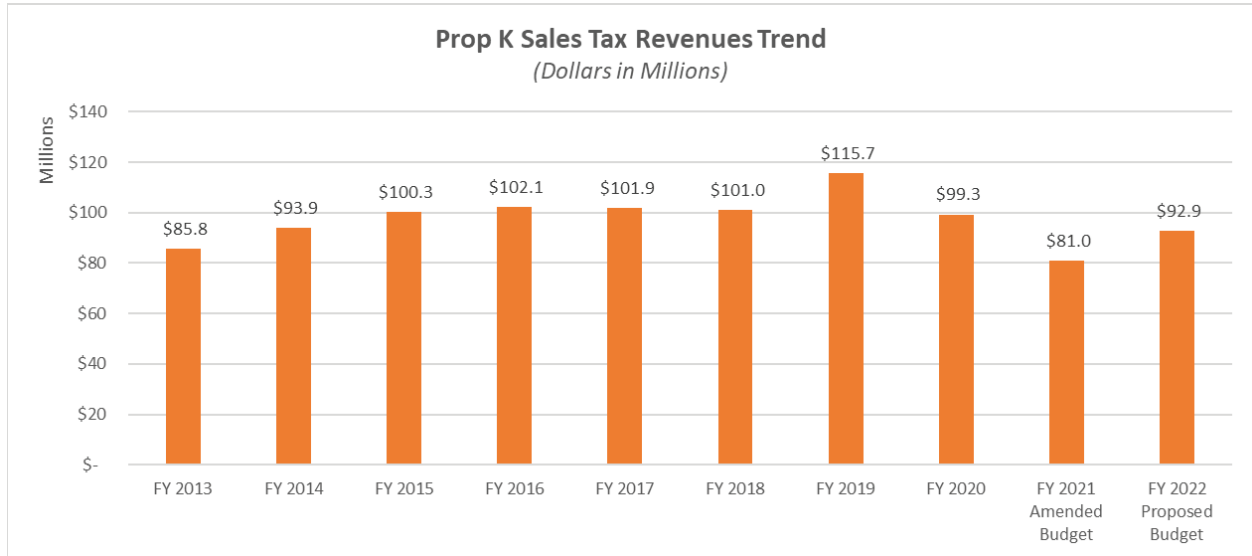
Prop K Sales Tax Revenues:\$92,879,800

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.

As we anticipate a gradual recovery from the impact of COVID-19, and in coordination with the City’s Controller’s Office, we project FY 2021/22 sales tax revenues to increase compared to the amended budget revenues for FY 2020/21 by 14.6% or \$11.9 million. With the increase in vaccination rates and decline in infection rates, hospitalization rates, and mortality rates, we expect to see sales tax revenues begin to rebound in the latter part of FY 2020/21. In addition, as San Francisco continues to slowly reopen various sectors, the projected increase to sales tax revenues reflects a moderate economic recovery. However, because our sales tax revenues are highly reliant upon tourism and the day-time population influx of commuters, both of which remain low, San Francisco will likely take longer to recover than most regions in the state. We will continue to closely monitor San Francisco’s health orders and reopening plan and will continue to provide monthly updates of our sales tax revenue collections. The sales tax revenue projection is net of the California Department of Tax and Fee Administration’s charges for the collection of the tax and excludes interest earnings budgeted in Interest Income.

Attachment 6
Line Item Descriptions

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



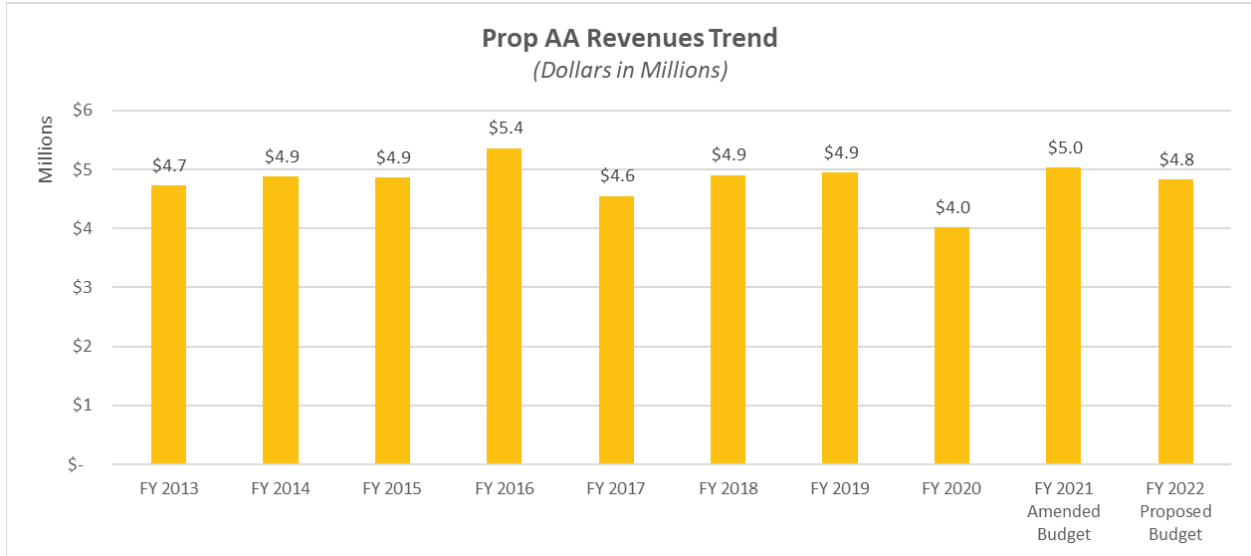
Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Revenues...\$4,834,049

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 2021/22 Prop AA revenues to decrease compared to the budgeted revenues for FY 2020/21 by 4.0% or \$201,296. This decrease is due to two months of FY 2019/20 revenues that were collected in October 2020, which increased and recorded as FY 2020/21 revenue. However, we are expecting to rebound to pre-pandemic level in FY 2021/22. This amount is net of the Department of Motor Vehicles' charges for the collection of these fees.

Attachment 6
Line Item Descriptions

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



Traffic Congestion Mitigation Tax (TNC Tax) Revenues:..... \$4,199,300

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.

We anticipate TNC Tax revenues will decrease by 37.2% to \$4.1 million. This estimate is consistent with the FY 2020/21 budget amendment, which reflected 12 months of revenue at \$4.1 million plus \$2.5 million of additional revenue covering January through June 2020 that was received in October 2020. Based on continuous discussions and coordination with the City Controller’s Office and the SFMTA, we anticipate a gradual recovery from the impact of COVID-19 over the next couple fiscal years and are aligning with the City’s Controller’s Office estimates for economic recovery.

Interest Income:..... \$633,670

Most of our investable assets are deposited in the City’s Treasury Pool. The deposits in the Pooled Investment Fund for FY 2021/22 are assumed to earn approximately 0.6%, which is lower than the average income earned over the past year. 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 2021/22 budget for interest income shows a \$58 thousand or 8.4% decrease as compared to FY 2020/21 which is mainly due to the decline in interest rates resulting from the impact of COVID-19 and the decrease in the bank balance thus less interest earned on the deposits due to the anticipated capital expenditures for project sponsors’ projects and programs in FY 2021/22.

Attachment 6
Line Item Descriptions

Congestion Management Agency (CMA) Programs Federal, State and Regional Grant
Revenues:.....\$20,345,877

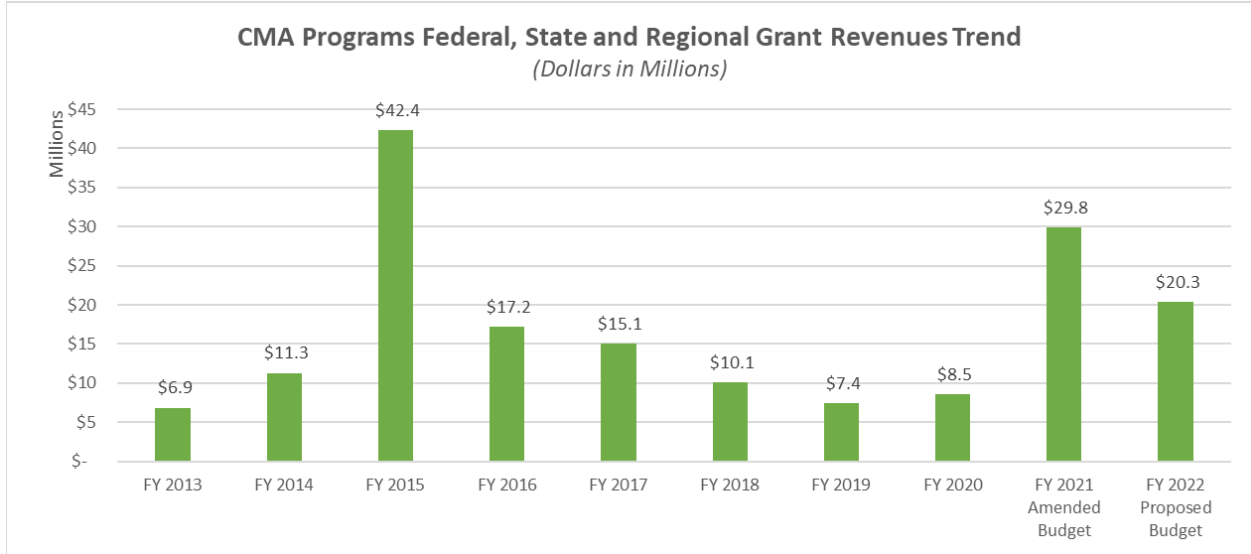
The Transportation Authority is designated under state law as the CMA for the City. Responsibilities resulting from this designation include developing a Congestion Management Program, which provides evidence of the integration of land use, transportation programming, and air quality goals; preparing 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 2021/22 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 Southgate Road Realignment Improvements Project, or Phase 2 of the Interstate 80/Yerba Buena Island (YBI) Improvement Project, and YBI West Side Bridges (collectively known as YBI Project), YBI Multi-Use Pathway and the School Access Plan. Other funding sources, such as federal Surface Transportation Program funds and state Planning, Programming and Monitoring funds, 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, the Congestion Management Program, and the Downtown Congestion Pricing Study. Regional CMA program revenues include City agency contributions for projects such as School Access Plan and travel demand model services provided to City agencies in support of various projects.

The FY 2021/22 budget includes \$11.1 million from federal and state funding, a \$15.4 million decrease as compared to FY 2020/21, largely due to expected depletion and decreased use of federal and state funding 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 \$9.3 million from regional funding, a \$5.9 million increase as compared to FY 2019/20 largely due to increased use of regional funding for the YBI Project.

Attachment 6
Line Item Descriptions

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



Transportation Fund for Clean Air (TFCA) Program Regional Revenues:..... \$672,708

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 2021/22 TFCA revenues are expected to decrease compared to the new revenues included in FY 2020/21 by 10.8% or \$81,772. Budgeted revenues are based on a funding estimate for calendar year 2020 provided by the Bay Area Air Quality Management District, which administers these revenues, and reflects the impact of the COVID-19 on vehicle registrations.

Treasure Island Mobility Management Agency (TIMMA) Program Revenues:..... \$2,656,232

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.

Attachment 6
Line Item Descriptions

The TIMMA FY 2021/22 revenues will be presented as a separate item to the TIMMA Committee and TIMMA Board at its respective June meetings.

Other Revenues: \$46,500

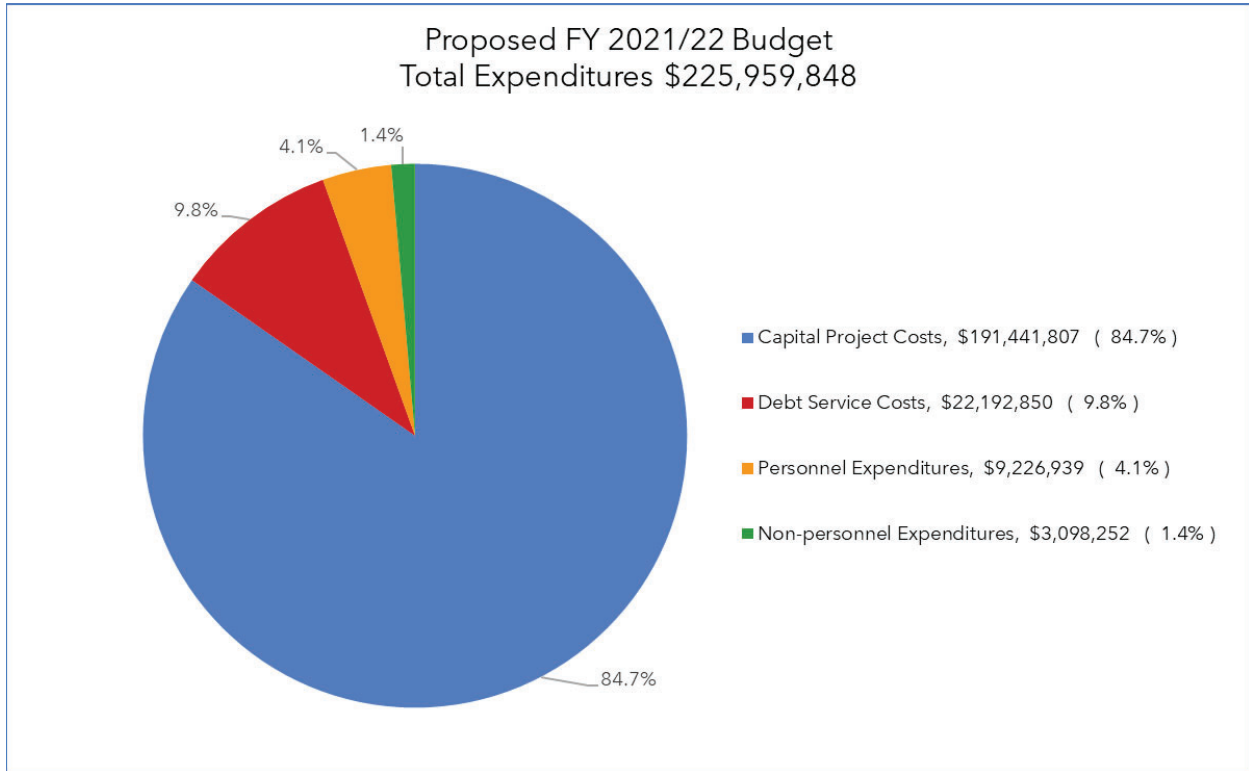
Other revenues budgeted in FY 2021/22 include revenues from the sublease of our office space.

Attachment 6
Line Item Descriptions

TOTAL PROJECTED EXPENDITURES..... \$225,959,848

Total Expenditures projected for the budget year are comprised of Capital Expenditures of \$191.4 million, Administrative Operating Expenditures of \$12.3 million, and Debt Service Expenditures of \$22.2 million.

The following chart shows the composition of expenditures for the proposed FY 2021/22 budget.



CAPITAL EXPENDITURES..... \$191,441,807

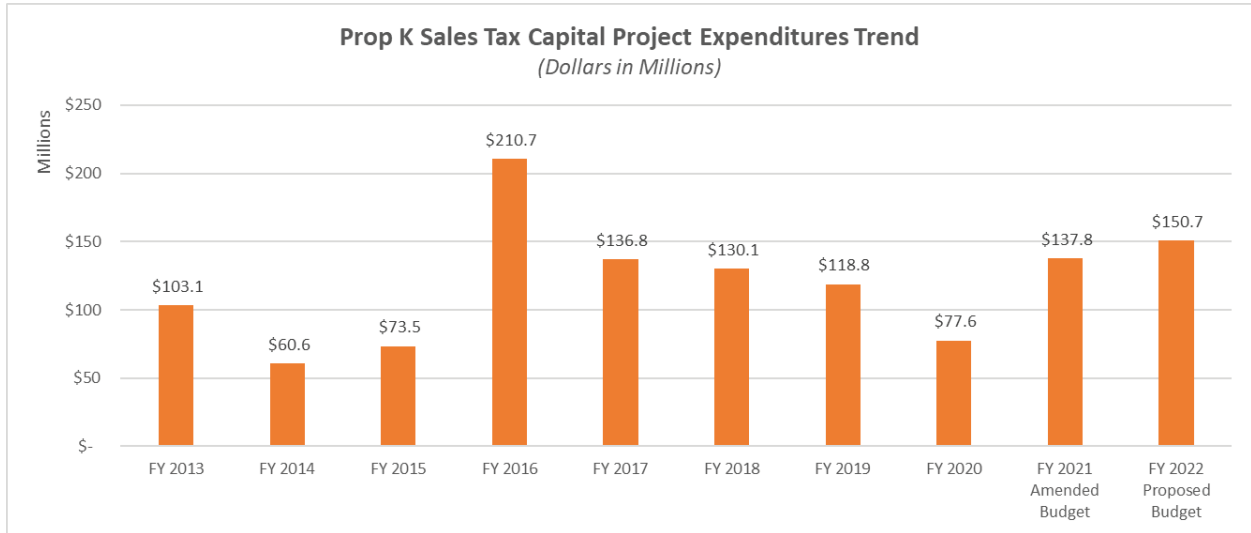
Capital expenditures in FY 2021/22 are budgeted to increase from the FY 2020/21 amended budget by an estimated 7.8%, or \$13.8 million, which is primarily due to anticipated higher capital expenditures for the Prop K program overall, most of which are awarded as grants to agencies like the SFMTA. Expenditures by Program Fund are detailed below.

Sales Tax Program Expenditures:..... \$150,674,687

The estimate of sales tax capital expenditures reflects the recent coordination with project sponsors for the 2021 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 2021/22 are Siemens Light Rail Vehicle (LRV) procurement (\$22 million), paratransit (\$10.6 million), Motor Coach procurement (\$8.1 million), Muni maintenance facility projects (\$7.7 million), Downtown Rail Extension (\$6.6 million), Van Ness Bus Rapid Transit (\$6 million), Caltrain state of good repair projects (\$5.9 million), Caltrain Electrification including vehicles (\$5.3 million), John Yehall Chin and 6th Street traffic calming projects (\$4.4 million), and Breda LRV overhauls (\$3.75 million).

Attachment 6
Line Item Descriptions

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

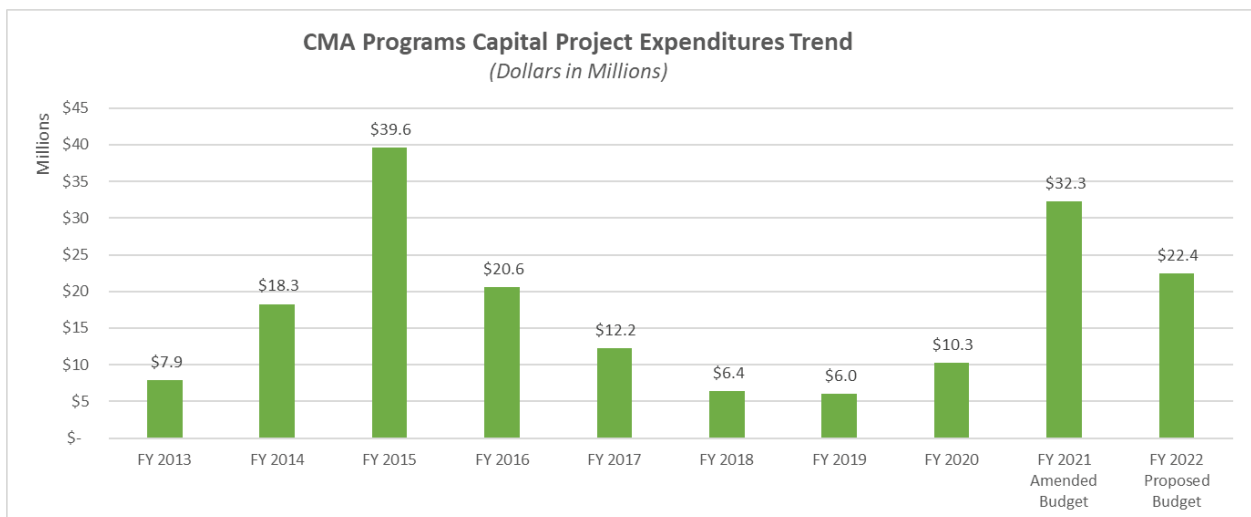


CMA Programs Expenditures:..... \$22,422,367

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 2021/22 are budgeted to decrease by 31%, or \$9.9 million, as compared to FY 2020/21 budget amendment. This decrease is primarily due to decreased activities for the YBI projects in which there is a decrease of \$13.1 million in capital expenditures and increased activities of \$2.5 million for the US 101/I-280 Managed Lanes and Express Bus and the I-280/Ocean Avenue South Bound Off-Ramp Realignment projects.

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



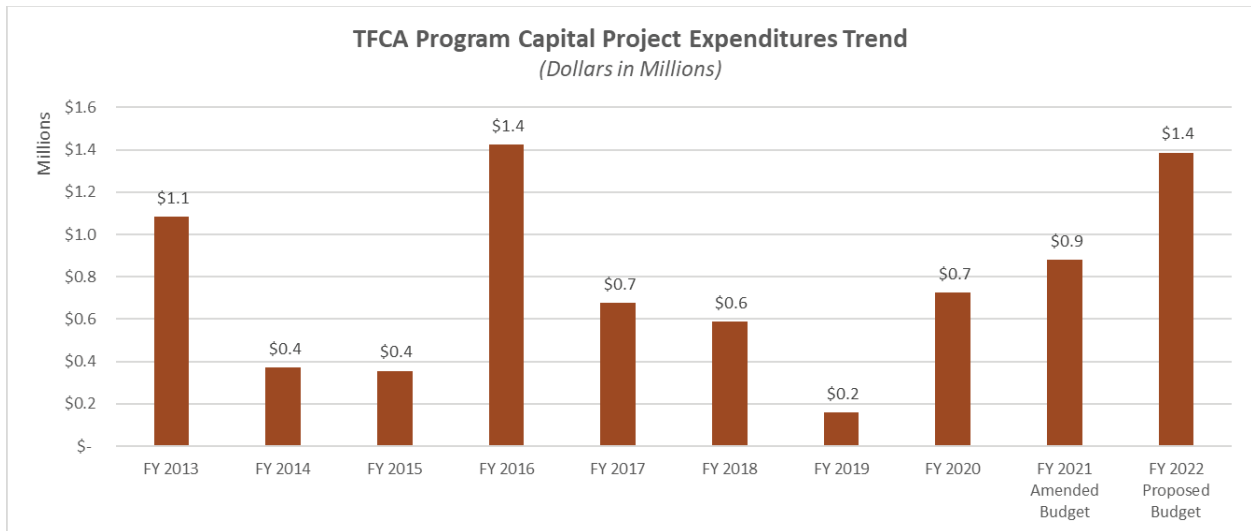
Attachment 6
Line Item Descriptions

TFCA Program Expenditures:..... \$1,385,939

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 2021/22 projects, anticipated to be approved by the Board in June 2021, carryover prior year projects with multi-year schedules and other projects that were not completed as anticipated in FY 2020/21.

This year’s budget is higher than the FY 2020/21 amended budget of \$878,256 due to slower than anticipated expenditures for two electric vehicle charger projects that are expected to seek full grant reimbursements early in FY 2021/22 after the chargers are installed, and Bay Area Rapid Transit’s Early Bird Express project which has been providing shuttle service but its invoicing has been delayed into FY 2021/22.

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)

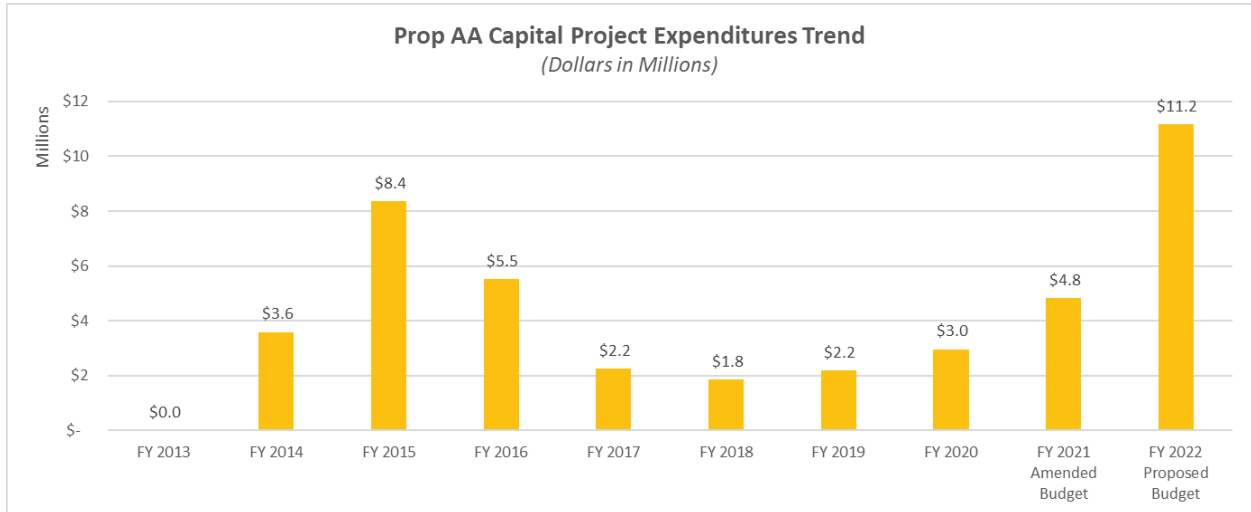
Expenditures:\$11,162,165

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 2021/22 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 2020/21. The largest capital project expenditures include San Francisco Public Works Western Addition Pedestrian Lighting project, Geary Boulevard Pavement Renovation project, Richmond Residential Streets Pavement Renovation project, 23rd Street, Dolores Street, York Street, and Hampshire Street Pavement Renovation project, and SFMTA’s L-Taraval Transit Enhancements (Segment B) project, which together account for more than 65% of the FY 2021/22 budget amount.

Attachment 6
Line Item Descriptions

For FY 2021/22, we expect expenditures to increase by \$6.3 million, as compared to the FY 2020/21 amended budget of \$4.8 million. This increase is primarily due to several projects that are expected to begin construction in FY 2021/22 and projects that are behind schedule but expected to make significant progress in the coming year, especially the Geary Boulevard Pavement Renovation project.

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



Traffic Congestion Mitigation Tax Program (TNC Tax) Expenditures:.....\$4,005,686

The Board adopted the TNC Tax Program Guidelines in Fall 2020, allocated \$2.5 million in available collections, and programmed the next \$5.0 million in collections to the SFMTA’s Vision Zero Quick-Build Program. We anticipate allocating FY 2021/22 funds this fall.

Capital Project Costs for the TNC Tax Program are expected to increase to \$4.0 million. This increase is due to the SFMTA’s Vision Zero Quick-Build Program being slower to incur costs against the TNC Tax in the previous year than anticipated at the time of allocation. The project is on schedule and has been moving forward using SFMTA’s Prop B General Fund. We also expect costs for the future allocation to the Quick-Build Program that were anticipated in Fall 2021.

TIMMA Program Expenditures:.....\$1,790,963

The TIMMA FY 2021/22 expenditures will be presented as a separate item to the TIMMA Committee and TIMMA Board at its respective June meetings.

ADMINISTRATIVE OPERATING EXPENDITURES..... \$12,325,191

Administrative operating expenditures in FY 2021/22 are budgeted to increase from the FY 2020/21 amended budget by an estimated \$810,636 or 7.0%. Operating expenditures include personnel, administrative, Commissioner-related, and equipment, furniture and fixtures expenditures.

Personnel:..... \$9,226,939

Personnel costs are budgeted at a higher level by 7.2% as compared to the FY 2020/21 amended budget, reflecting a budget of 42 full-time equivalents. The increase in personnel costs is primarily due to the delay of hiring vacant positions such as the Senior Engineer and Transportation Planner in the FY 2020/21 amended budget as part of response to COVID-19. In addition, we anticipate hiring a TIMMA

Attachment 6
Line Item Descriptions

Program Manager, which would be funded by the TIMMA, to advance its FY 2021/22 work program. The increase in fringe cost reflects the 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:..... \$3,098,252

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 2021/22 are budgeted to increase from the FY 2020/21 amended budget by an estimated 6.6%, which is primarily due to the anticipated upgrade to our existing enterprise resource planning system, as well as slight increases in travel, training, and equipment, furniture and fixture costs as we gradually recover from the COVID-19 pandemic and reopening of our physical office.

DEBT SERVICE COSTS..... \$22,192,850

During the first quarter of the fiscal year, we will execute a new Revolving Credit Loan Agreement, up to \$200 million, to support the Transportation Authority's interim borrowing program. Our existing Revolving Credit Loan Agreement with State Street and U.S. Bank National Association terminates in June 2021. The Revolving Credit Loan Agreement will be 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 2021/22 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 2021/22 budget includes anticipated drawdowns from the Revolving Credit Loan Agreement. The estimated level of sales tax capital expenditures for FY 2021/22 may trigger the need to drawdown up to \$100 million from the Revolving Credit Loan Agreement. 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 \$6.8 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 US 101/I-280

Attachment 6
Line Item Descriptions

Managed Lanes and Express Bus and the I-280/Ocean Avenue South Bound Off-Ramp Realignment projects.

BUDGETARY FUND BALANCE FOR CONTINGENCIES..... \$10,258,586

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 \$67,271 or about 10% as a program and operating contingency reserve respectively for the TFCA Program; \$483,405 or about 10% as a program and operating contingency reserve respectively for the Prop AA Program; and \$419,930 or about 10% as a program and operating contingency reserve respectively for the TNC Tax Program.

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Memorandum

AGENDA ITEM 10

DATE: May 20, 2021

TO: Transportation Authority Board

FROM: Anna LaForte - Deputy Director for Policy and Programming

SUBJECT: 06/09/21 Board Meeting: Program \$2,050,000 in Senate Bill 1 Local Partnership Program Formulaic Program Funds to Two Projects, Amend the Prop K/Local Partnership Program Fund Exchange for the 101/280 Managed Lanes and Express Bus Project to Reprogram \$1,300,000 in Prop K funds to Two Projects, and Appropriate \$1,300,000 in Prop K Funds, with Conditions, to Two Projects

RECOMMENDATION Information Action

Program \$2,050,000 of the Transportation Authority's share of Senate Bill (SB) 1 Local Partnership Program (LPP) Formulaic Program funds to the following Transportation Authority projects:

- Yerba Buena Island (YBI) Multi-Use Pathway (\$1,000,000)
- I-280 Southbound Ocean Avenue Off-Ramp Realignment (\$1,050,000)

Amend the Prop K/LPP Fund Exchange to reprogram \$1,300,000 in Prop K funds from the 101/280 Managed Lanes and Express Bus Project to the following Transportation Authority projects and appropriate the funds:

- I-280 Southbound Ocean Avenue Off-Ramp Realignment (\$1,050,000)
- I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study (\$250,000)

SUMMARY

In March 2020, the California Transportation Commission (CTC) adopted the LPP Formulaic Program funding distribution for Fiscal Years (FYs) 2020/21 - 2022/23. The LPP rewards jurisdictions that have voter-approved measures or imposed fees solely dedicated to transportation. As the taxing authority for Prop K and Prop AA, the Transportation Authority

- Fund Allocation
- Fund Programming
- Policy/Legislation
- Plan/Study
- Capital Project Oversight/Delivery
- Budget/Finance
- Contract/Agreement
- Other:



will receive \$6,015,000 in formula funds this cycle. We recommend programming \$2.05 million of these funds to the YBI Multi-Use Pathway environmental phase and the I-280 Southbound Ocean Avenue Off-Ramp Realignment Project design phase to advance project development and competitiveness for future grants. We are also requesting a total of \$1.3 million in Prop K/LPP exchange funds previously programmed to the 101/280 Managed Lanes and Express Bus Project to be redirected to serve as the required local match to the LPP funds for the I-280 Southbound Off-Ramp Realignment and to advance the I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study. All of the aforementioned projects are part of the agency's adopted work program and are difficult to fund with any of the other fund programs that we administer. We anticipate returning to the Board in the fall to recommend projects for the remaining LPP formulaic funds, similarly focusing on existing agency work program priorities that are hard to fund through other sources.

BACKGROUND

The Road Repair and Accountability Act of 2017, also known as SB 1, is a transportation funding package that provides funding for local streets and roads, multi-modal improvements, and transit operations. Among other things, SB 1 created the LPP and appropriates \$200 million annually to be allocated by the CTC to local or regional agencies that have sought and received voter approval of or imposed fees solely dedicated to transportation. The CTC adopted program guidelines on March 25, 2020 that allocate 60% of the program funds through a Formulaic Program and 40% through a Competitive Program, after \$20 million of incentive funding is taken off the top of the entire program to reward jurisdictions with newly passed measures.

The LPP Formulaic Program has broad project eligibility criteria which include capital projects that improve the state highway system, transit facilities, or expand transit services, local roads, bicycle and pedestrian safety, among others. Funds can be used for any project phase (i.e., planning, environmental, right-of-way, design, construction) and require a dollar-for-dollar local match. The LPP Formulaic Program will only fund projects, or segments of projects, that are fully funded and have independent utility.

For this funding cycle covering Fiscal Years (FYs) 2020/21 - 2022/23, we will receive \$6.015 million based on Prop K and Prop AA revenues. These funds require a 1:1 local match. LPP Formulaic Program projects are identified at the local level, but the CTC ultimately allocates the funds, which are subject to strict timely use of funds requirements.



DISCUSSION

Recommended LPP Formulaic Program Project Priorities. After considering LPP guidelines and assessing project status, we recommend programming \$2.05 million of the \$6.015 million in LPP Formulaic funds to the YBI Multi-Use Pathway (\$1 million) and I-280 Southbound Ocean Avenue Off-Ramp Realignment (\$1,050,000) projects and shown in Attachment 1. We believe that both projects can readily meet the requirements of the LPP formula program, including strict timely use of funds requirements.

The proposed LPP funds would fully fund the YBI Multi-Use Pathway Project's environmental phase which has a total cost of \$3 million and provide the required local match to a \$1 million Priority Conservation Area grant from the Metropolitan Transportation Commission. It would also leverage \$1 million in Infill Infrastructure Grant funds provided by the Treasure Island Development Authority.

The LPP funds recommended for the design phase of the I-280 Southbound Ocean Avenue Off-Ramp Realignment Project are proposed to be matched dollar-for-dollar with Prop K funds reprogrammed from the 101/280 Managed Lanes and Express Bus Project, as described in detail below.

We anticipate returning to the Board in Fall 2021 with recommendations for programming the remaining LPP formula funds to projects which may include the YBI Westside Bridges Seismic Retrofit, Quint-Jerrold Connector Road, and tolling infrastructure for Treasure Island. Each of the projects that we are recommending or considering for LPP funds are Board adopted priorities in our Annual Work Program but are difficult to fund with the sources that the Transportation Authority administers.

Amendment to 101/280 Managed Lanes - Fund Exchange. In 2018, through Resolution 19-24, the Board approved a fund exchange of \$4.1 million in LPP formula funds previously programmed to San Francisco Public Works (SFPW) street resurfacing projects with an equivalent amount of Prop K funds to fund preliminary engineering and an equity analysis for the 101/280 Managed Lanes and Express Bus Project. The proposed action would amend the approved fund exchange to reprogram \$1.3 million of the \$4.1 million in Prop K/LPP exchange funds on the 101/280 Managed Lanes and Express Bus Project to the two I-280 off-ramp projects as shown below:

- I-280 Southbound Ocean Avenue Off-Ramp Realignment (\$1,050,000)
- I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study (\$250,000)

These funds are not needed by the Managed Lanes and Express Bus Project at this time because the project has been scaled down to reflect the Board's input on the scope of the current phase (environmental clearance work and an equity analysis of the project).

Similar to our rationale for LPP programming, we recommend putting these Prop K/LPP exchange funds on these two projects which have limited other funding options and/or



require local match to leverage LPP formula funds, maintaining the intent of the fund exchange.

Prop K Requests. We are recommending amendment to the Street Resurfacing, Rehabilitation, and Maintenance 5-Year Prioritization Program (5YPP) to add the following projects with \$1.3 million in Prop K/LPP exchange funds reprogrammed from the 101/280 Managed Lanes and Express Bus Project (called the 101/280 Carpool and Express Lane - Fund Exchange project in the 5YPP) and concurrent appropriation of the funds:

- I-280 Southbound Ocean Avenue Off-Ramp Realignment Project (\$1,050,000)
- I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study (\$250,000)

Subsequent phases of these projects would be competitive for funds from future LPP formulaic or competitive programs and Active Transportation Program grants and are under consideration for inclusion in the new Expenditure Plan for Prop K, which is under development, targeting a potential June 2022 ballot measure.

Attachment 2 summarizes the subject appropriation requests, including information on proposed leveraging (i.e. stretching Prop K sales tax dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop K Expenditure Plan. Attachment 3 includes brief project descriptions. Attachment 4 summarizes the staff recommendations for each request, highlighting special conditions and other items of interest. An Allocation Request Form for each project is included in Attachment 7, with more detailed information on scope, schedule, budget, funding, deliverables and special conditions.

Next Steps. Following Board approval, we will submit LPP project nominations to the CTC to be programmed by the CTC on August 18, 2021. The CTC action is considered administrative provided that the project nominations comply with the LPP program guidelines. In Fall 2021, we anticipate presenting programming recommendations for the remainder of LPP formula funds to the Board for approval.

FINANCIAL IMPACT

The recommended action would appropriate \$1,300,000 in Prop K funds. The appropriations would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the attached Allocation Request Forms.

Attachment 7 summarizes the recommended appropriations and cash flow amounts that are the subject of this memorandum.

The LPP funds are included in the proposed FY 2021/22 annual budget, to be presented to the Board for its first approval action at its June 8, 2021 meeting.

Sufficient funds to cover the appropriations and the LPP formula funds are included in the proposed FY 2021/22 annual budget, to be presented to the Board for approval at its June 8,



2021 meeting. Furthermore, sufficient funds will be included in future budgets to cover the recommended cash flow distributions for those respective fiscal years.

CAC POSITION

The Citizens Advisory Committee will consider this item at its May 26, 2021 meeting.

SUPPLEMENTAL MATERIALS

- Attachment 1 - Proposed LPP Formulaic Program Priorities
- Attachment 2 - Summary of Prop K Requests
- Attachment 3 - Prop K Project Descriptions
- Attachment 4 - Prop K Staff Recommendations
- Attachment 5 - Prop K Allocation Summaries - FY 2021/22
- Attachment 6 - Project Information Form (1)
- Attachment 7 - Allocation Request Forms (2)

Proposed Local Partnership Program (LPP) Formulaic Program Priorities¹

Fiscal Year	Sponsor ²	Project Name	Project Description	Phase(s)	District(s)	Cost of Requested Phase	LPP Funds Requested	Prop K Funds Requested
21/22	SFCTA	I-280 Southbound Ocean Avenue Off-Ramp Realignment Project	This project would improve safety and circulation by realigning the existing southbound Ocean Avenue off-ramp from a free flow right turn to a signalized T-intersection. Work will be coordinated with SFMTA's planning for bike lanes on Ocean Avenue. We expect that design will be complete by Fall 2023, with construction to start in 2024, subject to funding availability. The required local match for the project would be funded through an amendment to the Prop K/LPP Program fund exchange, which is also part of the proposed action before the Board.	Design	7	\$ 2,100,000	\$ 1,050,000	\$ 1,050,000
21/22	SFCTA	Yerba Buena Island Multi-Use Pathway Project	This project will provide new pedestrian and bicycle facilities that extend from the existing San Francisco-Oakland Bay Bridge (SFOBB) East Span Bicycle and Pedestrian Path's Yerba Buena Island terminus to the new Treasure Island Ferry Terminal. This path would also tie into the planned SFOBB West Span bicycle and pedestrian facility currently being developed by the Bay Area Toll Authority and Metropolitan Transportation Commission. Remaining funds for this phase include \$1 million each from a Priority Conservation Area grant and an Infill Infrastructure grant awarded to the Treasure Island Development Authority.	Environmental	6	\$ 3,000,000	\$ 1,000,000	\$ -
Total						\$ 5,350,000	\$ 2,050,000	\$ 1,300,000

Total LPP Formulaic Funds Available \$ 6,015,000

LPP Formulaic Funds Available for Future Programming \$ 3,965,000

¹ Projects are sorted by Project Name.

² Sponsor abbreviations include: the San Francisco County Transportation Authority (SFCTA).

Source	EP Line No./ Category ¹	Project Sponsor ²	Project Name	Current Prop K Request	Total Cost for Requested Phase(s)	Leveraging		Phase(s) Requested	District(s)
						Expected Leveraging by EP Line ³	Actual Leveraging by Project Phase(s) ⁴		
Prop K	34	SFCTA	I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study	\$ 250,000	\$ 250,000	79%	0%	Planning	11
Prop K	34	SFCTA	I-280 Southbound Ocean Avenue Off-Ramp Realignment	\$ 1,050,000	\$ 2,100,000	79%	50%	Design	7
TOTAL				\$ 1,300,000	\$ 2,350,000	79%	45%		

Footnotes

¹ "EP Line No./Category" is either the Prop K Expenditure Plan line number referenced in the 2019 Prop K Strategic Plan or the Prop AA Expenditure Plan category referenced in the 2017 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit) or the Traffic Congestion Mitigation Tax (TNC Tax) category referenced in the Program Guidelines.

² Acronym: SFCTA (Transportation Authority)

³ "Expected Leveraging By EP Line" is calculated by dividing the total non-Prop K funds expected to be available for a given Prop K Expenditure Plan line item (e.g. Pedestrian Circulation and Safety) by the total expected funding for that Prop K Expenditure Plan line item over the 30-year Expenditure Plan period. For example, expected leveraging of 90% indicates that on average non-Prop K funds should cover 90% of the total costs for all projects in that category, and Prop K should cover only 10%.

⁴ "Actual Leveraging by Project Phase" is calculated by dividing the total non-Prop K or non-Prop AA funds in the funding plan by the total cost for the requested phase or phases. If the percentage in the "Actual Leveraging" column is lower than in the "Expected Leveraging" column, the request (indicated by yellow highlighting) is leveraging fewer non-Prop K dollars than assumed in the Expenditure Plan. A project that is well leveraged overall may have lower-than-expected leveraging for an individual or partial phase.

Attachment 3: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Project Description
34	SFCTA	I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study	\$ 250,000	Requested funds will be used to analyze opportunities to improve safety at the I-280 Northbound Geneva Avenue off-ramp and intersection. The scope includes traffic analysis, concepts analysis, and recommendations. Transportation Authority staff anticipate that the Study will be complete by Fall 2022. This project would be funded with Prop K/LPP Program exchange funds reprogrammed from the 101/280 Managed Lanes and Express Bus Project.
34	SFCTA	I-280 Southbound Ocean Avenue Off-Ramp Realignment	\$ 1,050,000	Requested funds will provide the dollar-for-dollar required local match to SB1 Local Partnership Program formula funds for the design phase of this project which would improve safety and circulation by realigning the existing southbound Ocean Avenue off-ramp from a free flow right turn to a signalized T-intersection. This project will be coordinated with SFMTA's planning for bike lanes on Ocean Avenue. We expect that design will be complete by Fall 2023, with construction to start in 2024, subject to funding availability. This project would be funded with Prop K/LPP Program exchange funds reprogrammed from the 101/280 Managed Lanes and Express Bus Project.
TOTAL			\$1,300,000	

¹ See Attachment 1 for footnotes.

Attachment 4: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Recommended	Recommendations
34	SFCTA	I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study	\$ 250,000	5-Year Prioritization Program (5YPP) Amendment: The recommended appropriation is contingent upon a concurrent amendment to the Street Resurfacing, Rehabilitation, and Maintenance 5YPP. See attached 5YPP amendments for details.
34	SFCTA	I-280 Southbound Ocean Avenue Off-Ramp Realignment	\$ 1,050,000	5YPP Amendment: The recommended appropriation is contingent upon a concurrent amendment to the Street Resurfacing, Rehabilitation, and Maintenance 5YPP. See attached 5YPP amendments for details.
TOTAL			\$ 1,300,000	

¹ See Attachment 1 for footnotes.

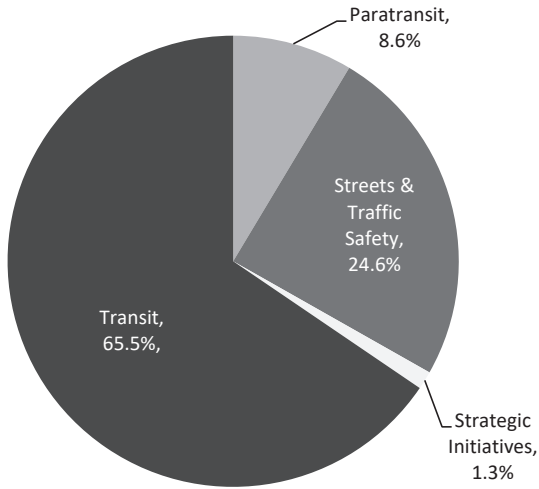
Attachment 5.
Prop K Allocation Summary - FY2021/22

PROP K SALES TAX

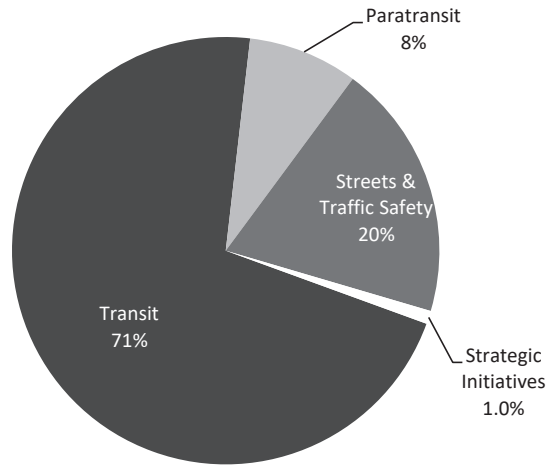
FY2021/22	Total	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Prior Allocations	\$ 9,862,378	\$ 6,549,781	\$ 3,147,597	\$ 165,000	\$ -	\$ -
Current Request(s)	\$ 1,300,000	\$ 700,000	\$ 600,000	\$ -	\$ -	\$ -
New Total Allocations	\$ 11,162,378	\$ 7,249,781	\$ 3,747,597	\$ 165,000	\$ -	\$ -

The above table shows maximum annual cash flow for all FY 2021/22 allocations and appropriations approved to date, along with the current recommended allocation(s) and appropriation.

**Investment Commitments,
per Prop K Expenditure Plan**



Prop K Investments To Date





Project Name:	Yerba Buena Island Multi-Use Pathway Project
Implementing Agency:	SFCTA
Project Location:	Yerba Buena Island, San Francisco, CA
Supervisory District(s):	District 6
Project Manager and Contact Information (phone and email):	Mike Tan, (415) 522-4826, mike.tan@sfcta.org
Brief Project Description (50 words max):	The Yerba Buena Island (YBI) Multi-Use Pathway Project will provide new pedestrian and bicycle facilities that extend from the existing San Francisco-Oakland Bay Bridge (SFOBB) East Span Bicycle and Pedestrian Path's YBI terminus to the new Treasure Island Ferry Terminal. This path would also tie into the planned SFOBB West Span bicycle and pedestrian facility currently being developed by the Bay Area Toll Authority and Metropolitan Transportation Commission.
Detailed Scope (may attach Word document): Describe the project scope, benefits, coordination with other projects in the area (e.g. paving, MuniForward), and how the project would meet the Local Partnership Program screening and prioritization criteria (e.g., quantifiable air quality improvements, VMT reduction, increase safety, improve current system conditions, and advance transportation, land use, and housing goals). Please describe how this project was prioritized.	<p>The new 2.2-mile path along the eastern span of the San Francisco-Oakland Bay Bridge (SFOBB) allows bicyclists and pedestrians to access the YBI Vista Point from the cities of Oakland and Emeryville. In 2022, the Treasure Island Development Authority (TIDA), in coordination with the Water Emergency Transportation Authority (WETA), expects to begin operating ferry service at the southwest area of Treasure Island. The YBI Multi-Use Pathway Project seeks to develop a safe and accessible bicycle and pedestrian connection where none exist now between Caltrans' recently completed SFOBB East Span bike landing on YBI and the future ferry terminal via Hillcrest Road and Treasure Island Road. The current roadway alignments on YBI do not meet modern safety standards and lack separate and protected pathways for pedestrians and bicyclists, and do not contribute toward meeting the vision and goals for sustainable transportation choices with the future residential and commercial development under construction on Yerba Buena and Treasure Islands.</p> <p>SFCTA has been coordinating extensively with agency stakeholders to prepare a comprehensive bicycle and pedestrian circulation plan for Yerba Buena and Treasure Islands. These stakeholders include the San Francisco Municipal Transportation Agency (SFMTA), San Francisco Public Works (SFPW), Metropolitan Transportation Commission (MTC)/Bay Area Toll Authority (BATA), TIDA, Treasure Island Community Development (TICD), Caltrans and the U.S. Coast Guard. BATA has developed conceptual plans for a pathway on the West Span of the Bay Bridge to downtown San Francisco, but completion of this YBI Multi-Use Pathway project is needed to connect the two spans of the Bay Bridge. In addition, TICD is rebuilding the Treasure Island Road Causeway from the Macalla Road intersection to the planned ferry terminal which the YBI Multi-Use Pathway project will connect to. The Causeway will be constructed with dedicated pedestrian and bicycle facilities.</p> <p>Ultimately this Project would enable bicycle and pedestrian commuters and recreational users the opportunity to travel between the East Bay and San Francisco which will reduce traffic congestion on the Bay Bridge and enhance safety on YBI. It will also allow existing and future Treasure Island residents, employees, ferry passengers, and recreational travelers continuous access between Treasure Island and the SFOBB East and West spans.</p>
Community Engagement/Support (may attach Word doc): Please reference any community outreach that has occurred and whether the project is included in any plans (e.g. neighborhood transportation plan, corridor improvement study, etc.).	<p>The project is the result of an in-depth planning process that consisted of public outreach and participation with multiple stakeholders. Between 2006 and 2010 community and stakeholder outreach was performed to discuss the overall development of both islands. The Treasure Island Development Authority (TIDA) working in cooperation with the Treasure Island Community Development group (TICD) worked in unison with all parties to define the future policies and goals pertinent to the master planning for both islands. The 2010 Treasure Island Transportation Implementation Plan is a culmination of coordination efforts between multiple community groups and public agencies. This plan provides a strategy for constructing the various access needs and improvements identified by stakeholders. The multi-use pathway was developed to comply with the visions and goals of the Treasure Island Transportation Implementation Plan.</p> <p>Building upon those efforts, SFCTA recently completed the YBI Multi-use Pathway Feasibility Study which developed the vision, goals, objectives, and conceptual engineering for an improved bicycle/pedestrian network throughout Yerba Buena Island. The current project was identified as a key component within the proposed network. The buildout of these facilities would also provide connectivity to the developments occurring on Treasure Island. The project team developed the study in coordination with multiple stakeholders including Bay Area Toll Authority's (BATA), Treasure Island Development Authority (TIDA), Treasure Island Community Development (TICD), United States Coast Guard, San Francisco Municipal Transportation Agency, San Francisco Bicycle Coalition, and Bike East Bay.</p>
Additional Materials: Please attach maps, drawings, photos of current conditions, etc. to support understanding of the project.	Map attached.



Partner Agencies: Please list partner agencies and identify a staff contact at each agency.	Treasure Island Development Authority (TIDA) - Liz Hirschhorn San Francisco Municipal Transportation Agency (SFMTA) - Mike Sallaberry Bay Area Toll Authority - Peter Lee
Type of Environmental Clearance Required/Date Received:	Categorically Exempt

Project Delivery Milestones Phase	Status % Complete	Work In-house, Contracted, or Both	Start Date		End Date	
			Month	Calendar Year	Month	Calendar Year
Planning/Conceptual Engineering	100%	Contracted	Apr-Jun	2019	Jan-Mar	2020
Environmental Studies (PA&ED)	0%	Contracted	Jul-Sep	2021	Jul-Sep	2022
Design Engineering (PS&E)	0%	Contracted	Oct-Dec	2022	Jul-Sep	2023
Right-of-way	0%	Contracted	Jan-Mar	2023	Jul-Sep	2023
Advertise Construction	0%	N/A	Oct-Dec	2023	N/A	N/A
Start Construction (e.g. Award Contract)	0%	Contracted	Jan-Mar	2024	N/A	N/A
Open for Use	N/A	N/A	N/A	N/A	Oct-Dec	2025

Comments

This project will be implemented in coordination with the Southgate Road Project, West Side Bridges Project, and BATA's West Span Skyway Project.

**SB1 Local Partnership Program - Formula
Project Information Form**

Project Name:	Yerba Buena Island Multi-Use Pathway Project
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COST ESTIMATE AND FUNDING PLAN		Funding Source by Phase			
Phase	Cost	LPP	Prop K	Other	Source of Cost Estimate
Planning/Conceptual Engineering	\$250,000		\$250,000		Actual cost
Environmental Studies (PA&ED)	\$3,000,000	\$1,000,000		\$2,000,000	SFCTA Feasibility Study
Design Engineering (PS&E)	\$11,400,000			\$11,400,000	SFCTA Feasibility Study
Right-of-way					
Construction	\$75,000,000			\$75,000,000	SFCTA Construction Management General Contractor (CMGC) Team
TOTAL PROJECT COST	\$89,650,000	\$1,000,000	\$250,000	\$88,400,000	

FUNDING PLAN FOR REQUESTED PHASE - ALL SOURCES

Funding Source	Planned	Programmed	Allocated	TOTAL	Desired FY of Programming for LPP
LPP Formula	\$1,000,000	N/A	N/A	\$1,000,000	FY 2021/22
Priority Conservation Program Grant		\$1,000,000		\$1,000,000	
Infill Infrastructure Grant (IIG)		\$1,000,000		\$1,000,000	
TOTAL	\$1,000,000	\$2,000,000	\$0	\$3,000,000	

Comments/Concerns

Design phase funding will be split between RM3, IIG, and ATP. Potential funding sources for construction include TIDA, BATA, ATP, and RM3.



San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study
Grant Recipient:	San Francisco County Transportation Authority

EXPENDITURE PLAN INFORMATION

PROP K Expenditure Plans	Street Resurfacing, Rehab, & Maintenance
Current PROP K Request:	\$250,000
Supervisory District	District 11

REQUEST

Brief Project Description

The Study will analyze opportunities to improve safety at the I-280 Northbound Geneva Avenue off-ramp and intersection, near the Balboa Park BART/Muni Station, one of the busiest stations in San Francisco. The scope includes traffic analysis, concepts analysis, and recommendations. This project would be funded through a Prop K/LPP Program fund exchange.

Detailed Scope, Project Benefits and Community Outreach

The I-280 Northbound Geneva Avenue off-ramp is located next to the Balboa Park BART/Muni Station, the busiest station in San Francisco outside of the downtown area with morning and afternoon commuters. The City College of San Francisco and Lick Wilmerding High School are also nearby, creating an environment with significant pedestrian and vehicle traffic throughout the day. Balboa Park Station's current drop off and pick up area lacks the capacity to handle the current traffic volume (pre-pandemic). The lack of capacity increases the queue for freeway vehicular traffic exiting northbound Geneva Ave off-ramp, backing up to the mainline I-280 Freeway which has caused rear-end collisions.

This project will analyze the I-280 Freeway, Geneva Avenue Off-Ramp, and Geneva Avenue intersection to increase capacity and improve safety for pedestrians and vehicles.

The feasibility study will:

- analyze restriping the I-280 Northbound mainline to add a potential lane for increased storage
- analyze widening the existing off-ramp from 2 lanes to 3 lanes to increase capacity
- examine if changes can be made without affecting the integrity of the BART tunnel, tracks, structural walls, and station
- conduct outreach with the local community, including the Ocean Avenue Association, City College of San Francisco, and Lick Wilmerding High School, on pedestrian and bicycle traffic in the vicinity
- coordinate with the SFMTA on traffic circulation at Geneva Avenue and the off ramp

The scope includes:

- Task 1: I-280 Freeway and Northbound Geneva Avenue Traffic Analysis
 - Deliverable: Traffic Analysis Report
 - Anticipate completion November 2021
- Task 2: Concepts for Lane Addition
 - Deliverable: Conceptual plans and cross section for restriping the shoulder lanes to an exit lane at Geneva Avenue
 - Anticipate completion March 2022
- Task 3: Concepts for Ramp Widening
 - Deliverable: Conceptual plans and cross section for widening the northbound off-ramp from two lanes to three lanes
 - Anticipate completion March 2022
- Task 4: Develop Recommendations
 - Deliverable: Feasibility Study of recommended improvements
 - Anticipate completion July 2022
- Task 5: Outreach
 - Deliverable: Summary of input
 - Anticipate completion June 2022
- Task 6: Project Management
 - Anticipate completion July 2022

Once the feasibility study is complete, the project team will coordinate with Caltrans to begin the next phase: Project Approval and Environmental Document.

Project Location

I-280 Northbound Geneva Avenue Off-Ramp and Geneva Avenue Intersection

Project Phase(s)

Planning/Conceptual Engineering (PLAN)

5YPP/STRATEGIC PLAN INFORMATION

Type of Project in the Prop K 5YPP/Prop AA Strategic Plan?	New Project
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Justification for Necessary Amendment

The subject request includes an amendment to the Street Resurfacing, Rehabilitation and Maintenance 5-Year Prioritization Program to add the subject project and reprogram \$250,000 in funds deobligated from the 101/280 Carpool and Express Lane - Fund Exchange project (Board Resolutions 19-24, 20-16) to the subject project.

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study
Grant Recipient:	San Francisco County Transportation Authority

ENVIRONMENTAL CLEARANCE

Environmental Type:	TBD
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PROJECT DELIVERY MILESTONES

Phase	Start		End	
	Quarter	Calendar Year	Quarter	Calendar Year
Planning/Conceptual Engineering (PLAN)	Jul-Aug-Sep	2021	Jul-Aug-Sep	2022
Environmental Studies (PA&ED)				
Right of Way				
Design Engineering (PS&E)				
Advertise Construction				
Start Construction (e.g. Award Contract)				
Operations (OP)				
Open for Use				
Project Completion (means last eligible expenditure)				

SCHEDULE DETAILS

Task 1 I-280 Freeway and Geneva Avenue Traffic Analysis - 8/2021 - 11/2021

Task 2 Concepts for Lane Addition - 12/2021 - 3/2022

Task 3 Concepts for Ramp Widening - 12/2021 - 3/2022

Task 4 Develop Recommendations - 4/2022 - 7/2022

Task 5 Outreach - 2/2022 - 6/2022

Task 6 Project Management - 8/2021 - 7/2022

Community outreach will include Ocean Avenue Association, City College of San Francisco, and Lick Wilmerding High School, among others.

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study
Grant Recipient:	San Francisco County Transportation Authority

FUNDING PLAN - FOR CURRENT REQUEST

Fund Source	Planned	Programmed	Allocated	Project Total
EP-134: Street Resurfacing, Rehab, & Maintenance	\$250,000	\$0	\$0	\$250,000
Phases In Current Request Total:	\$250,000	\$0	\$0	\$250,000

COST SUMMARY

Phase	Total Cost	PROP K - Current Request	Source of Cost Estimate
Planning/Conceptual Engineering	\$250,000	\$250,000	Similar prior projects
Environmental Studies	\$0		
Right of Way	\$0		
Design Engineering	\$0		
Construction	\$0		
Operations	\$0		
Total:	\$250,000	\$250,000	

% Complete of Design:	0.0%
As of Date:	04/27/2021
Expected Useful Life:	N/A

San Francisco County Transportation Authority

Prop K/Prop AA Allocation Request Form

MAJOR LINE ITEM BUDGET: I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study

BUDGET SUMMARY							
Agency	Task 1 - I-280 Traffic Analysis	Task 2 - Concepts for lane addition	Task 3 - Concepts for ramp widening	Task 4 - Develop Recommendations	Task 5 - Outreach	Task 6 - Project Management	Total
SFMTA	\$ -	\$ -	\$ -	\$ -		\$ 10,000	\$ 10,000
SFCTA	\$ -	\$ -	\$ -	\$ -	\$ 4,500	\$ 25,500	\$ 30,000
Consultant	\$ 35,000	\$ 60,000	\$ 50,000	\$ 45,000		\$ 20,000	\$ 210,000
Total	\$ 35,000	\$ 60,000	\$ 50,000	\$ 45,000	\$ 4,500	\$ 55,500	\$ 250,000

DETAILED LABOR COST ESTIMATE - BY AGENCY						
SFMTA	Hours	Base Hourly Rate	Overhead Multiplier	Fully Burdened Hourly Cost	FTE	Total
Associate Engineer	28	\$ 65.93	2.72	\$ 179.33	0.01	\$ 5,021
Transportation Planner III	22	\$ 59.65	2.72	\$ 162.25	0.01	\$ 3,543
Contingency (15%)	0	\$ -	-	\$ -	0	\$ 1,436
Total	50				0.02	\$ 10,000

SFCTA	Hours	Base Hourly Rate	Overhead Multiplier	Fully Burdened Hourly Cost	FTE	Total
Assistant Deputy Director	27	\$ 95.87	2.62	\$ 251.18	0.01	\$ 6,782
Administrative Engineer	125	\$ 57.20	2.62	\$ 149.86	0.06	\$ 18,733
Senior Communications Officer	26	\$ 65.84	2.62	\$ 172.50	0.01	\$ 4,485
Total	178				0.09	\$ 30,000

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study
Grant Recipient:	San Francisco County Transportation Authority

SFCTA RECOMMENDATION

Resolution Number:		Resolution Date:	
Total PROP K Requested:	\$250,000	Total PROP K Recommended	\$250,000

SGA Project Number:		Name:	I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study
Sponsor:	San Francisco County Transportation Authority	Expiration Date:	03/31/2023
Phase:	Planning/Conceptual Engineering	Fundshare:	100.0%

Cash Flow Distribution Schedule by Fiscal Year

Fund Source	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	Total
PROP K EP-134	\$0	\$200,000	\$50,000	\$0	\$0	\$250,000

Deliverables

1. Quarterly progress reports (QPRs) shall include % complete of the funded phase, % complete by task, work performed in the prior quarter including a summary of outreach and feedback received, work anticipated to be performed in the upcoming quarter, and any issues that may impact schedule, in addition to all other requirements described in the Standard Grant Agreement.
2. Upon completion of Task 1, provide traffic analysis report.
3. Upon completion of Task 2, provide conceptual plans and cross sections for lane addition.
4. Upon completion of Task 3, provide conceptual plans and cross sections for ramp widening.
5. Upon completion of Task 4, provide Feasibility Study including key findings, recommendations, and next steps.
6. Upon completion of Task 5, provide summary of input received.

Special Conditions

1. The recommended appropriation is contingent upon a concurrent amendment to the Street Resurfacing, Rehabilitation, and Maintenance 5YPP. See attached 5YPP amendments for details.

Metric	PROP K	TNC TAX	PROP AA
Actual Leveraging - Current Request	0.0%	No TNC TAX	No PROP AA
Actual Leveraging - This Project	0.0%	No TNC TAX	No PROP AA

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study
Grant Recipient:	San Francisco County Transportation Authority

EXPENDITURE PLAN SUMMARY

Current PROP K Request:	\$250,000
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- 1) The requested sales tax and/or vehicle registration fee revenues will be used to supplement and under no circumstance replace existing local revenues used for transportation purposes.

Initials of sponsor staff member verifying the above statement:

CONTACT INFORMATION

	Project Manager	Grants Manager
Name:	Mike Tan	Kaley Lyons
Title:	Administrative Engineer	Transportation Planner
Phone:	(415) 522-4826	(415) 522-4835
Email:	mike.tan@sfcta.org	kaley.lyons@sfcta.org



2019 Prop K 5-Year Project List (FY 2019/20 - FY 2023/24)
Street Resurfacing, Rehabilitation, and Maintenance (EP 34)
Programming and Allocations to Date

Pending June 2021 Board

Agency	Project Name	Phase	Status	Fiscal Year					Total
				2019/20	2020/21	2021/22	2022/23	2023/24	
Street Resurfacing (EP 34)									
SFPW	23rd St, Dolores St, York St, and Hampshire St Pavement Renovation	CON	Allocated	\$1,602,871					\$1,602,871
SFPW	23rd St, Dolores St, York St, and Hampshire St Pavement Renovation	CON	Programmed	\$1,397,129					\$1,397,129
SFCTA	101/280 Carpool and Express Lane- Fund Exchange ^{1,2}	PA&ED	Appropriated	\$4,100,000					\$4,100,000
SFCTA	I-280 Southbound Ocean Avenue Off-Ramp Realignment ²	PS&E	Pending			\$1,050,000			\$1,050,000
SFCTA	I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study ²	PLAN	Pending			\$250,000			\$250,000
SFPW	Golden Gate Ave and Laguna St Pavement Renovation	CON	Programmed		\$3,000,000				\$3,000,000
SFPW	Sunset Blvd Pavement Renovation	CON	Programmed			\$3,000,000			\$3,000,000
SFPW	McAllister St, 20th St, and 24th St Pavement Renovation	CON	Programmed				\$3,100,000		\$3,100,000
SFPW	Claremont, Juanita, and Yerba Buena Pavement Renovation	CON	Programmed					\$2,927,331	\$2,927,331
Total Programmed in 2019 5YPP				\$7,100,000	\$3,000,000	\$4,300,000	\$3,100,000	\$2,927,331	\$20,427,331
Total Allocated and Pending				\$5,702,871	\$0	\$1,300,000	\$0	\$0	\$7,002,871
Total Unallocated				\$1,397,129	\$3,000,000	\$3,000,000	\$3,100,000	\$2,927,331	\$13,424,460
Total Programmed in 2019 Strategic Plan				\$7,100,000	\$3,000,000	\$3,000,000	\$3,100,000	\$2,927,331	\$19,127,331
Deobligated Funds				\$0	\$1,566,378	\$0	\$0	\$0	\$1,566,378
Cumulative Remaining Programming Capacity				\$0	\$1,566,378	\$266,378	\$266,378	\$266,378	\$266,378

Pending Allocation/Appropriation
Board Approved Allocation/Appropriation

FOOTNOTES:

¹ Strategic Plan and 5YPP amendments to accommodate \$4,100,000 appropriation for 101/280 Carpool and Express Lane Project - Fund Exchange (Resolution 20-16, 11/19/2019):

101/280 Carpool and Express Lane: Funds programmed pursuant to Board Resolution 19-24 approving a Prop K/ SB-1 Local Partnership Program fund exchange for the project. Strategic Plan amended to advance \$4,100,000 in funds from the outyears of the Prop K program to FY2019/20. 5YPP amendment added project with \$4,100,000 in FY2019/20. See attached Strategic Plan amendment for details.

² 5YPP amendment to fund I-280 Southbound Ocean Avenue Off-Ramp Realignment and I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study (Resolution 21-xx, 06/09/2021):

101/280 Carpool and Express Lane- Fund Exchange: \$1,300,000 deobligated from the \$4,100,000 appropriated in FY2019/20.

I-280 Southbound Ocean Avenue Off-Ramp Realignment: Added project with \$1,050,000 in FY2021/22 design funds.

I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study: Added project with \$250,000 in FY2021/22 planning funds.

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	I-280 Southbound Ocean Avenue Off-Ramp Realignment
Grant Recipient:	San Francisco County Transportation Authority

EXPENDITURE PLAN INFORMATION

PROP K Expenditure Plans	Street Resurfacing, Rehab, & Maintenance
Current PROP K Request:	\$1,050,000
Supervisory District	District 07

REQUEST

Brief Project Description

The I-280 Southbound Ocean Avenue Off-Ramp Realignment Project will improve safety and circulation by realigning the existing southbound Ocean Avenue off-ramp from a free flow right turn to a signalized T-intersection. This project would be funded through a Prop K/LPP Program fund exchange.

Detailed Scope, Project Benefits and Community Outreach

The current configuration of the southbound I-280 off-ramp intersection with Ocean Avenue creates potential conflicts between multi-modal users. The project area supports a high volume of pedestrian traffic due to the vicinity of the Balboa Park BART/Muni station, City College of San Francisco (CCSF), Lick-Wilmerding High School, Balboa Park, and neighborhood retail along Ocean Avenue. The current ramp configuration requires pedestrians traveling along the northern side of Ocean Avenue to cross the southbound I-280 off-ramp at an uncontrolled crosswalk where vehicles exit the freeway at high speeds.

The current configuration is a single-lane, free-right turn onto westbound Ocean Avenue just prior to the intersection with Howth Street. The ramp becomes a new rightmost lane as it joins westbound Ocean Avenue. When vehicles on westbound Ocean Avenue attempt to shift to the right lane immediately past the ramp merge area to turn right at Howth Street into City College of San Francisco (CCSF), they are required to merge with vehicles exiting the off-ramp over a short distance of approximately 150 feet.

In January 2021, the project team completed Caltrans' Project Study Report - Project Report (PSR/PR) which represents Caltrans' approval of State Highway Projects.

SFCTA has led the public outreach process to date, including frequent community interaction. Extensive outreach was done to ensure members of the community were notified of the community meetings to discuss the project, including the following:

- Email notifications to thirty community-based organizations, including the Balboa Park Email Group

- Distribution of over 500 meeting announcement flyers to the Balboa Park Station Area’s surrounding businesses, grocery stores/corner markets, libraries, schools, community centers, gathering places, and transit shelters
- Muni bus banner ads displayed on local lines to promote the project and notify the public of the meetings
- Mailer notification to all addresses within a 300-foot radius of the primary project area (3,740 total)
- Media advisory was issued to various media outlets in advance of the meetings

Balboa Park residents are generally supportive of improving pedestrian and bicycle safety and movement, and transit service. There is particular agreement with the Balboa Park Circulation Study’s identification of key pedestrian safety, access issues and traffic circulation.

The scope for this phase includes development of the following:

- 100% Plans, Specification, Construction Cost Estimate
- Traffic Management Plan
- Storm Water Pollution Prevention Plan (SWPPP)
- Right-of-Way Easement
- Caltrans Encroachment Permit
- Geotechnical Report

The project team will be coordinating with SFMTA on improvements to Ocean Avenue. SFMTA plans to install bike lanes on Ocean Avenue and make improvements to the Ocean and Geneva Avenues intersection. SFMTA will also be involved in traffic signal timing for westbound traffic when the project realigns the off-ramp to a T-intersection. Additional coordination with SFMTA will be necessary due to the K-line on Ocean Avenue.

Project Location

I-280 Southbound Ocean Avenue Off-Ramp and Ocean Avenue Intersection

Project Phase(s)

Design Engineering (PS&E)

5YPP/STRATEGIC PLAN INFORMATION

Type of Project in the Prop K 5YPP/Prop AA Strategic Plan?	New Project
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Justification for Necessary Amendment

The subject request includes an amendment to the Street Resurfacing, Rehabilitation and Maintenance 5-Year Prioritization Program to add the subject project and reprogram \$1,050,000 in funds deobligated from the 101/280 Carpool and Express Lane - Fund Exchange project (Board Resolutions 19-24, 20-16) to the subject project.

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	I-280 Southbound Ocean Avenue Off-Ramp Realignment
Grant Recipient:	San Francisco County Transportation Authority

ENVIRONMENTAL CLEARANCE

Environmental Type:	Categorically Exempt
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PROJECT DELIVERY MILESTONES

Phase	Start		End	
	Quarter	Calendar Year	Quarter	Calendar Year
Planning/Conceptual Engineering (PLAN)	Jul-Aug-Sep	2013	Oct-Nov-Dec	2015
Environmental Studies (PA&ED)	Jan-Feb-Mar	2016	Oct-Nov-Dec	2020
Right of Way				
Design Engineering (PS&E)	Jul-Aug-Sep	2021	Jul-Aug-Sep	2023
Advertise Construction	Oct-Nov-Dec	2023		
Start Construction (e.g. Award Contract)	Jan-Feb-Mar	2024		
Operations (OP)				
Open for Use			Jul-Aug-Sep	2025
Project Completion (means last eligible expenditure)			Oct-Nov-Dec	2025

SCHEDULE DETAILS

Project will be coordinated with SFMTA's plans for bike lanes on Ocean Avenue which is in conceptual engineering.

The project team will also be conducting outreach to City College of San Francisco, Lick Wilmerding High School, and Ocean Avenue Association, among others. The team will also work with BART on any improvements to the Balboa Park Station.

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	I-280 Southbound Ocean Avenue Off-Ramp Realignment
Grant Recipient:	San Francisco County Transportation Authority

FUNDING PLAN - FOR CURRENT REQUEST

Fund Source	Planned	Programmed	Allocated	Project Total
EP-134: Street Resurfacing, Rehab, & Maintenance	\$1,050,000	\$0	\$0	\$1,050,000
SB1 Local Partnership Program	\$1,050,000	\$0	\$0	\$1,050,000
Phases In Current Request Total:	\$2,100,000	\$0	\$0	\$2,100,000

FUNDING PLAN - ENTIRE PROJECT (ALL PHASES)

Fund Source	Planned	Programmed	Allocated	Project Total
PROP K	\$1,050,000	\$0	\$750,000	\$1,800,000
SB1 Local Partnership Program	\$1,050,000	\$0	\$0	\$1,050,000
TBD (e.g., SB1, ATP)	\$18,210,000	\$0	\$0	\$18,210,000
Funding Plan for Entire Project Total:	\$20,310,000	\$0	\$750,000	\$21,060,000

COST SUMMARY

Phase	Total Cost	PROP K - Current Request	Source of Cost Estimate
Planning/Conceptual Engineering	\$0		
Environmental Studies	\$750,000		Actual cost
Right of Way	\$0		
Design Engineering	\$2,100,000	\$1,050,000	PSR/PR
Construction	\$18,210,000		PSR/PR
Operations	\$0		
Total:	\$21,060,000	\$1,050,000	

% Complete of Design:	35.0%
As of Date:	04/27/2021
Expected Useful Life:	50 Years

San Francisco County Transportation Authority

Prop K/Prop AA Allocation Request Form

MAJOR LINE ITEM BUDGET: I-280 Southbound Ocean Avenue Off-Ramp Realignment

SUMMARY BY MAJOR LINE ITEM - DESIGN		
Budget Line Item	Totals	% of phase
1. Total Labor	\$ 230,000	11%
2. Consultant	\$ 1,630,000	78%
3. Caltrans Costs	\$ 40,000	2%
4. Contingency	\$ 200,000	10%
TOTAL PHASE	\$ 2,100,000	

TOTAL LABOR COST BY AGENCY	
SFMTA	\$ 85,000
SFCTA	\$ 145,000
TOTAL	\$ 230,000

CONSULTANT BUDGET				
Consultant Scope	Professional Expertise	Hourly Rate	Total Hours	Total
Project Management	Highways and Streets	\$ 220	280	\$ 61,600
Engineering Plans	Highway Engineering	\$ 175	4,200	\$ 735,000
Retaining Wall Design	Structural Engineering	\$ 210	900	\$ 189,000
Constructability Review	Construction Engineer	\$ 190	496	\$ 94,240
Cost Estimates	Construction Estimator	\$ 165	300	\$ 49,500
Right-of-Way	Real Estate and ROW	\$ 135	560	\$ 75,600
Utilities	Electrical, fiber optic, gas	\$ 175	800	\$ 140,000
Technical Reports	Geotech, Stormwater, Survey	\$ 190	1500	\$ 285,000
Total			9,036	\$ 1,629,940

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	I-280 Southbound Ocean Avenue Off-Ramp Realignment
Grant Recipient:	San Francisco County Transportation Authority

SFCTA RECOMMENDATION

Resolution Number:		Resolution Date:	
Total PROP K Requested:	\$1,050,000	Total PROP K Recommended	\$1,050,000

SGA Project Number:		Name:	I-280 Southbound Ocean Avenue Off-Ramp Realignment Project
Sponsor:	San Francisco County Transportation Authority	Expiration Date:	03/31/2024
Phase:	Design Engineering	Fundshare:	50.0%

Cash Flow Distribution Schedule by Fiscal Year

Fund Source	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	Total
PROP K EP-134	\$0	\$500,000	\$550,000	\$0	\$0	\$1,050,000

Deliverables

1. Quarterly progress reports (QPRs) shall include % complete of the funded phase, % complete by task, work performed in the prior quarter, work anticipated to be performed in the upcoming quarter, and any issues that may impact schedule, in addition to all other requirements described in the Standard Grant Agreement.

2. Upon project completion (anticipated by September 2023), provide evidence of completion of 100% design (e.g. copy of certifications page), as well as an updated scope, schedule, budget and funding plan for construction.

Special Conditions

1. The recommended appropriation is contingent upon a concurrent amendment to the Street Resurfacing, Rehabilitation, and Maintenance 5YPP. See attached 5YPP amendments for details.

Metric	PROP K	TNC TAX	PROP AA
Actual Leveraging - Current Request	50.0%	No TNC TAX	No PROP AA
Actual Leveraging - This Project	91.45%	No TNC TAX	No PROP AA

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	I-280 Southbound Ocean Avenue Off-Ramp Realignment
Grant Recipient:	San Francisco County Transportation Authority

EXPENDITURE PLAN SUMMARY

Current PROP K Request:	\$1,050,000
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- 1) The requested sales tax and/or vehicle registration fee revenues will be used to supplement and under no circumstance replace existing local revenues used for transportation purposes.

Initials of sponsor staff member verifying the above statement:

CONTACT INFORMATION

	Project Manager	Grants Manager
Name:	Mike Tan	Kaley Lyons
Title:	Administrative Engineer	Transportation Planner
Phone:	(415) 522-4826	(415) 522-4835
Email:	mike.tan@sfcta.org	kaley.lyons@sfcta.org

Vicinity Map

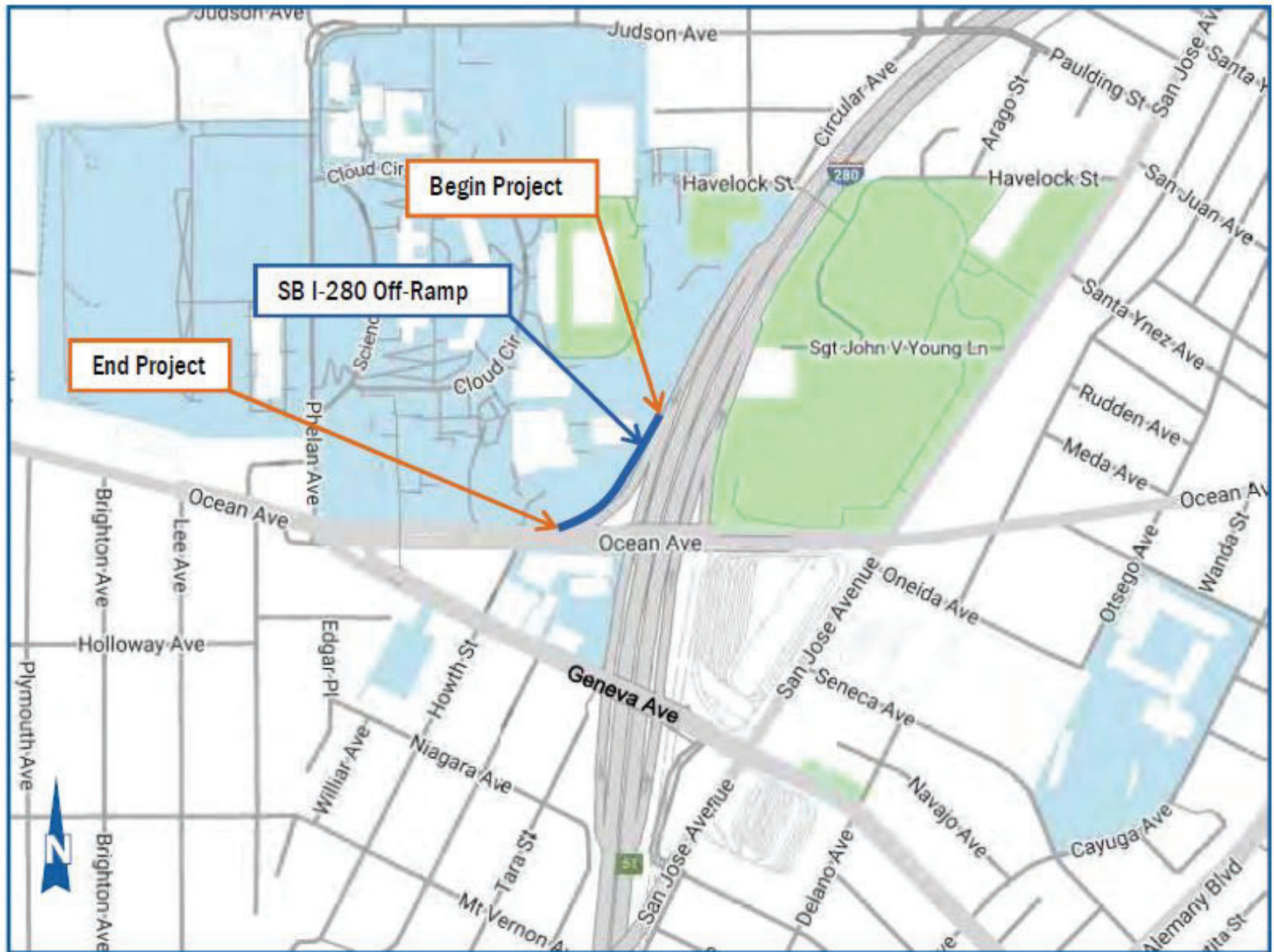


Figure 1 – Vicinity Map

2019 Prop K 5-Year Project List (FY 2019/20 - FY 2023/24)
Street Resurfacing, Rehabilitation, and Maintenance (EP 34)
Programming and Allocations to Date

Pending June 2021 Board

Agency	Project Name	Phase	Status	Fiscal Year					Total
				2019/20	2020/21	2021/22	2022/23	2023/24	
Street Resurfacing (EP 34)									
SFPW	23rd St, Dolores St, York St, and Hampshire St Pavement Renovation	CON	Allocated	\$1,602,871					\$1,602,871
SFPW	23rd St, Dolores St, York St, and Hampshire St Pavement Renovation	CON	Programmed	\$1,397,129					\$1,397,129
SFCTA	101/280 Carpool and Express Lane- Fund Exchange ^{1,2}	PA&ED	Appropriated	\$4,100,000					\$4,100,000
SFCTA	I-280 Southbound Ocean Avenue Off-Ramp Realignment ²	PS&E	Pending			\$1,050,000			\$1,050,000
SFCTA	I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study ²	PLAN	Pending			\$250,000			\$250,000
SFPW	Golden Gate Ave and Laguna St Pavement Renovation	CON	Programmed		\$3,000,000				\$3,000,000
SFPW	Sunset Blvd Pavement Renovation	CON	Programmed			\$3,000,000			\$3,000,000
SFPW	McAllister St, 20th St, and 24th St Pavement Renovation	CON	Programmed				\$3,100,000		\$3,100,000
SFPW	Claremont, Juanita, and Yerba Buena Pavement Renovation	CON	Programmed					\$2,927,331	\$2,927,331
Total Programmed in 2019 5YPP				\$7,100,000	\$3,000,000	\$4,300,000	\$3,100,000	\$2,927,331	\$20,427,331
Total Allocated and Pending				\$5,702,871	\$0	\$1,300,000	\$0	\$0	\$7,002,871
Total Unallocated				\$1,397,129	\$3,000,000	\$3,000,000	\$3,100,000	\$2,927,331	\$13,424,460
Total Programmed in 2019 Strategic Plan				\$7,100,000	\$3,000,000	\$3,000,000	\$3,100,000	\$2,927,331	\$19,127,331
Deobligated Funds				\$0	\$1,566,378	\$0	\$0	\$0	\$1,566,378
Cumulative Remaining Programming Capacity				\$0	\$1,566,378	\$266,378	\$266,378	\$266,378	\$266,378

Pending Allocation/Appropriation

Board Approved Allocation/Appropriation

FOOTNOTES:

¹ Strategic Plan and 5YPP amendments to accommodate \$4,100,000 appropriation for 101/280 Carpool and Express Lane Project - Fund Exchange (Resolution 20-16, 11/19/2019):

101/280 Carpool and Express Lane: Funds programmed pursuant to Board Resolution 19-24 approving a Prop K/ SB-1 Local Partnership Program fund exchange for the project. Strategic Plan amended to advance \$4,100,000 in funds from the outyears of the Prop K program to FY2019/20. 5YPP amendment added project with \$4,100,000 in FY2019/20. See attached Strategic Plan amendment for details.

² 5YPP amendment to fund I-280 Southbound Ocean Avenue Off-Ramp Realignment and I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study (Resolution 21-xx, 06/09/2021):

101/280 Carpool and Express Lane- Fund Exchange: \$1,300,000 deobligated from the \$4,100,000 appropriated in FY2019/20.

I-280 Southbound Ocean Avenue Off-Ramp Realignment: Added project with \$1,050,000 in FY2021/22 design funds.

I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study: Added project with \$250,000 in FY2021/22 planning funds.

Fare-Free Muni



**San Francisco
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Citizens Advisory Committee Agenda Item 11

May 26, 2021

**Fare-Free
Muni**

**Supervisor Preston's Pilot
Program Proposal**

**Muni's Existing Free and
Discount Fare Programs**

Muni Budget and Funding Needs

**Fare-Free Muni for All:
What would it take?**



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Free Muni Pilot Program Proposal



- Introduced by Supervisor Preston
- 3-Month Pilot (July 1 - September 30)
- Includes both fixed route and paratransit service
- Funded with \$12.5 million from the COVID Contingency Reserve Fund
- Requires the SFMTA to file written status reports with the Board of Supervisors
- ***Program requires SFMTA Board approval***

Free Muni Pilot Program Objectives



Ridership

- To support essential workers riding transit
- To encourage transit ridership as part of a Welcome Back to Transit campaign

Collect Data

- Measure ridership levels, voluntary fares collected, and revenues foregone

Muni Full Fare Categories

Adult full-fare

- Single Ride:
\$2.50 Clipper / **\$3.00** Cash
- One-Day Pass:
\$5.00 (MuniMobile/Farebox Only)
- Muni-Only Monthly Pass:
\$81 (Clipper Only)
- Muni+BART within SF Monthly Pass:
\$98 (Clipper Only)



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Full Fare Monthly Pass Comparison



CITY/AGENCY	FY20 ADULT RATE	SINGLE RIDES TO BREAK EVEN
SFMTA	\$81.00	33
AC Transit	\$84.60	38
Boston	\$90.00	38
Seattle	\$99.00	66
Chicago	\$105.00	47
Denver	\$114.00	41
Washington D.C.	\$126.00	63
New York City	\$127.00	46

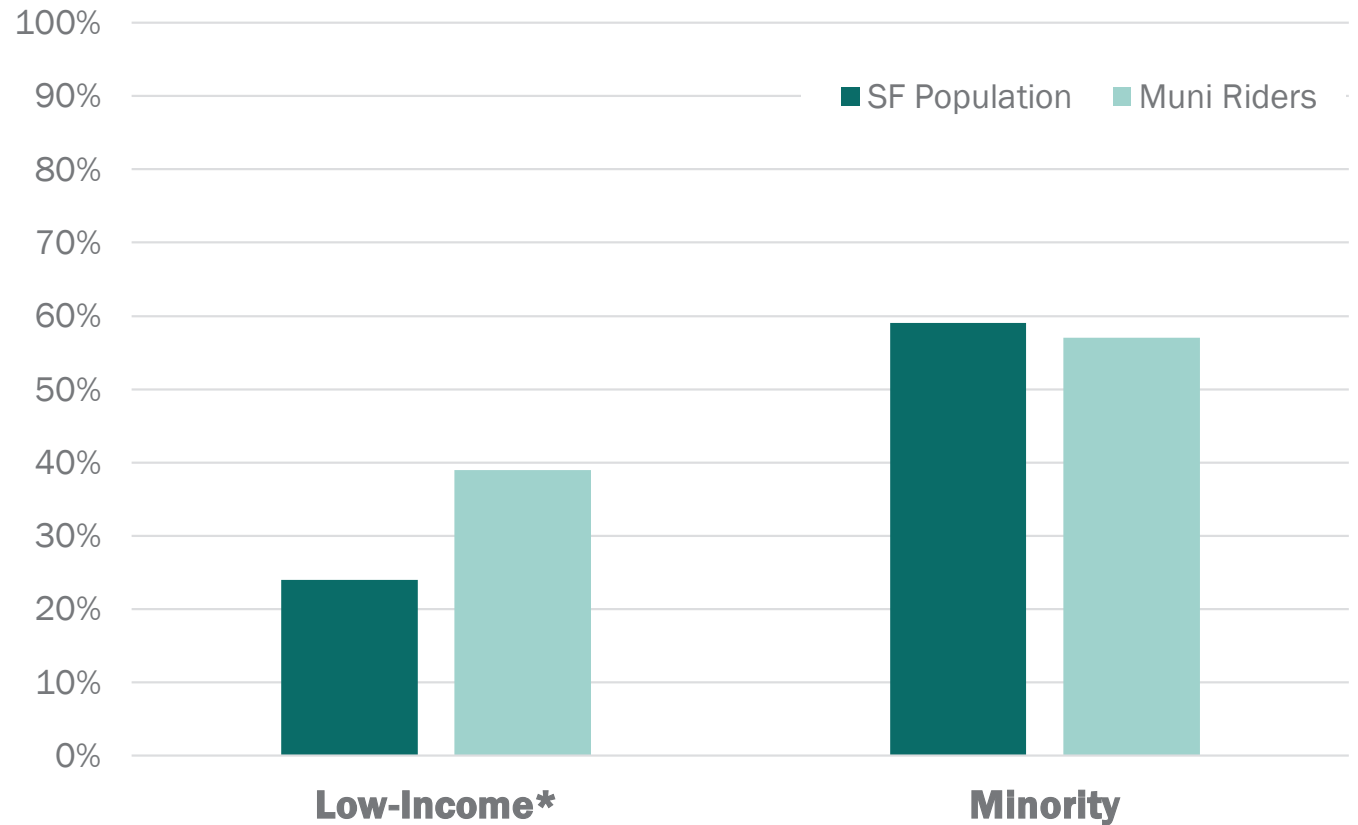
Muni Ridership Demographics

Source: SFMTA Title VI Analysis FY 2021 & FY 2022 Proposed Fare Changes

* defined as 200% of federal poverty level, \$25,520 for individuals or \$52,400 for a household of four per 2020 federal guidelines



San Francisco and Muni Rider Demographics (pre-COVID)



Muni Fare Discount Programs



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	FREE MUNI	MUNI LIFELINE	CLIPPER START	50% DISCOUNT
Start year	2013	2005	2020	2013 (revised to 50%)
Eligible Populations	<ul style="list-style-type: none"> Youth (<18) Seniors (65 and over) People with disabilities People experiencing homelessness 	Other Adults* (age 18-64)	Other Adults* (age 18-64)	<ul style="list-style-type: none"> Youth (<18) Seniors (65 and over) People with disabilities
Income Requirement	100% Bay Area Median Income**	200% Federal Poverty Level**	200% Federal Poverty Level**	none
Discount	Free fare on all Muni vehicles	50% discount on Muni Monthly Pass (\$40)	50% discount on Muni single ride fare (\$1.25)	50% discount on Muni Monthly Pass (\$40) and single rider fare (\$1.25)

* Adults without disabilities, not experiencing homelessness

** 100% Bay Area Median Income: \$89,650 for individuals or \$128,100 for a household of four
200% Federal Poverty Level: \$25,520 for individuals or \$52,400 for a household of four

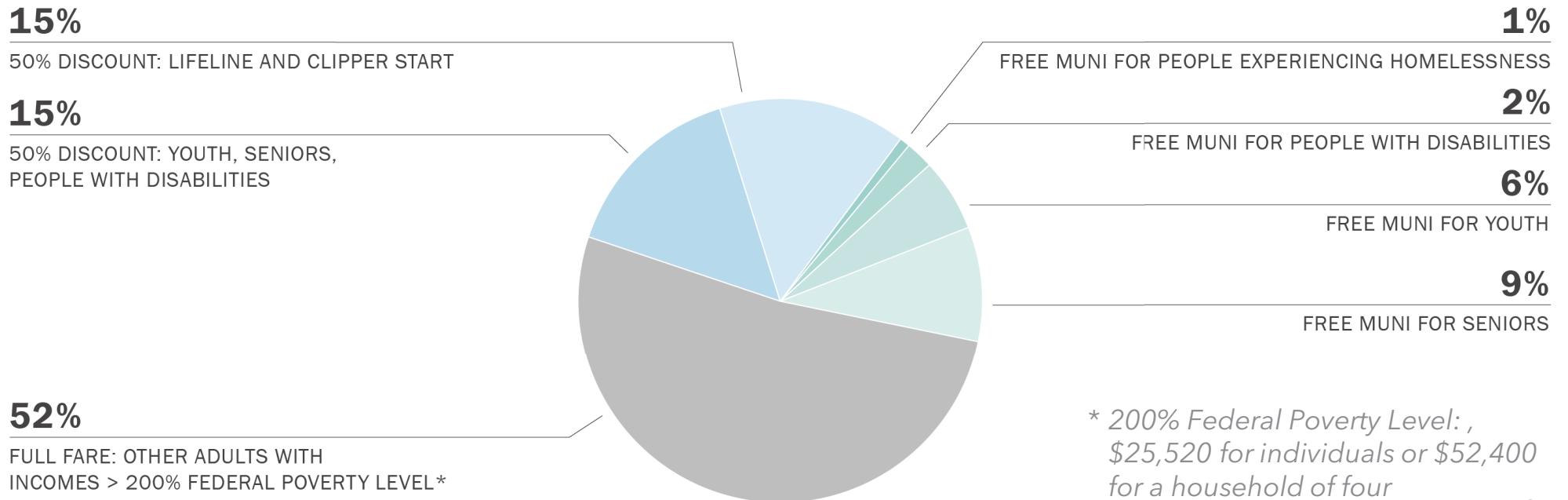
Muni Fare Discount Programs



Who in San Francisco is eligible for free fare and discount programs?

30% of San Franciscans are eligible for discounted fares

18% of San Franciscans are eligible for free fares

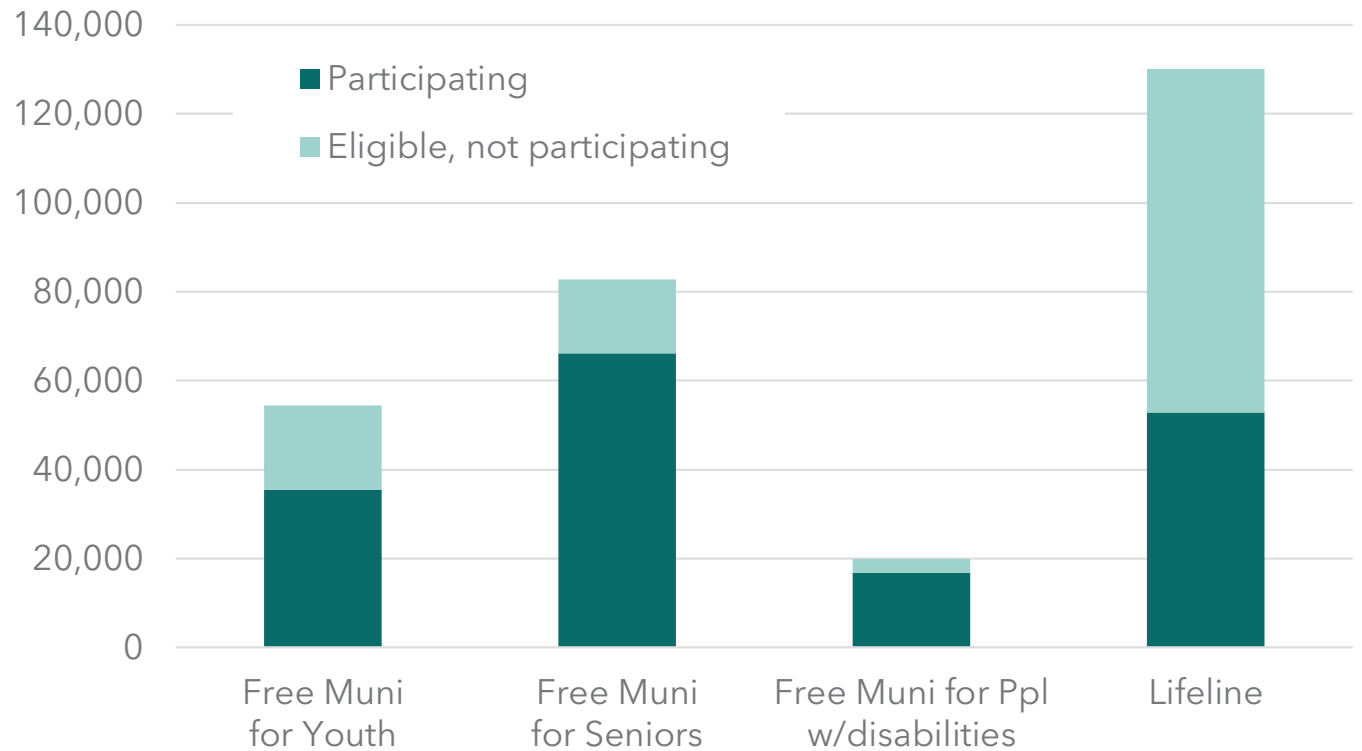


Muni Fare Discount Program Participation

*Based on total population, not just Muni transit-riders
Data source: SFMTA tracking*



Who in San Francisco is participating in free fare and discount programs?



Muni Fare Discount Programs: Costs



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EXISTING PROGRAM COSTS	FREE MUNI FOR YOUTHS, SENIORS AND PPL W/DISABILITIES	MUNI LIFELINE	CLIPPER START
Administrative Costs (Annual)	\$295,000 Includes staff time, printing, and postage	\$820,220 Includes staff time, printer maintenance, HSA agreement, vendor commissions, and monthly pass stickers	Negligible This program is run by MTC and requires minimal consulting and outreach by the SFMTA
Fare Revenue Impact (Annual)	\$21,216,750 Assumes a percentage of users would purchase a monthly pass and the remainder of the riders would purchase single ride fares.	\$4,120,716 Based on the assumption that 50% of those who purchase a discount pass would purchase a full price pass in the absence of the discount	\$720,000 Current average of 4,000 trips per month with \$1.25 discount for each ride

Based on pre-pandemic ridership and FY 2019 costs

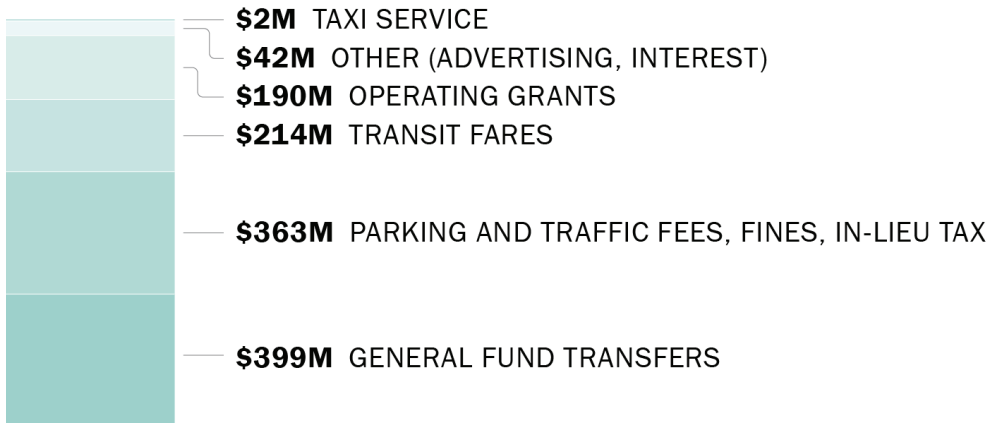
Table does not include information on the 50% discount available to all youth, seniors and people with disabilities regardless of income

SFMTA Operating Budget – Pre-COVID

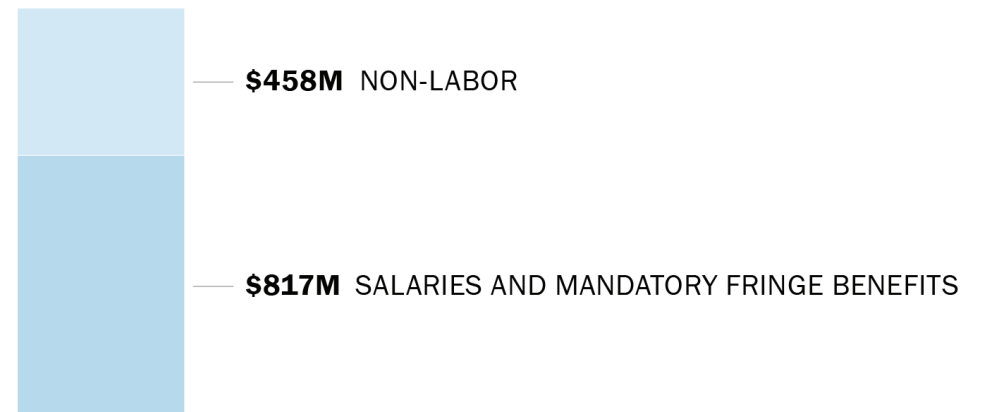


ITEM, MILLIONS OF \$	FY 21	FY 22
Revenue — Projection	\$1,209	\$1,225
Expenditures — Base	\$1,275	\$1,302
Base Operating Gap (January 28, 2020)	(\$66)	(\$77)

FY 21 OPERATING BUDGET REVENUE PROJECTIONS



FY 21 ADJUSTED BASE OPERATING EXPENDITURES



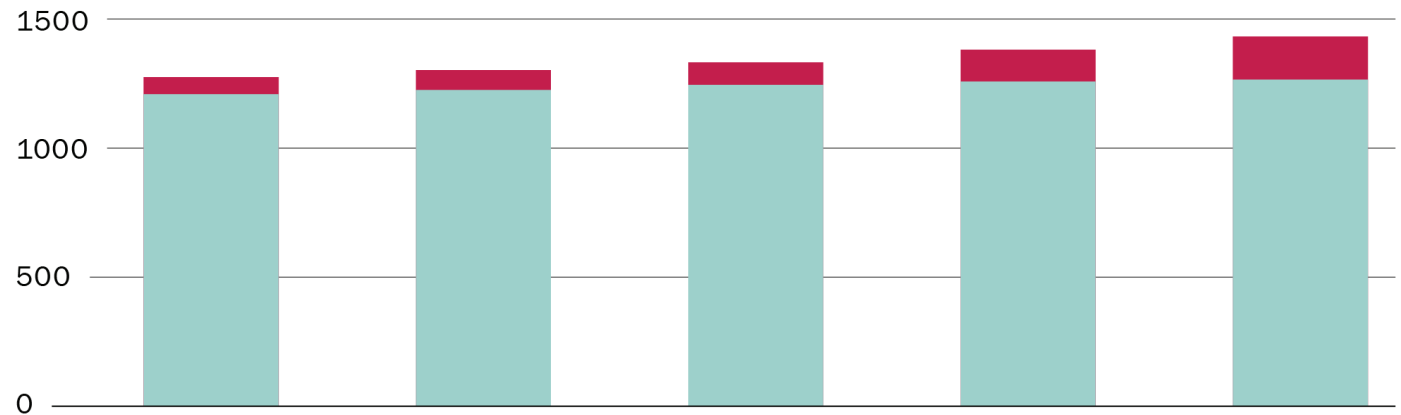
SFMTA Operating Budget – Pre-COVID



Structural Deficit as of January 28, 2020

Board Workshop

- No fund balance applied
- No shifts of capital to operating



OPERATING BUDGET, MILLIONS OF \$	FY 21	FY 22	FY 23	FY 24	FY 25
Revenue Ongoing (base)	\$1,209	\$1,225	\$1,245	\$1,258	\$1,265
Expenditures	\$1,275	\$1,302	\$1,332	\$1,381	\$1,432
Revenue Less Expenditures	(\$66)	(\$77)	(\$87)	(\$123)	(\$154)

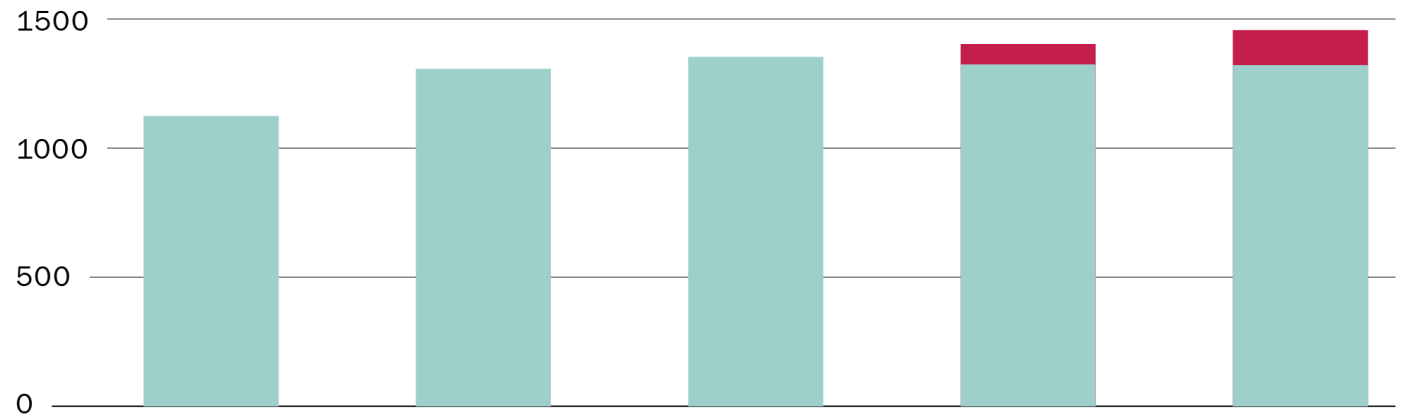
SFMTA Operating Budget



Structural Deficit as of April 20, 2021

Board Update (2nd Wave)

- Additional Federal relief from H.R. 133 and H.R. 1319 assumed

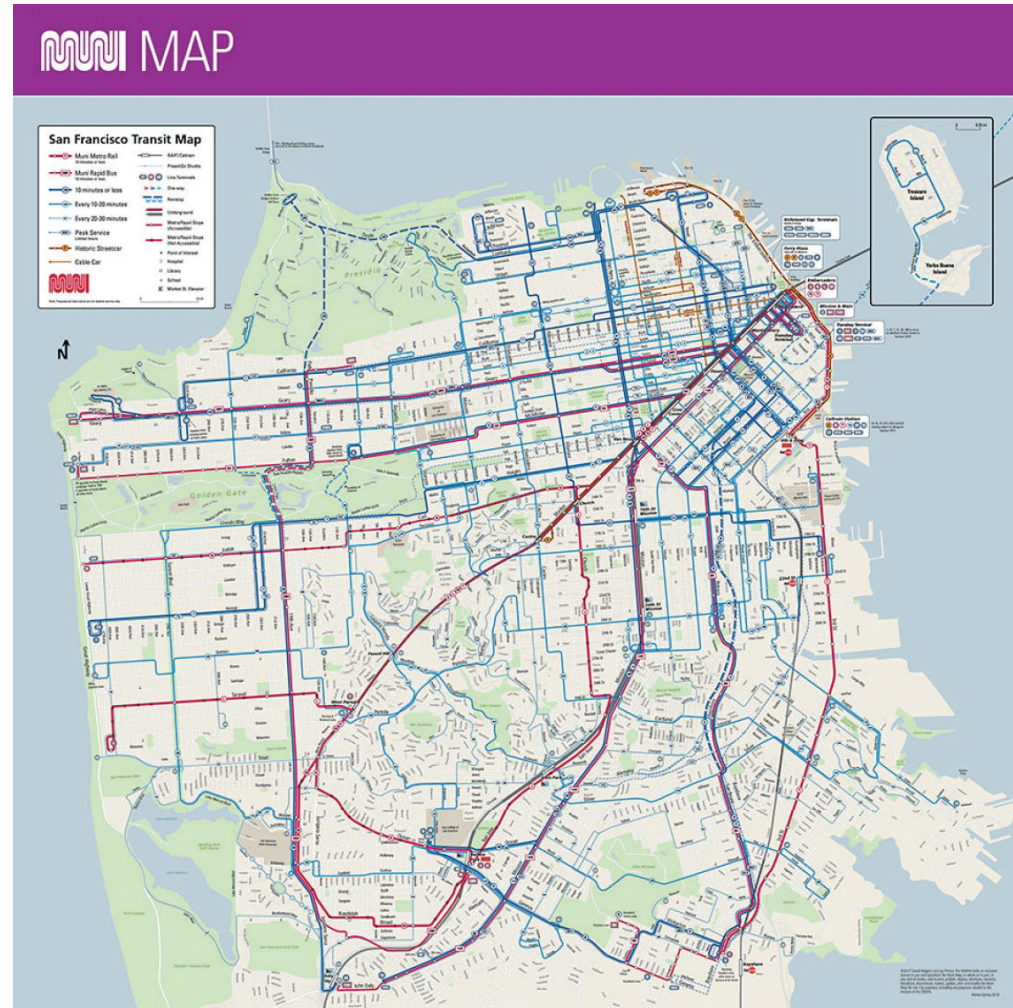


OPERATING BUDGET, MILLIONS OF \$	FY 21	FY 22	FY 23	FY 24	FY 25
Revenue	\$1,124	\$1,305	\$1,353	\$1,324	\$1,321
Expenditures	\$1,124	\$1,305	\$1,353	\$1,403	\$1,457
<i>One-time funds (incl. in Revenue)</i>	\$379	\$382	\$153	\$43	\$-
Revenue Less Expenditures	(-)	(-)	(-)	(\$79)	(\$136)

Muni Service, 2019



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SFMTA Funding Needs



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Transportation 2050 Funding Requirement Analysis

Service Sustainability

Close the structural deficit. Pre-pandemic SFMTA service Streets and Transit

Close pre-pandemic structural deficit. SFMTA services sustained at pre-pandemic levels through FY 30.

\$155 million annually

“Right Size” Transit Service

Equity & Growth

Implement the Muni Equity Strategy and recommendations for service increase by Muni Reliability Working Group. Includes 20% service increase, maintenance and vehicles. Considers cost and growth levels through FY 30.

\$105 million annually

Infrastructure Resiliency

Transportation Infrastructure Replaced On-Time

Replaces transportation infrastructure (rail, overhead, signals, transit fleet) and completes major overhauls on-time.

\$225 million annually

Remove Infrastructure Vulnerabilities

Transportation Infrastructure Backlog Closed

Eliminates major transportation system vulnerabilities and current infrastructure backlog (overhead, systems, facilities, signals). Long term funds can pivot to system resiliency and allowing for expansion after backlog is closed.

\$185 million annually

Revenue Generation Potential



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There is no single revenue source that can cover all the city's transportation needs.

EXAMPLE REVENUE SOURCE	REVENUE GENERATION POTENTIAL (ANNUAL UNLESS NOTED)
GO Bond (only capital projects are eligible)	\$400 million (one-time only)
New ½ Cent Sales Tax	\$110 million
Vehicle License Fee	\$70 million
Community Facilities District (Mello-Roos) (assumes a varied rate structure)	Up to \$180 million
Parking Tax Reform (pending further SFMTA analysis)	\$75 – \$500 million
Parcel Tax (assumes \$50 – \$250 per parcel)	\$10 – \$50 million

* Table based on San Francisco T2045 estimates (2017) and SFMTA Board Presentation (February 2021)

Fare-Free Muni for All



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FARE-FREE MUNI COMPONENTS	ANNUAL COST/SAVINGS	NOTES
Transit Fare Revenues Impact	(\$214.0 million)	Annual loss of farebox revenues
Program Administration Savings	\$1.1 million	Annual free/discount Muni administration costs
Fare Collection Savings	\$49.3 million	Includes labor (185 full-time employees) and non-labor costs
Increase in transit service to meet increased demand*	(\$105.0 million +)	Estimated annual cost of service and capital costs to meet anticipated demand
TOTAL ANNUAL COST	(\$268.6 million +)	

The estimate here represents the cost of providing 20% additional transit service over a pre-COVID service baseline as a likely-low or conservative estimate of increased ridership resulting from Fare-Free Muni.

Thank you.
Any Questions?

sfcta.org



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Michelle Beaulieu, Principal Transportation Planner

michelle@sfcta.org 415-522-4824



Memorandum

AGENDA ITEM 12

DATE: May 20, 2021

TO: Citizens Advisory Committee

FROM: Eric Cordoba - Deputy Director for Capital Projects

SUBJECT: 06/08/21 Board Meeting: Update on the Pennsylvania Avenue Extension Project

RECOMMENDATION Information Action

None. This is an information item.

SUMMARY

The Pennsylvania Avenue Extension (PAX) project will grade-separate current Caltrain passenger rail operations from local vehicular and pedestrian traffic patterns in the Mission Bay and Potrero Hill neighborhoods. When completed, PAX will replace existing at-grade Caltrain crossings at Mission Bay Drive and 16th Street with a rail tunnel, as recommended in the 2018 Railyard Alignment and Benefits (RAB) Study prepared by the San Francisco Planning Department. The proposed project will serve Caltrain and future California High-Speed Rail (CHSR) operations, connecting to the Downtown Rail Extension (DTX) at the future 4th and Townsend Station. The Transportation Authority is currently leading the Pre-Environmental Study and scoping phase of work and has identified a range of potential alternative alignments for the project. These alternatives reflect multiple tunnel lengths and potential construction methods, with different implications for existing and potential future station locations along the alignment. Based on a preliminary evaluation of constructability, cost, schedule, risk, environmental considerations and benefits, the Study will recommend a set of alternatives to be advanced into subsequent environmental review phase of analysis and outreach. We are currently completing the final phase of technical analysis and inter-agency engagement for the Pre-Environmental Study and plan to present the final report in September 2021.

- Fund Allocation
- Fund Programming
- Policy/Legislation
- Plan/Study
- Capital Project Oversight/Delivery
- Budget/Finance
- Contract/Agreement
- Other: _____



BACKGROUND

In 2018, the San Francisco Planning Department, in partnership with the Transportation Authority and other partner agencies, concluded the RAB Study. The RAB Study assessed options for the alignment of the Caltrain corridor through San Francisco and identified the City's preferred alignment as a tunnel beneath Pennsylvania Avenue, connecting to the planned alignment for the DTX between 4th and King/Townsend streets and Salesforce Transit Center. The Transportation Authority Board endorsed this alignment in September 2018 through approval of Resolution 19-12.

The PAX project will connect to the DTX's southern limits adjacent to the existing Caltrain railyard at 4th and King streets and will continue south via 7th Street and Pennsylvania Avenue. The southern limit of PAX will vary depending on the eventual preferred alternative.

The primary purpose of PAX is to eliminate existing at-grade rail crossings at Mission Bay Drive and 16th Street. PAX will serve Caltrain and CHSR trains traveling between southern San Francisco and the future 4th and Townsend Station. In the future, Caltrain and the California High-Speed Rail Authority (CHSRA) plan to operate up to 12 trains per peak hour per direction, for a bi-directional total of 24 train movements per peak hour in the corridor. Implementing grade separations at these locations will greatly improve street grid connectivity between the Mission Bay/Dogpatch and neighborhoods to the west and northwest.

In November 2019 the Transportation Authority Board appropriated \$1.6 million in Prop K sales tax funds for the PAX Pre-Environmental Study. In June 2020 the Transportation Authority Board approved the award of a consulting contract to McMillen Jacobs Associates to undertake the PAX Pre-Environmental Study's technical work program. We are currently completing the final phase of technical analysis and inter-agency engagement for the Study, and plan to bring forward the final report in September 2021.

DISCUSSION

The purpose of the PAX Pre-Environmental Study is to identify viable rail alignment alternatives to advance to the environmental clearance phase. The Study includes assessment of initial concept design options against a set of evaluation criteria.

Work to Date. Over the past several months, the PAX Study Team has completed the following tasks:

- Identification of a range of conceptual alternatives;
- Initial screening to identify viable alternatives for more detailed study;
- Development of preliminary designs, costs, and risks for the most viable alternatives;
- Assessment of the alternatives against a set of evaluation criteria;



- Analysis of tunnel construction methodologies, constraints, and constructability; and
- Preparation of technical studies to assess geotechnical conditions, hydrology, environmental constraints, and traffic impacts.

We have also undertaken technical engagement with Caltrain, CHSRA, the Transbay Joint Powers Authority (TJPA), and other partner agencies.

PAX Alternatives and Evaluation. The Study initially identified a wide range of alignments for consideration; after initial analysis and screening, three most-viable alternatives were identified. The screening process consisted of technical analysis and a third-party peer review. The three alternatives under detailed evaluation are as follows:

- A. Long Alternative – This alternative would provide a tunneled rail alignment from DTX to a point immediately north of Cesar Chavez Street. Alternative A requires replacement of the existing 22nd Street Caltrain Station.
- B. Mid-Length Alternative – This alternative would provide a tunneled rail alignment from DTX to approximately the site of existing 22nd Street Caltrain Station. This station would require some modifications as part of construction of PAX.
- C. Short Alternative – This alignment would allow for preservation of the existing 22nd Street Caltrain Station.

Alternative A and Alternative B both have two variant options, reflecting “single bore” (single tunnel for both north- and southbound tracks) and “twin bore” (separated tunnels) approaches to construction. Alternative C requires a “split” alignment with more significant separation between northbound and southbound tunnels and multiple tunneling methods.

The Study Team, in consultation with agency partners, has prepared an evaluation framework to assess and compare the alternatives. This framework includes criteria reflecting project goals, interfaces with related projects, constructability, environmental considerations, and cost, schedule, and risk.

Related Projects. We are closely coordinating the PAX work with related initiatives, including the DTX led by the TJPA, the Southeast Stations Study led by the San Francisco Planning Department, and multi-agency planning and coordination for the 4th and King Railyard. The project will interface with DTX and the Railyard at the PAX’s northern segment. Design coordination for this location is underway, to be furthered in future stages of PAX development and planning for the Railyard.

The Planning Department’s Southeast Stations Study is assessing alternative locations or configurations for the 22nd Street Caltrain Station, as well as sites for an infill Caltrain Station in the Bayview. As described above, PAX may require modification or replacement of the 22nd Street Station, depending on the alternative. The PAX concept design work is being coordinated with the development of the Southeast Stations Study.



Next Steps. We are currently completing the final phase of technical analysis and inter-agency engagement for the Pre-Environmental Study.

Key activities to complete this Study phase include:

- Finalization of concept designs for the identified alternatives;
- Development of planning-level capital cost estimates;
- Completion of initial risk analysis, including planning-level risk response/approach;
- Initial public engagement efforts; and
- Preparation of final report to document Pre-Environmental Study analysis and findings.

We plan to undertake initial public/stakeholder engagement over the summer, potentially in coordination with Southeast Stations Study. We plan to bring forward the final report in September 2021, in conjunction with recommendations regarding advancing the project to environmental review.

FINANCIAL IMPACT

None. This is an information item.

SUPPLEMENTAL MATERIALS

Attachment 1 - PAX Pre-Environmental Study Update Presentation

Pennsylvania Avenue Extension (PAX)

Pre-Environmental Study Update



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Agenda Item 12

May 26, 2021

Project Background



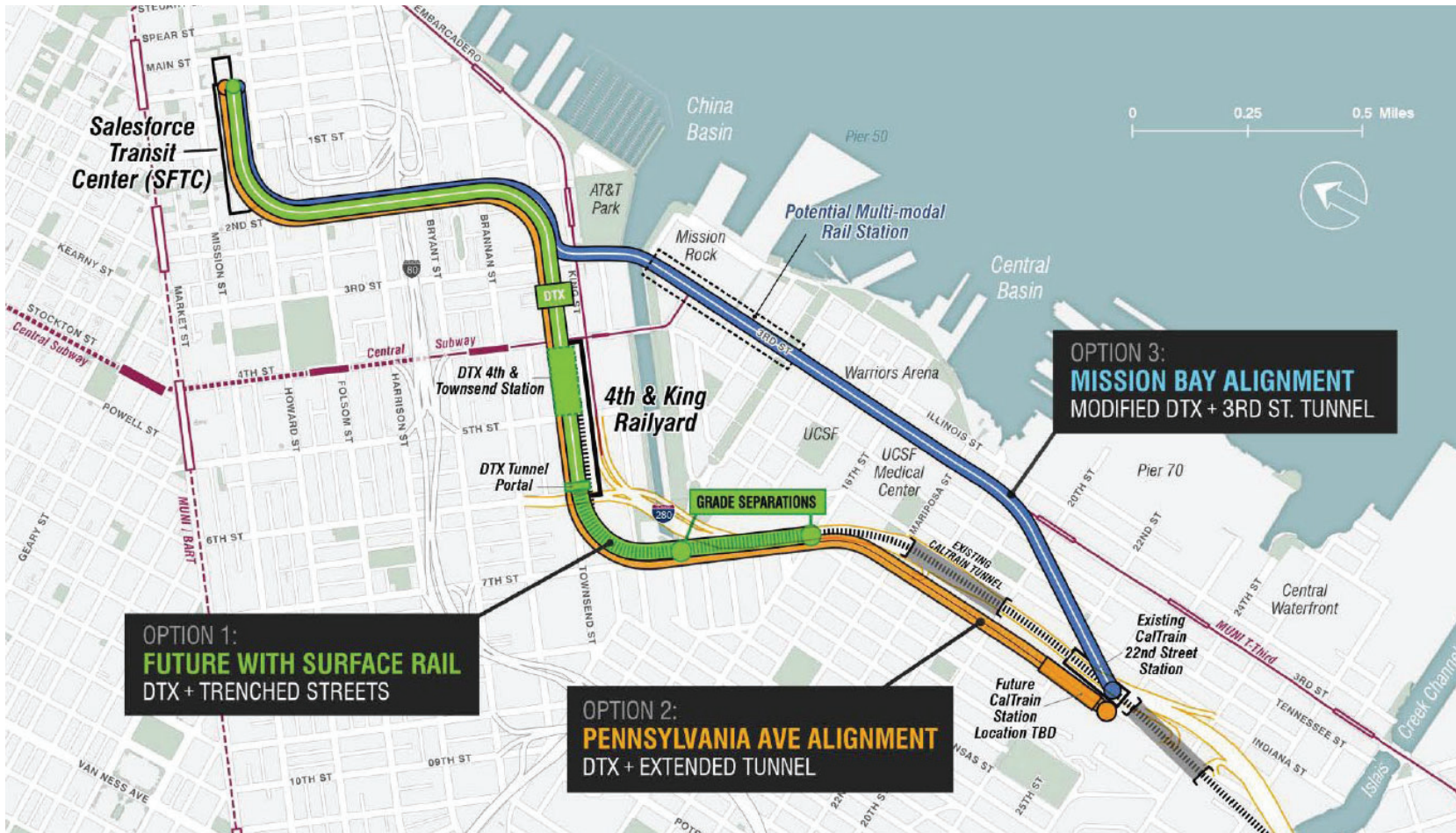
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- **2018: Railyard Alignments & Benefits (RAB) Study, led by SF Planning Dept.**
 - PAX Alignment Selected as preferred
- **2020-2021: PAX Pre-Environmental Study (SFCTA lead)**
 - Prop K Funding Appropriation
 - Technical Consultant Contract Award

Project History: RAB Study



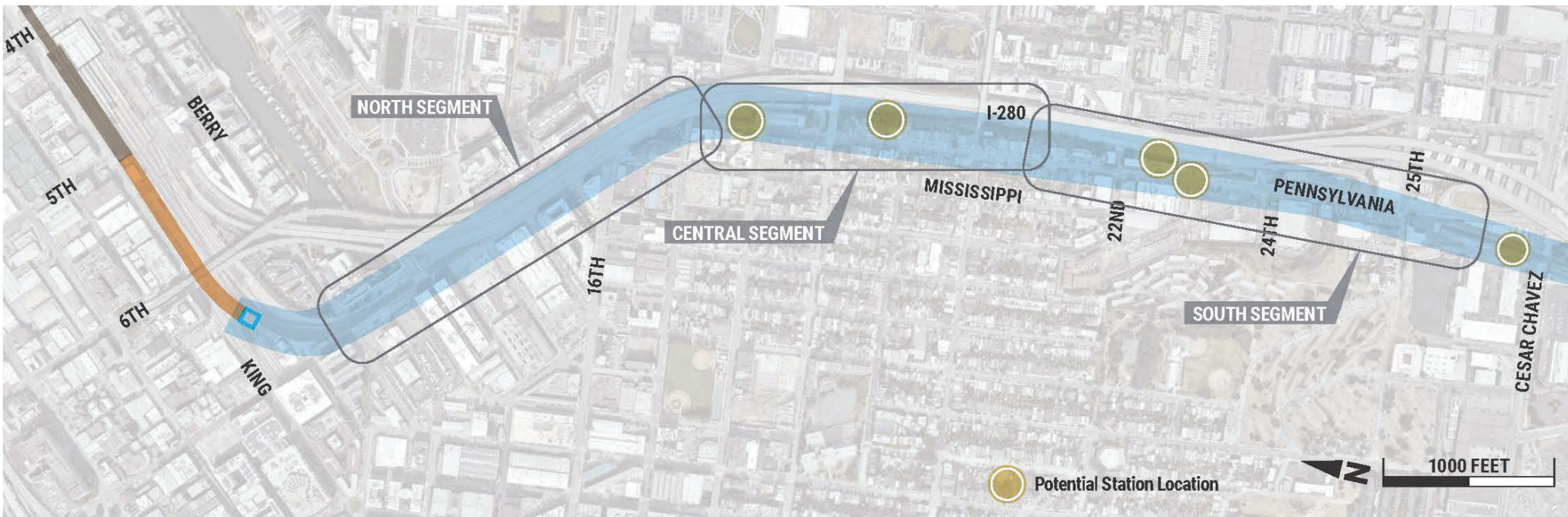
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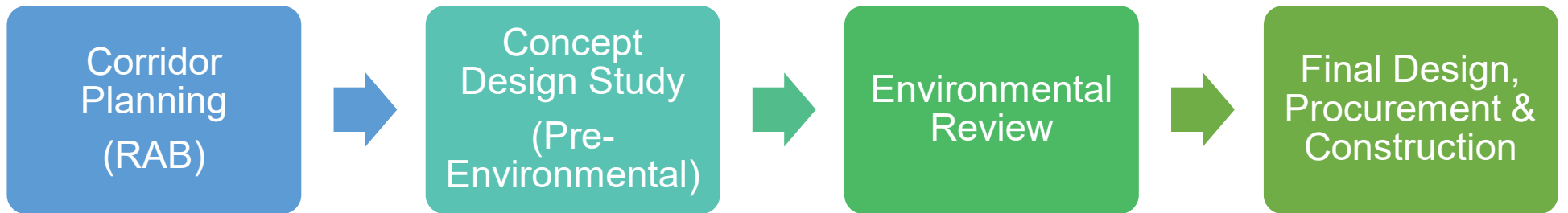
Project Study Area



Inclusive of Potential Station Locations



PAX Development Process



Adjacent Projects/Studies



1. Downtown Extension (DTX)

- 2019 Record of Decision (ROD) from Federal Transit Administration (FTA)
- Peninsula Rail Memorandum of Understanding (MOU)

2. 4th and King Railyard Development

- Railyard MOU
- Multi-agency planning Process

3. Southeast Stations Study (SF Planning Dept.)

- 22nd Street Station options
- Infill station options in the Bayview

Schedule: Pre-Environmental Study



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Task	Aug '20	Sep '20	Oct '20	Nov '20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21	Jul '21	Aug '21	Sep '21
Evaluation Framework	Active	Active	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light	Light
Alignment Alternatives	Light	Active	Active	Active	Active	Active	Active	Light	Light	Light	Light	Light	Light	Light
Environmental Constraints	Light	Light	Active	Active	Active	Active	Active	Active	Light	Light	Light	Light	Light	Light
Constructability Planning	Light	Light	Light	Light	Active	Active	Active	Active	Active	Active	Light	Light	Light	Light
Cost and Risk	Light	Light	Light	Light	Light	Light	Active	Active	Active	Active	Active	Light	Light	Light
Final Report	Light	Light	Light	Light	Light	Light	Light	Light	Light	Active	Active	Active	Active	Active

PAX Alternatives



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A. Long Alignment

- Railyards to Cesar Chavez
- Requires **relocation of existing 22nd St Station**

B. Mid Length Alignment

- Railyards to south of 22nd St Station
- Allows for **reconfiguration of existing 22nd St Station**

C. Short Alignment

- Railyards to north of 22nd St Station
- Requires **no changes to existing 22nd St Station**

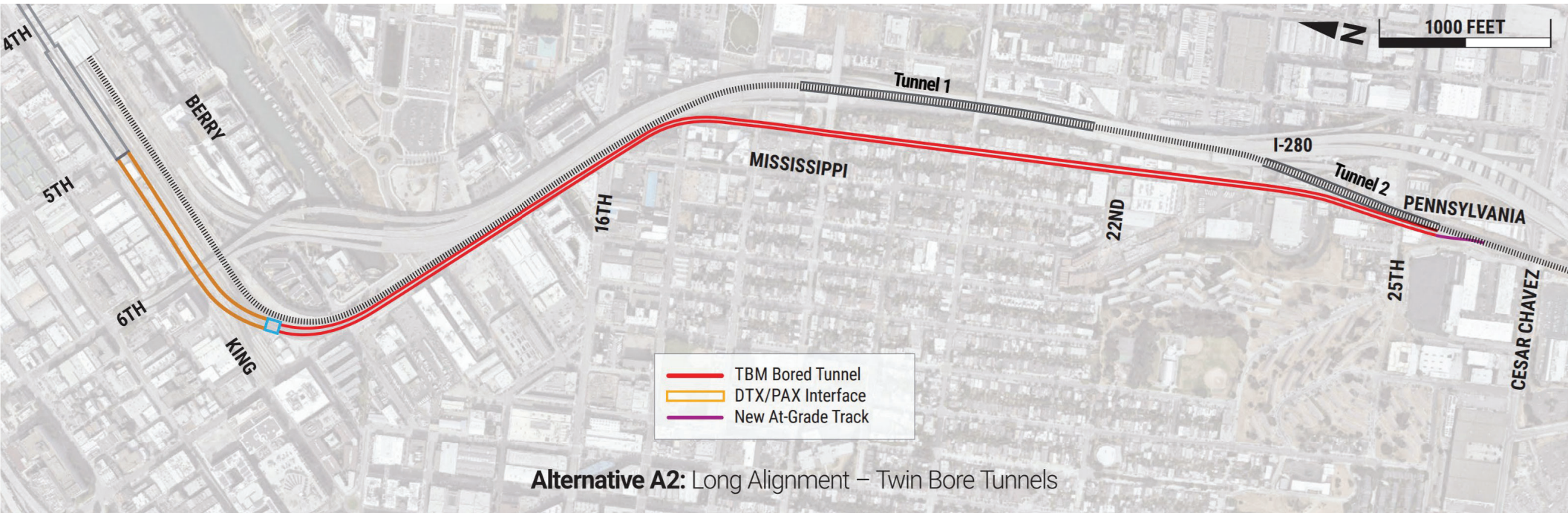
Alternative A: Long Alignment



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A1 - Single Bore Tunnel

A2 - Twin Bore Tunnel (shown)

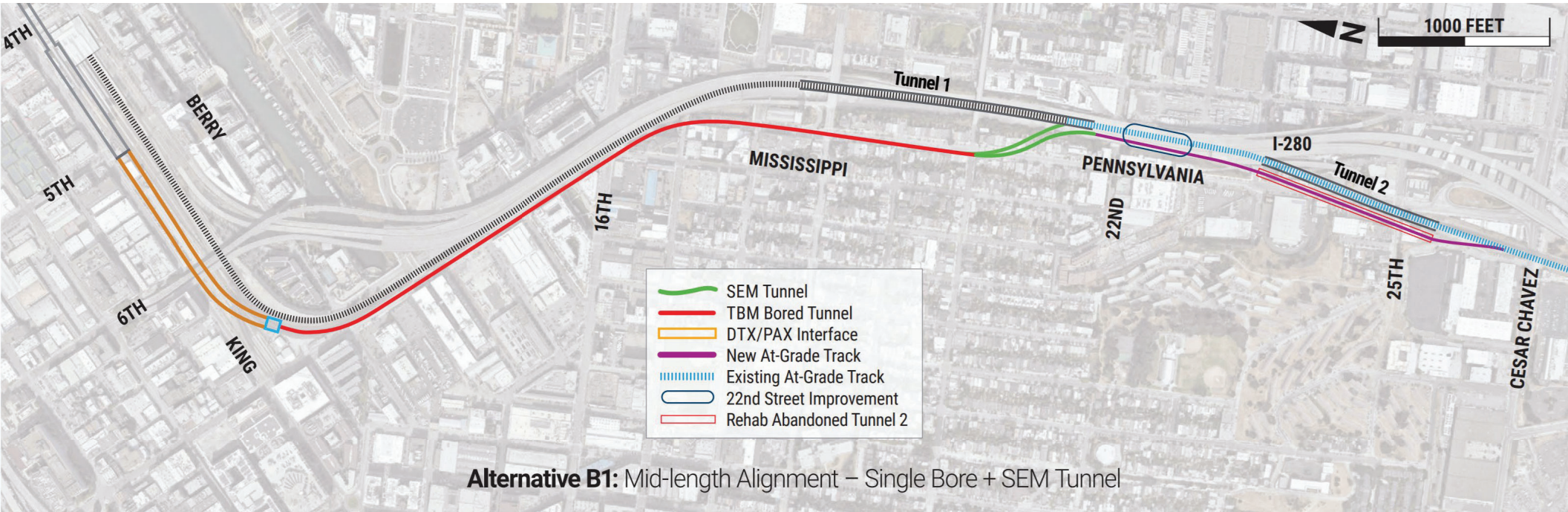


Alternative B: Mid - length Alignment



B1 - Single Bore Tunnel with SEM (shown)

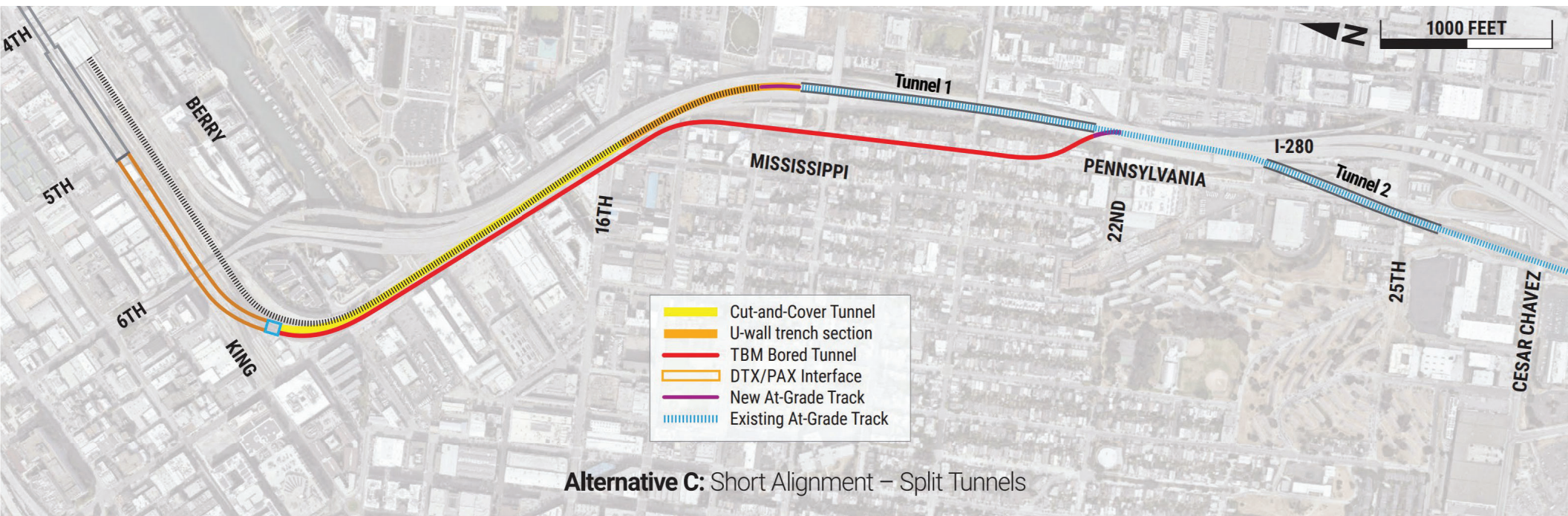
B2 - Twin Bore Tunnel with SEM



Alternative C: Short Alignment



Split Tunnel with Cut-and-Cover northbound



Alternative C: Short Alignment – Split Tunnels

Evaluation Criteria



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CATEGORY	CRITERIA
Project Goals	Improves Street Connectivity
	Improves Seismic Performance
	Improves Rail Operations
	Improves Surface Safety
Interfaces	DTX and Railyards Projects
	22nd Street Station Project
	ROW Impacts
	Infrastructure Conflicts
Construction Process	Constructability
	Geologic Profile
	Disruption to Rail Operations
	Access and Laydown Areas
Environmental Impact	Traffic and Transit
	Air Quality
	Noise and Vibration: Construction
	Noise and Vibration: Operational
	Cultural Resources: Archaeology
	Cultural Resources: Historic Properties
Cost, Schedule, Risk	Community
	Cost
	Schedule
	Risk

Next Steps



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- **Refinement of Concept Designs**
 - Interfaces: DTX/Railyards and Stations Study
 - Operations: Crossovers/Exits/Vent Zones
 - Capital Cost Estimates
 - Development and Construction Timelines
- **Outreach**
 - Preliminary Public Engagement (Summer)
- **Project Report**
 - Draft Review by agency partners (Summer)
 - Final Draft (September)

Thank you.



**San Francisco
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