



Memorandum

AGENDA ITEM 9

DATE: March 17, 2022

TO: Transportation Authority Board

FROM: Cynthia Fong - Deputy Director for Finance and Administration

SUBJECT: 3/22/22 Board Meeting: Amend the Adopted Fiscal Year 2021/22 Budget to Increase Revenues by \$1.7 Million, Decrease Expenditures by \$13.3 Million and Decrease Other Financing Sources by \$50.0 Million for a Total Net Decrease in Fund Balance of \$34.7 Million

RECOMMENDATION Information Action

Amend the adopted Fiscal Year (FY) 2021/22 budget to increase revenues by \$1.7 million, decrease expenditures by \$13.3 million and decrease other financing sources by \$50.0 million for a total net decrease in fund balance of \$34.7 million.

SUMMARY

Every year we present the Board with any adjustments to the adopted annual budget. This revision is an opportunity to take stock of changes in revenue trends, recognize grants or other funds that are obtained subsequent to the original approval of the annual budget, and adjust for unforeseen expenditures. In June 2021, through Resolution 21-56, the Board adopted the FY 2021/22 Annual Budget and Work Program.

The effect of the amendment on the adopted FY 2021/22 Budget in the aggregate line item format specified in the Fiscal Policy is shown in Attachments 1 and 3. A comparison of revenues and expenditures to prior year actual and adopted budgeted numbers is presented in Attachment 2. The detailed budget explanations by line item with variances over 5% are included in Attachment 4.

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



BACKGROUND

The budget revision is an opportunity for us to revise revenue projections and expenditure line items to reflect new information or requirements identified in the months elapsed since the adoption of the annual budget. Our Fiscal Policy allows for the amendment of the adopted budget during the fiscal year to reflect actual revenues and expenditures incurred. The revisions typically take place after completion of the annual fiscal audit, which certifies actual expenditures and carryover revenues.

DISCUSSION

The proposed budget amendment reflects an increase of \$1.7 million in revenues, a decrease of \$13.3 million in expenditures, and a decrease of \$50.0 million in other financing sources for a total net decrease of \$34.7 million in fund balance. These revisions include carryover revenues and expenditures from the prior period. Detailed budget revisions for the Treasure Island Mobility Management Agency (TIMMA) will be presented as a separate item to a future TIMMA Committee and TIMMA Board.

Revenue and expenditure revisions are related to the increase in Traffic Congestion Mitigation Tax (TNC Tax) revenues, federal and state program revenues, and capital project costs reported in the Congestion Management Agency Program, and decrease in interest income, regional and other program revenues, and several capital project costs reported in the Sales Tax Program, Transportation Fund for Clean Air Program (TFCA), Vehicle Registration Fee for Transportation Improvements Program (Prop AA), and Traffic Congestion Mitigation Tax (TNC Tax) Program. Major changes in revenue and expenditure line items (addressed in Attachment 4) include the following:

- **New Prop K Appropriation Funding**
 - Downtown Rail Extension Program's Federal Transit Administration Project Development Process and 4th and King Railyards Preliminary Business Case Process
 - Golden Gate Park Equity Study
 - Capital Project Delivery Best Practices
 - District 7 Ocean Avenue Mobility Action Plan
 - District 6 Treasure Island Supplemental Transportation Study
 - Muni Metro Core Capacity Study
- **New Federal and State Funding**
 - Priority Conservation Area Program and Senate Bill 1 Local Partnership Program (SB1 LPP) for Yerba Buena Island Multi-Use Path



- Infill Infrastructure Grant Program for Yerba Buena Island Hillcrest Road Widening Design
- SB1 LPP for I-280 Southbound Ocean Avenue Off-Ramp Realignment Project
- **Increase in Revenue Estimates**
 - TNC Tax
 - Interstate 80/YBI Interchange Improvement Project and Yerba Buena Bridge Structures (YBI Projects) - Southgate Road Realignment Improvements
- **Project Delays**
 - Prop K Projects (various projects detailed in Attachment 4)
 - Prop AA Projects (various projects detailed in Attachment 4)
 - TFCA Projects (various projects detailed in Attachment 4)
 - TNC Tax SFMTA's Vision Zero Quick-Build Program
 - YBI Projects - Pier E2 and Torpedo Building Rehabilitation

Additionally, administrative operating costs, debt service costs and other financing sources need to be updated from the original estimates contained in the adopted FY 2021/22 budget:

- increased administrative operating costs for network system upgrades; and
- decreased debt service costs due to lower interest expenses related to the Revolving Credit Agreement; and
- decreased drawdown on the Revolving Credit Agreement partially due to a higher ending fund balance in FY 2021/22 and Sales Tax Program capital expenditures coming in \$14.1 million lower than anticipated in FY 2021/22.

FINANCIAL IMPACT

The proposed amendment to the FY 2021/22 budget would increase revenues by \$1.7 million, decrease expenditures by \$13.3 million, and decrease other financing sources by \$50.0 million, for a total net decrease in fund balance of \$34.7 million, as described above.

CAC POSITION

The Community Advisory Committee (CAC) will consider this item at its March 23, 2022 meeting.



SUPPLEMENTAL MATERIALS

- Attachment 1 - Proposed Budget Amendment
- Attachment 2 - Proposed Budget Amendment - Comparison of Revenues and Expenditures
- Attachment 3 - Proposed Budget Amendment - Line Item Detail
- Attachment 4 - Budget Amendment Explanations



Proposed Budget Amendment 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 Amendment 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	-	-	-	-	-	5,880,000	5,880,000
Interest Income	296,145	-	868	900	-	26,848	324,761
Program Revenues	-	20,561,738	672,708	-	2,770,723	-	24,005,169
Other Revenues	-	-	-	-	-	-	-
Total Revenues	93,175,945	20,561,738	673,576	4,834,949	2,770,723	5,906,848	127,923,779
Expenditures							
Capital Project Costs	136,587,261	28,500,946	1,060,567	8,953,445	1,821,094	1,700,000	178,623,313
Administrative Operating Costs	7,234,698	3,595,082	42,044	241,702	1,015,028	176,400	12,304,954
Debt Service Costs	21,722,350	-	-	-	-	-	21,722,350
Total Expenditures	165,544,309	32,096,028	1,102,611	9,195,147	2,836,122	1,876,400	212,650,617
Other Financing Sources (Uses):	38,400,311	11,534,290	-	-	65,399	-	50,000,000
Net change in Fund Balance	\$ (33,968,053)	\$ -	\$ (429,035)	\$ (4,360,198)	\$ -	\$ 4,030,448	\$ (34,726,838)
Budgetary Fund Balance, as of July 1	\$ 59,972,084	\$ -	\$ 777,219	\$ 14,834,640	\$ -	\$ 5,377,923	\$ 80,961,866
Budgetary Fund Balance, as of June 30	<u>\$ 26,004,031</u>	<u>\$ -</u>	<u>\$ 348,184</u>	<u>\$ 10,474,442</u>	<u>\$ -</u>	<u>\$ 9,408,371</u>	<u>\$ 46,235,028</u>



**San Francisco
County Transportation
Authority**

**Attachment 2
Proposed Fiscal Year 2021/22 Budget Amendment
Comparison of Revenues and Expenditures**

Category	Fiscal Year 2020/21 Actual	Fiscal Year 2021/22 Adopted Budget	Proposed Fiscal Year 2021/22 Budget Amendment	Variance from Fiscal Year 2021/22 Adopted Budget	% Variance
Sales Tax Revenues	\$ 86,530,445	\$ 92,879,800	\$ 92,879,800	\$ -	0.0%
Vehicle Registration Fee	5,513,643	4,834,049	4,834,049	-	0.0%
Traffic Congestion Mitigation Tax	5,625,880	4,199,300	5,880,000	1,680,700	40.0%
Interest Income	19,960	633,670	324,761	(308,909)	-48.7%
Program Revenues					
Federal	6,868,989	8,629,623	10,290,316	1,660,693	19.2%
State	125,865	3,587,961	5,066,932	1,478,971	41.2%
Regional and other	4,792,608	11,457,233	8,647,921	(2,809,312)	-24.5%
Other Revenues	35,328	46,500	-	(46,500)	-100.0%
Total Revenues	109,512,718	126,268,136	127,923,779	1,655,643	1.3%
Capital Project Costs	105,080,558	191,441,807	178,623,313	(12,818,494)	-6.7%
Administrative Operating Costs					
Personnel expenditures	7,087,755	9,226,939	8,997,784	(229,155)	-2.5%
Non-Personnel expenditures	2,556,765	3,098,252	3,307,170	208,918	6.7%
Debt Service Costs	21,681,509	22,192,850	21,722,350	(470,500)	-2.1%
Total Expenditures	136,406,587	225,959,848	212,650,617	(13,309,231)	-5.9%
Other Financing Sources (Uses)	-	100,000,000	50,000,000	(50,000,000)	-50.0%
Net change in Fund Balance	\$ (26,893,869)	\$ 308,288	\$ (34,726,838)	\$ (35,035,126)	-11364.4%
Budgetary Fund Balance, as of July 1	\$ 107,855,735	\$ 80,961,866	\$ 80,961,866		
Budgetary Fund Balance, as of June 30	\$ 80,961,866	\$ 81,270,154	\$ 46,235,028		



	Proposed Budget Amendment by Fund						Proposed Fiscal Year 2021/22 Budget Amendment
	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	-	-	-	-	-	5,880,000	5,880,000
Interest Income	296,145	-	868	900	-	26,848	324,761
Program Revenues							
Federal							
Advanced Transportation and Congestion Management Technologies Deployment	-	-	-	-	982,750	-	982,750
Innovative Deployments to Enhance Arterials Shared Automated Vehicle	-	-	-	-	16,930	-	16,930
Highway Bridge Program - I-80/Yerba Buena Island (YBI) Interchange Improvement	-	7,211,027	-	-	-	-	7,211,027
Highway Bridge Program - YBI Bridge Structures	-	562,163	-	-	-	-	562,163
Priority Conservation Area Program - YBI Multi-Use Pathway	-	305,446	-	-	-	-	305,446
Surface Transportation Program 3% Revenue and Augmentation	-	1,212,000	-	-	-	-	1,212,000
State							
Affordable Housing and Sustainable Communities - I/80 YBI Interchange Improvement Project	-	3,430,743	-	-	-	-	3,430,743
Planning, Programming & Monitoring SB45 Funds	-	311,655	-	-	-	-	311,655
Infill Infrastructure Grant Program - Hillcrest Road Widening Project	-	204,157	-	-	-	-	204,157
Senate Bill 1 Local Partnership Program - I-280 SB Ocean Ave Off-Ramp Realignment Project	-	122,865	-	-	-	-	122,865
Senate Bill 1 Local Partnership Program - YBI Multi-Use Pathway Project	-	39,574	-	-	-	-	39,574
Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	-	805,765	-	-	-	-	805,765
Seismic Retrofit Proposition 1B - YBI Bridge Structures	-	30,354	-	-	-	-	30,354
Sustainable Communities - School Access Plan	-	121,819	-	-	-	-	121,819
Regional and other							
BATA - I-80/YBI Interchange Improvement	-	5,728,853	-	-	-	-	5,728,853
SFPW - Octavia Improvements Study	-	24,369	-	-	-	-	24,369
SFMTA - Lake Merced Pedestrian Safety	-	3,102	-	-	-	-	3,102
SFMTA - School Access Plan	-	19,502	-	-	-	-	19,502
SFMTA - Transit and Intercity Rail Capital Program	-	41,964	-	-	-	-	41,964
SF Planning - Housing Element	-	26,100	-	-	-	-	26,100
SFMTA - Travel Demand Modeling Assistance	-	75,000	-	-	-	-	75,000
TIDA - Treasure Island Mobility Management Agency	-	-	-	-	1,771,043	-	1,771,043
TIDA - YBI Interchange Improvement & Bridge Structures	-	285,280	-	-	-	-	285,280
Vehicle Registration Fee Revenues (TFCA)	-	-	672,708	-	-	-	672,708
Other Revenues							
Sublease of Office Space	-	-	-	-	-	-	-
Total Revenues	\$ 93,175,945	\$ 20,561,738	\$ 673,576	\$ 4,834,949	\$ 2,770,723	\$ 5,906,848	\$ 127,923,779

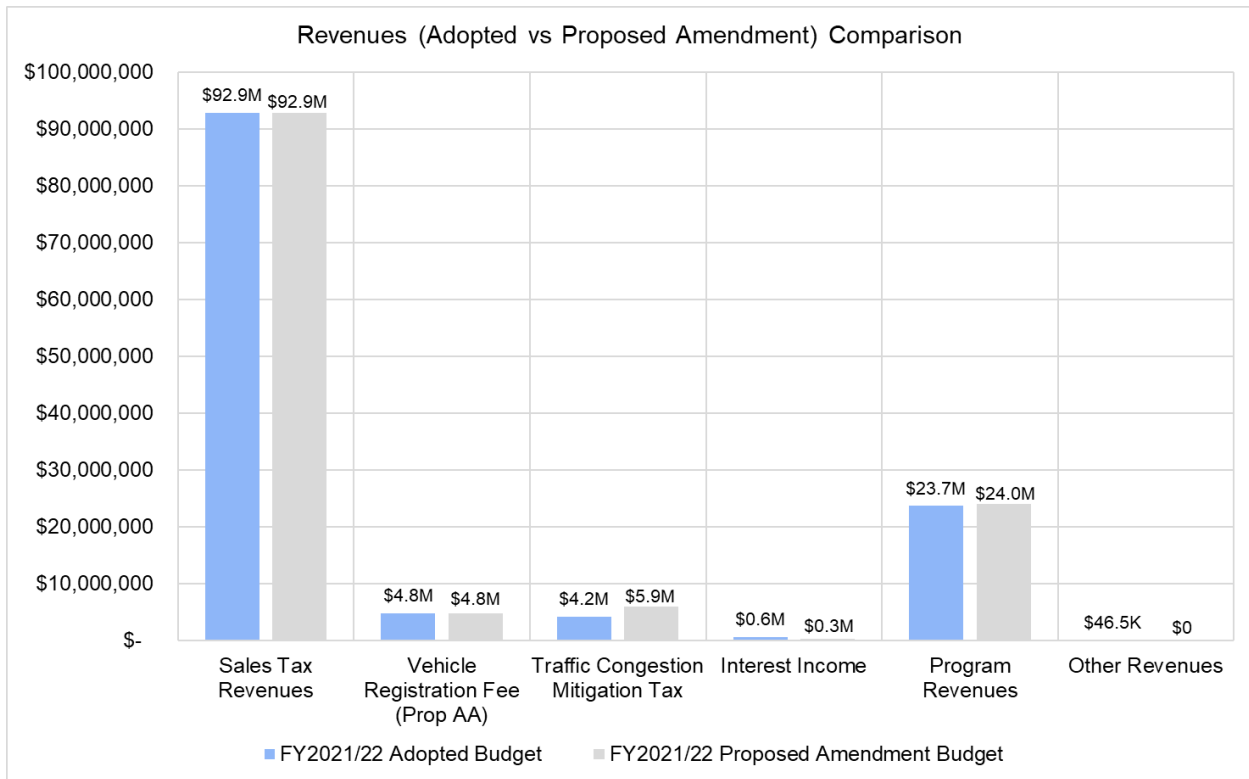


	Proposed Budget Amendment by Fund						Proposed Fiscal Year 2021/22 Budget Amendment
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
Expenditures:							
Capital Project Costs							
Individual Project Grants, Programs & Initiatives	\$ 134,500,000	\$ -	\$ 1,060,567	\$ 8,953,445	\$ -	\$ 1,700,000	\$ 146,214,012
Technical Professional Services	2,087,261	28,500,946	-	-	1,821,094	-	32,409,301
Administrative Operating Costs							
Personnel Expenditures							
Salaries	2,730,685	2,404,141	28,664	164,782	529,644	116,853	5,974,769
Fringe Benefits	1,274,684	1,122,253	13,380	76,920	247,238	54,547	2,789,022
Pay for Performance	233,993	-	-	-	-	-	233,993
Non-personnel Expenditures							
Administrative Operations	2,720,336	68,688	-	-	231,946	5,000	3,025,970
Equipment, Furniture & Fixtures	215,000	-	-	-	-	-	215,000
Commissioner-Related Expenses	60,000	-	-	-	6,200	-	66,200
Debt Service Costs							
Fiscal Charges	207,000	-	-	-	-	-	207,000
Interest Expenses	7,805,350	-	-	-	-	-	7,805,350
Bond Principal Payment	13,710,000	-	-	-	-	-	13,710,000
Total Expenditures	\$ 165,544,309	\$ 32,096,028	\$ 1,102,611	\$ 9,195,147	\$ 2,836,122	\$ 1,876,400	\$ 212,650,617
Other Financing Sources (Uses):							
Transfers in - Prop K Match to Grant Funding	-	11,534,290	-	-	65,399	-	11,599,689
Transfers out - Prop K Match to Grant Funding	(11,599,689)	-	-	-	-	-	(11,599,689)
Draw on Revolving Credit Agreement	50,000,000	-	-	-	-	-	50,000,000
Total Other Financing Sources (Uses)	38,400,311	11,534,290	-	-	65,399	-	50,000,000
Net change in Fund Balance	\$ (33,968,053)	\$ -	\$ (429,035)	\$ (4,360,198)	\$ -	\$ 4,030,448	\$ (34,726,838)
Budgetary Fund Balance, as of July 1	\$ 59,972,084	\$ -	\$ 777,219	\$ 14,834,640	\$ -	\$ 5,377,923	\$ 80,961,866
Budgetary Fund Balance, as of June 30	\$ 26,004,031	\$ -	\$ 348,184	\$ 10,474,442	\$ -	\$ 9,408,371	\$ 46,235,028
Fund Reserved for Program and Operating Contingency	\$ 9,287,980	\$ -	\$ 67,271	\$ 483,405	\$ -	\$ 588,000	\$ 10,426,656

Attachment 4 Fiscal Year 2021/22 Budget Amendment Explanations

TOTAL REVENUES		
Adopted Budget	Proposed Budget Amendment	Variance
\$126,268,136	\$127,923,779	\$1,655,643

The following chart shows the comparative composition of revenues for the proposed amended and adopted Fiscal Year (FY) 2021/22 budget.



Traffic Congestion Mitigation Tax (TNC Tax) Revenues		
Adopted Budget	Proposed Budget Amendment	Variance
\$4,199,300	\$5,880,000	\$1,680,700

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

Attachment 4
Fiscal Year 2021/22 Budget Amendment Explanations

for capital projects that promote users’ safety in the public right-of-way in support of the City’s Vision Zero policy. The San Francisco Municipal Transportation Agency (SFMTA) receives the other 50% of revenues. The City began collecting TNC Tax revenues on January 1, 2020.

Based on continuous discussions and coordination with the City’s Controller’s Office and the SFMTA, we anticipate TNC Tax revenues to increase by \$1.7 million, or 40%, in FY 2021/22 as compared to the adopted budget. This is due to relaxation of COVID pandemic protocols and increased mobility and activity. TNC Tax revenues are aligned with the City’s Controller’s Office estimates for economic recovery.

Interest Income		
Adopted Budget	Proposed Budget Amendment	Variance
\$633,670	\$324,761	\$(308,909)

Most of our investable assets are deposited in the City’s Treasury Pool (Pool). The level of our deposits held in the Pool during the year depends on the volume and timing of 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.

Total Interest Income is projected to decrease by \$308,909, or 48.7%, for FY 2021/22. Our adopted budget anticipated a drawdown of \$100 million from the Revolving Credit Agreement during the middle of this fiscal year in which interest would have been collected from the increased cash balance in the Pool. However, based on updated capital expenditure projections from project sponsors, we anticipate a drawdown of \$50 million towards the end of the fiscal year. Also, interest rates have declined from 0.6% assumed in the adopted budget to 0.5% over the past eight months in the Pool.

Federal Program Revenues		
Adopted Budget	Proposed Budget Amendment	Variance
\$8,629,623	\$10,290,316	\$1,660,693

Federal Program Revenues are expected to increase by \$1.7 million, or 19.2%, as compared to the adopted budget. This is primarily due to an increase of \$1.5 million in federal Highway Bridge Program funding for the Southgate Road Realignment Improvements Project (Southgate), or Phase 2 of the Interstate-80/Yerba Buena Island Interchange Improvement Project, and Yerba Buena Bridge Structures (YBI Projects) with construction activities underway for the Southgate project. The construction is expected to be completed by June 2022 with some closeout costs in the following year. Revenue estimates are also updated to reflect additional funding of \$180,000 for the federal Surface Transportation Program through the Safe & Seamless Quick-Strike Program.

Attachment 4
Fiscal Year 2021/22 Budget Amendment Explanations

State Program Revenues		
Adopted Budget	Proposed Budget Amendment	Variance
\$3,587,961	\$5,066,932	\$1,478,971

State Program Revenues are expected to increase by \$1.5 million, or 41.2%, as compared to the adopted budget. This is mainly due to an increase of \$757,894 in Seismic Retrofit Proposition 1B funding for the YBI Projects, which provides matching funds to the federal Highway Bridge Program funding as mentioned above. Revenue estimates are also updated to reflect completion of funding from the Affordable Housing and Sustainable Communities for the Southgate project, increasing revenues by \$450,498. Furthermore, new funding of \$366,596 for the first year of activities related to the Hillcrest Road Widening Project through the Infill Infrastructure Grant Program, I-280 Southbound Ocean Avenue Off-Ramp Realignment Project and Yerba Buena Island (YBI) Multi-Use Pathway Project funded by Senate Bill 1 Local Partnership Program are also included in this budget amendment. This increase is also offset by a decrease of \$107,515 in Planning, Programming and Monitoring SB45 Funds which will be deferred to FY 2022/23 for continued project delivery support and oversight activities.

Regional and Other Program Revenues		
Adopted Budget	Proposed Budget Amendment	Variance
\$11,457,233	\$8,647,921	\$(2,809,312)

Regional and Other Program Revenues are expected to decrease by \$2.8 million, or 24.5%, as compared to the adopted budget. This is mainly due to a \$1.5 million reduction of regional revenue from the Bay Area Toll Authority for work related to the Southgate project that is federal and state reimbursable. In addition, \$1.2 million of funding from the Bay Area Toll Authority for the Torpedo Building Rehabilitation work of the Southgate project in FY 2021/22 has been deferred to the next fiscal year due to a shift in schedule. The revised schedule shows design services now to be completed in the third quarter of FY 2022/23 with construction to be completed in Fall/Winter 2023. Also, \$204,231 of regional revenues from the Bay Area Toll Authority has been deferred to the next fiscal year for the new YBI Landing and Public Pier (Pier E2). Due to the COVID-19 pandemic, Pier E2 has not been opened to the public. Therefore, there has been minimal maintenance work required at Pier E2 and it may not be opened to the public until April 2022, and at that time, it is planned to only be open on weekends until late May or early June 2022 when it will be fully opened. This decrease is also offset by \$58,064 in new and increased funding for travel demand model services provided to the City agencies in support of various projects.

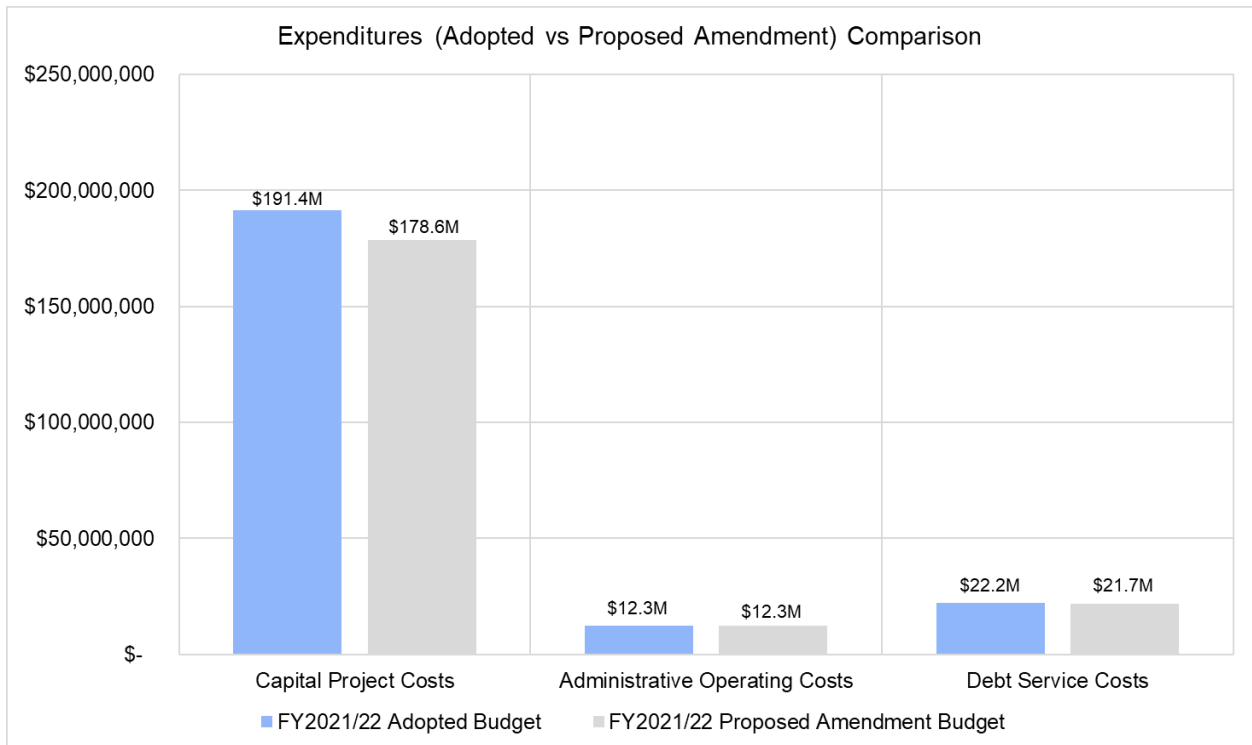
Attachment 4 Fiscal Year 2021/22 Budget Amendment Explanations

Other Revenues		
Adopted Budget	Proposed Budget Amendment	Variance
\$46,500	\$0	\$(46,500)

Other Revenues are expected to decrease by \$46,500, or 100%, as compared to the adopted budget. In FY 2021/22, we are no longer subleasing our office space.

TOTAL EXPENDITURES		
Adopted Budget	Proposed Budget Amendment	Variance
\$225,959,848	\$212,650,617	\$(13,309,231)

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



Attachment 4
Fiscal Year 2021/22 Budget Amendment Explanations

Capital Project Costs		
Adopted Budget	Proposed Budget Amendment	Variance
\$191,441,807	\$178,623,313	\$(12,818,494)

Capital Project Costs in FY 2021/22 are budgeted to decrease from the adopted FY 2021/22 budget by \$12.8 million, or 6.7%, which is primarily due to anticipated higher capital costs from the CMA program, as well as lower capital costs from the Sales Tax, TFCA, Prop AA, TNC Tax programs. Costs by Program Fund are detailed below.

Capital Project Costs - Sales Tax Program		
Adopted Budget	Proposed Budget Amendment	Variance
\$150,674,687	\$136,587,261	\$(14,087,426)

Capital Project Costs for the Sales Tax Program in FY 2021/22 are budgeted to decrease by \$14.1 million, or 9.3%, as compared to the adopted budget. This is primarily based on the cash flow amendments approved in Fall 2021 as part of the process to update the Prop K Strategic Plan. The main drivers of reductions in Capital Project Costs, totaling \$15.5 million, include reductions associated with the Breda Light Rail Vehicle Heating, Ventilation, and Air Conditioning Refurbishments; 16th Street Transit Enhancements Phase 2; 6th Street Pedestrian Safety; Caltrain Electrification; Upper Market Street Safety Improvements; and Radio Communications System & CAD Replacement. Additionally, this amended budget includes a partial de-obligation of funds for the Geary Bus Rapid Transit - Phase 2 design.

Also, in July 2021, through Resolution 22-04, the Board approved a Prop K appropriation of \$180,000 for the Capital Project Delivery Best Practices effort, all of which is included in this proposed FY 2021/22 budget amendment. This effort is intended to review current city experience/lessons learned and industry best practices for large scale/complex capital project delivery, oversight, and management to improve overall project delivery performance of transportation capital projects. In December 2021, through Resolution 22-20, the Board approved a Prop K appropriation of \$3.5 million for Downtown Rail Extension program oversight and technical support for the Federal Transit Administration project development process and for the 4th and King Railyards Preliminary Business Case process. Also in December 2021, through Resolution 22-17, the Board approved a Prop K appropriation of \$275,000 for the District 7 Ocean Avenue Mobility Action Plan project to prioritize and identify funding for previously identified transportation improvements, as well as new ideas to address the corridor’s key mobility issues. Lastly, there is an appropriation request pending before the Board for the Muni Metro Core Capacity Study - Project Support and Technical Oversight. These new efforts will increase Sales Tax Program Capital Projects Costs by \$764,188 in this fiscal year. The decrease in Sales Tax Program Capital Project Costs is also offset by \$469,904 related to Downtown Extension Rail Program Oversight and Project Development Support that was deferred from FY 2020/21 to FY 2021/22.

Attachment 4
Fiscal Year 2021/22 Budget Amendment Explanations

Capital Project Costs - Congestion Management Agency (CMA) Programs		
Adopted Budget	Proposed Budget Amendment	Variance
\$22,422,367	\$28,500,946	\$6,078,579

Capital Project Costs for CMA Programs in FY 2021/22 are budgeted to increase by \$6.1 million, or 27.1%, as compared to the adopted budget. This increase is mainly due to approximately \$6.4 million of construction activities related to the Southgate project that was deferred from FY 2020/21. The construction is on schedule and expected to be completed by June 2022 with some closeout costs in the following year. In addition, \$155,248 of transportation planning and outreach consultant services related to the San Francisco Transportation Plan was also deferred from FY 2020/21 to FY 2021/22. We also have increased and initiated new efforts during the year, including Golden Gate Park Equity Study, I-280 Northbound Geneva Avenue Off-Ramp Modification Feasibility Study, and District 6 Treasure Island Supplemental Transportation Study projects, which are funded by Prop K appropriations and increase CMA Capital Project Costs by \$273,550. In addition, we anticipate an increase of \$100,000 of CMA Capital Project Costs for the YBI Multi-Use Path project which would be funded by the Priority Conservation Area Program and Senate Bill 1 Local Partnership Program and \$150,000 for the YBI Hillcrest Road Widening Design project which would be funded by the Infill Infrastructure Grant Program.

This increase is also offset by a decrease of \$1.0 million in Capital Project Costs for the Torpedo Building Rehabilitation work of the Southgate project in FY 2021/22 has been deferred to the next fiscal year due to a shift in schedule as mentioned above.

Capital Project Costs - TFCA Program		
Adopted Budget	Proposed Budget Amendment	Variance
\$1,385,939	\$1,060,567	\$(325,372)

Capital Project Costs for the TFCA Program in FY 2021/22 are expected to decrease by \$325,372, or 23.5%, as compared to the adopted budget. The TFCA capital project costs include new FY 2021/22 projects that were 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. For FY 2021/22, we expect to see a decrease due to lower than expected expenditure for new projects that were approved in 2021, a higher share of spending in FY 2020/21 by SFMTA's Short-Term Bike Parking project, and slower than anticipated expenditures for an electric vehicle charger project that is delayed due to EVgo, the project sponsor, not being able to reach an agreement to implement chargers at the San Francisco Museum of Modern Art. A substitute charger location is being identified by EVgo.

Attachment 4
Fiscal Year 2021/22 Budget Amendment Explanations

Capital Project Costs - Prop AA Program		
Adopted Budget	Proposed Budget Amendment	Variance
\$11,162,165	\$8,953,445	\$(2,208,720)

Capital Project Costs for the Prop AA Program in FY 2021/22 are expected to decrease by \$2,208,720, or 19.8%, as compared to the adopted budget. The Prop AA capital project costs 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' (SFPW) Western Addition Pedestrian Lighting, Geary Boulevard Pavement Renovation, Richmond Residential Streets Pavement Renovation, and 23rd Street, Dolores Street, York Street, Hampshire Street Pavement Renovation projects, and SFMTA's Muni Metro Station Enhancements Phase 1 and L-Taraval Transit Enhancements (Segment B) project, which together account for more than 70% of the FY 2021/22 budget amount.

We expect to see a decrease in capital cost expenditures primarily due to the four SFPW projects and two SFMTA projects, noted above, that were delayed and are not expected to incur or request reimbursements in FY 2021/22 as we had initially anticipated. This effect is partially offset by a significant increase in anticipated expenditures for the Muni Metro Station Enhancements Phase 1 project, which is anticipated to be open for use by June 2022.

Capital Project Costs - TNC Tax Program		
Adopted Budget	Proposed Budget Amendment	Variance
\$4,005,686	\$1,700,000	\$(2,305,686)

Capital Project Costs for the TNC Tax Program in FY 2021/22 are expected to decrease by \$2.3 million, or 57.6%, as compared to the adopted budget. The funds have been allocated to SFMTA's Vision Zero Quick-Build Program and while the projects are progressing on-time, SFMTA has been billing to other local fund sources, including Prop B General Funds and Prop K, for early planning work and outreach.

Administrative Operating Costs - Non-Personnel Expenditures		
Adopted Budget	Proposed Budget Amendment	Variance
\$3,098,252	\$3,307,170	\$208,918

Attachment 4
Fiscal Year 2021/22 Budget Amendment Explanations

Non-Personnel Expenditures in FY 2021/22 are expected to increase by \$208,918, or 6.7%, as compared to the adopted budget. This increase is primarily due to increased project-related legal costs as well as increased costs related to computer network system upgrades.

OTHER FINANCING SOURCES (USES) - DRAW ON REVOLVING CREDIT AGREEMENT		
Adopted Budget	Proposed Budget Amendment	Variance
\$100,000,000	\$50,000,000	\$(50,000,000)

The estimated level of sales tax capital expenditures for FY 2021/22 may trigger the need to drawdown up to \$50 million from the Revolving Credit Agreement which is \$50 million less than what we had anticipated during the adoption of the budget. This decrease is partially due to a higher ending fund balance in FY 2020/21 and Sales Tax Program capital expenditures coming in \$14.1 million lower than anticipated in FY 2021/22. We will continue to monitor capital spending closely during the remainder of the 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.