



# Memorandum

## AGENDA ITEM 11

**DATE:** April 21, 2022  
**TO:** Transportation Authority Board  
**FROM:** Cynthia Fong - Deputy Director for Finance and Administration  
**SUBJECT:** 05/10/22 Board Meeting: Preliminary Fiscal Year 2022/23 Budget and Work Program

<p><b>RECOMMENDATION</b>    <input checked="" type="checkbox"/> Information    <input type="checkbox"/> Action</p> <p>None. This is an information item.</p> <p><b>SUMMARY</b></p> <p>The purpose of this memorandum is to present the preliminary Fiscal Year (FY) 2022/23 annual budget and work program and seek input. The proposed budget and work program will come back to the Board for adoption in June.</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 21-57) and Administrative Code (Ordinance 21-01), 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 preliminary FY 2022/23 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 preliminary work program for FY 2022/23. Attachment 2 displays the preliminary 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 2022/23 Budget and Work Program will be presented as a separate item to the TIMMA Committee and TIMMA Board at their respective May meetings.

**Revenues.** Total revenues are projected to be \$132.8 million and are budgeted to increase by an estimated \$4.8 million from the FY 2021/22 Amended Budget, or 3.8%. Sales tax revenues, net of interest earnings, are projected to be \$101.7 million or 76.5% of revenues. This is an increase of \$8.8 million compared to the budgeted sales tax revenues for FY 2021/22, reflecting a moderate economic recovery with the relaxation of pandemic restrictions and growth across multiple sectors including general retail, food/restaurant, and transportation. In addition, higher than anticipated, sustained inflation and rising fuel prices contribute to the increased revenue forecast. TNC tax revenues are projected to be \$7.8 million or 5.9% of revenues. This is an increase of \$1.9 million compared to the budgeted TNC tax revenues for FY 2021/22, reflecting a continuous recovery from the pandemic as the City reopens. Program revenues are projected to be \$18.0 million or 13.6% of revenues. This is a decrease of \$6.0 million compared to the budgeted program revenues for FY 2021/22, which is largely due to decreased federal and state funding 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. Construction activities for the Southgate Road Realignment Improvement Project are anticipated to be completed by Summer 2022.

**Expenditures.** Total expenditures are projected to be about \$204.0 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 \$166.8 million. Capital projects costs are 81.7% of total projected expenditures, with another 6.2% of expenditures budgeted for administrative operating costs, and 12.1% for debt service and interest costs. Capital project costs in FY 2022/23 are budgeted to decrease by \$11.8 million, or 6.6%, from the FY 2021/22 amended budget, which is primarily due to the decrease in CMA program capital expenditures related to the completion of construction activities for the Southgate Road Realignment Improvement Project.



Debt service costs of \$24.6 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 2017 Sales Tax Revenue Bond, and other costs associated with debt. We have a \$125 million Revolving Credit Loan Agreement 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 2022/23 preliminary budget includes anticipated drawdown from the Revolving Credit Loan Agreement. We had assumed a \$50 million drawdown in our FY 2021/22 amended budget. However, we do not anticipate the need for this drawdown by June 2022 due to updated information received on FY 2021/22 capital project costs related to SFMTA's Light Rail Vehicle procurement. The estimated level of sales tax capital expenditures for FY 2022/23 may trigger the need to drawdown up to \$75 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 the 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, Geary/19<sup>th</sup> Avenue Subway Strategic Case, and 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 \$84.7 million in total fund balances, as a result of the anticipated Revolving Credit Loan Agreement drawdown.

**Next Steps.** The preliminary FY 2022/23 budget will be presented for information to the Board at its May 10 meeting. The final proposed FY 2022/23 Annual Budget and Work Program will be presented to the Community Advisory Committee at its May 25 meeting and the Board at its June 7 and 28 meetings. A public hearing will precede consideration of the FY 2022/23 Annual Budget and Work Program at the June 7 Board meeting.

## **FINANCIAL IMPACT**

As described above.

## **CAC POSITION**

None. This is an information item that will be presented to the Community Advisory Committee at its April 27 meeting.



## **SUPPLEMENTAL MATERIALS**

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

## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

The Transportation Authority's Fiscal Year (FY) 2022/23 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 2022/23 Work Program will be presented to the TIMMA Board as a separate item and highlights are included 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 2022/23, we will continue to implement recommendations from the existing San Francisco Transportation Plan (SFTP, 2017), while completing the next update (SFTP 2050, 2022) 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 will complete a major update of the SFTP, to set a future transportation policy and investment blueprint for the city that coordinates with regional plans such as Plan Bay Area (PBA) 2050 and positions San Francisco's priorities for new state and federal funds. 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 continues to recover and evolve and we gain a better understanding of the permanency and impacts of pandemic-induced changes such as the increased prevalence of remote work. Most of the FY 2022/23 activities listed below are multi-divisional efforts, often led by the Planning or Capital Projects divisions in close coordination with the 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.** Despite the widespread availability of vaccines, easing of travel and other restrictions, and increased

## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

economic activity, transit ridership continues to be at historically low levels, with daily Muni boardings approximately one-half and BART boardings approximately one-third of pre-pandemic boardings. Traffic congestion, on the other hand, is almost at pre-pandemic levels and has been since November 2021. The Transportation Authority has continued 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 will seek to incorporate new 'Big Data' sources into our planning studies, publish real time Congestion Management Program system performance metrics and analyze key trip markets from our Household Travel Survey to inform mobility, climate and equity strategies. We will also 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.

- **Treasure Island Mobility Management Program and Autonomous Shuttle Pilot project.** The Transportation Authority Board also sits as the TIMMA Board. This year, we expect to bring the Base Toll and Discount Program before both the TIMMA and Transportation Authority Boards for adoption. In parallel, we are co-leading the District 6 Neighborhood Transportation Improvement Plan (NTIP) Planning Project, the Supplemental Transportation Study, with One Treasure Island to identify new services to meet on-off Island travel needs of low income residents and workers. One supplemental transportation service will launch this year as a pilot funded by a pair of federal and regional grants: an autonomous shuttle which will circulate on-Island. This pilot will involve local partnerships to incorporate workforce development in autonomous vehicle technology. Lastly, we will advance the operating plans for both the new, TIMMA-sponsored ferry and new east bay bus transit services scheduled to launch with the rest of the multimodal program in 2025.

#### **SFTP Implementation and Board Support**

- **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: District 5 (Octavia Improvement Study), District 6 (Treasure Island Supplemental Transportation Study), and District 7 (Ocean Avenue Task Force), and we anticipate supporting District 1 NTIP work on neighborhood commercial core traffic calming and connectivity; E-bike access; and developing a vision for regional transit connectivity, as well as District 4 Mobility Study NTIP implementation strategies.

## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

- **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. We anticipate completing this study in FY 2022/23, in parallel and in partnership with the San Francisco Unified School District, which is expected to issue a reworked school assignment policy in the same timeframe.

#### Long Range, Countywide, and Inter-Jurisdictional Planning

- **SFTP 2050 and ConnectSF.** The SFTP will result in a fiscally constrained transportation investment and policy blueprint for San Francisco through the year 2050, helping San Francisco advance towards our ambitious equity, greenhouse gas, safety, and other goals. We plan to present the SFTP 2050 to the Board for approval by the end of calendar year 2022, building on the Streets and Freeways Study, the Transit Corridors Study, and other ConnectSF work, as well as other plans and studies led by the Transportation Authority and others. We are conducting outreach this spring to hear input on potential tradeoffs among major investments and policy choices. The SFTP will detail two investment scenarios: one based on anticipated revenues through 2050 and a vision scenario which includes potential new revenue sources. Both the 2017 SFTP and the SFTP update have informed San Francisco's input into PBA 2050 which was adopted in October 2021. The SFTP was also central in shaping the 2022 Expenditure Plan for the half-cent transportation sales tax, which was approved by the Board in March 2022 and is under consideration to be placed on the November 2022 ballot.
- **Geary/19th Ave Subway Strategic Case.** The ConnectSF Transit Investment Strategy identifies a rail subway along the Geary and 19th Avenue corridors as a long-term transit expansion priority for San Francisco and the region. Planning and development of the Geary/19th Avenue Subway will be a multi-phase process, occurring over a period of years. This effort comprises the first phase of work, known as the Strategic Case. The purpose of the Strategic Case phase is to establish the worthiness of the project and help identify key strategy considerations and project risks that will need to be explored in further phases. The Transportation Authority will lead this effort in coordination with the SFMTA and SF Planning. It will be funded by a sales tax appropriation that has received initial approval by the Board in April 2022.
- **Bayview Caltrain Station Location Study.** We continue to work with SF Planning as they complete a feasibility assessment of San Francisco Caltrain station locations, including for a new station location in Bayview. We expect the project to forward two potential locations, at Evans Avenue and Oakdale Avenue, for further consideration. Subject to Board approval of a sales tax appropriation, we will launch a 12-month pre-environmental effort to identify a single preferred station location, in collaboration with the Bayview community. The station location study will include a Working Group, broad public outreach, and technical analyses as needed to support a final recommendation. We are also continuing to coordinate with the SF Planning and Caltrain to scope the environmental phase of work.
- **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, at pace with other

## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

regional and county agencies' activities on this front, as we continue advancement of concepts leading to environmental approvals for the northbound I-280 carpool lanes between 18th and 3rd streets (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 (described below under Deliver). Phase 1 completed Caltrans scoping steps this year. We anticipate completing the outreach and environmental processes for Phase 1 this upcoming fiscal year. Building on the Streets and Freeways Study recommendations, we will also continue to develop the US 101/I-280 corridor. 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 striping changes to the freeway system. We are also continuing to coordinate with regional agencies and advocate for San Francisco's priorities on the Metropolitan Transportation Commission (MTC) Express Lane Strategic Plan; the MTC's Next Generation Freeway Study; the Bay Area Infrastructure Financing Authority's I-880 Express Lanes START pilot; Caltrans District 4's Transit Priority Study; and US 101 corridor managed lanes plans with San Mateo and Santa Clara counties, given the need to address growing congestion in the freeway corridors serving San Francisco and to help prioritize Muni and regional bus service.

- **Brotherhood Way Active Transportation and Open Space Plan.** With support from a new Caltrans Sustainable Transportation Planning grant, this community-driven planning process will develop concepts and conceptual designs for active transportation improvements that connect new recreational opportunities and housing near Lake Merced to the City's core active transportation network and nearby regional transit along Brotherhood Way in southwest San Francisco. The Brotherhood Way Active Transportation and Open Space Plan is a recommendation from the Streets and Freeways Study. Concepts will reduce modal conflicts in an area with demonstrated safety challenges, maximize the usefulness of developer-funded bicycle and pedestrian improvements west of the study area, and encourage mode shift by improving sustainable transportation options. The study will also engage community stakeholders to consider road realignment options which could create an opportunity for the creative re-use of up to seven acres of land within an equity priority community with a documented deficiency of neighborhood open space.
- **Support Statewide and Regional Policy and 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 (CHSHRA) 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 Autonomous Vehicles and Transportation Network Companies (TNC, like Uber and Lyft) (including Senate Bill 1376 Access for All regulations); and MTC's efforts to implement the Blue Ribbon Transit Recovery Task Force's Transit Transformation Action Plan. We will also continue to coordinate with Bay Area Rapid Transit (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,



## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

which will also be dependent upon securing funding through future appropriations or discretionary grants:

- Community outreach and technical evaluation to adopt a preferred configuration for a near-term multimodal Candlestick Undercrossing, one of the near-term priorities of the 2013 Bi-County Study;
- A District 4 Microtransit Business Plan, a recommendation from the 2020 District 4 Mobility Study;
- A Vision Plan and funding strategy for local waterfront ferry service, in partnership with the Water Emergency Transit Agency (WETA) and Bayshore development areas; (Districts 10, 6, 3, 2);
- Vision Zero Ramps Phase 3, a recommendation from the Streets and Freeways Study, which would focus on safety at I-280 and US-101 on and off-ramps in the south and southeast parts of the city; and
- The Bayview Truck Safety and Circulation Plan, which would identify strategies to shift truck access to industrial areas in the southeast away from Third Street and other active transportation routes (District 10).

#### 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; Downtown Rail Extension; US 101/280 Managed Lanes and Express Bus Study; Treasure Island Mobility Management Program; Bayview Caltrain Station Location Study; and the Brotherhood Way Active Transportation and Open Space Plan. We will continuously improve and update SF-CHAMP (version 7), now a cloud-based application, and also share more analyses from our comprehensive Household Travel Demand survey that was completed in collaboration with MTC in 2020 and serves as the basis for our travel demand estimates work.
- **Congestion Management Program Update.** Every two years, we prepare an update to the San Francisco Congestion Management Program (CMP), which documents changes in multi-modal transportation system performance including average roadway speeds and reliability, transit reliability, and bicycle and pedestrian counts. We will support the evaluation of several initiatives including Van Ness Bus Rapid Transit (BRT) and High-Occupancy Vehicle (HOV) lanes on Park Presidio (Highway 1). We will lead CMP data collection efforts in spring 2023, and the CMP update will be completed in fall 2023. For the first time, the 2023 CMP update will include a fully interactive online version.
- **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.

## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

- **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 vehicle miles traveled (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 the 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 state and federal autonomous vehicle policies through monitoring of local deployments, providing input on guidelines development and other legislative efforts.
- **Model Enhancements.** We will release the latest version of the SF-CHAMP travel demand forecast model, which has been updated to incorporate the latest travel behavior survey data, including the availability of new mobility options such as TNCs. The updated model also includes new roadway network assignment assumptions that leverage our CMP roadway volume and speed data collection.

## FUND

The Transportation Authority was initially established to administer 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 TNC Tax program, the TFCA county program, and serving as CMA for San Francisco. We serve as a funding and financing strategist for San Francisco projects; advocate for discretionary funds and legislative changes to advance San Francisco 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 2022/23 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 and prioritizes projects for grant funding; and 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 2022/23 include recommending to MTC programming of One Bay Area Grant Cycle 3 funds covering FY 2022/23 through FY 2025/26 for San Francisco's priority projects (anticipating Board approval in September); and allocating the third year of TNC Tax funds for the SFMTA's Quick-Build Program and updating the TNC Tax program guidelines to program future funds.

**Senate Bill 1 (SB 1).** This coming fiscal year, we will work internally, with San Francisco project sponsors and MTC to identify strong candidates for the next funding cycles of SB 1 programs including the Local Partnership Program (LPP) Competitive and Formula programs and Solutions for Congested Corridors. After seeking Board approval of project priorities for the Transportation

## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

Authority's share of LPP formula funds (anticipated spring 2023), we will seek approval from the CTC and support allocation requests for projects recommended to receive FY 2023/24 programming. Applications for SB 1 competitive programs are due to CTC by late November 2022. We will provide input to CTC on revisions to program guidelines, and engage our Board and MTC Commissioners, including seeking guidance on prioritizing funds (e.g. through the MTC's Major Projects Advancement Policy for larger, regionally significant projects).

**Plan Bay Area (PBA) 2050 Implementation.** With the approval of PBA 2050 in October 2021, MTC and Association of Bay Area Governments (ABAG) are now focused on implementing the plan, supporting transportation project funding and delivery and seeking to advance the plan's transportation and housing policies and strategies. As CMA, we will coordinate San Francisco's input to efforts such as the Major Projects Advancement Policy and guidelines development for the county and regional programs in the One Bay Area Grant Cycle 3 program, as well as provide input to numerous regional efforts from MTC's piloting of more equitable toll policies, development of the Transit Oriented Communities policy, the Rail Partnership and Governance Assessment, the Next Generation Bay Area Freeways Study, and implementation of the Transit Transformation Plan. These efforts involve close coordination with San Francisco agencies, the Mayor's office, our representatives on ABAG 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 potential local transportation measures in upcoming election cycles, and are tracking and, as appropriate, participating in discussions regarding a potential regional transportation measure or measures exploring 2024. See below for reauthorization of the Prop K sales tax.

**Sales Tax Reauthorization - Transition Planning for the 2022 Transportation Expenditure Plan.** If approved by at least a  $\frac{2}{3}$  majority of San Francisco voters in the November 2022 election, the new sales tax expenditure plan would take effect April 1, 2023. We are working on a transition plan to help guide the implementation of the new measure including developing the schedule and approach to the first Strategic Plan and 5-Year Prioritization Programs, guidelines for new expenditure plan programs such as Equity Priority Transportation and Development Oriented Transportation programs, improved public engagement methodologies, and taking a lessons learned approach to help identify improvements to program administration so that we can hit the ground running if the new measure is approved.

**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, 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 transportation spending in the state budget and implementation of the Biden Administration's Infrastructure Investment and Jobs Act, as well as other state and federal policies that support San Francisco transportation projects, policies, and strategies (e.g. Vision Zero; greenhouse gas reduction including via electrification of Muni's fleet and related maintenance facility changes; improving major capital project delivery, securing additional revenues for San Francisco priorities, and emerging technology regulations).

## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

**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 and are proposed for inclusion in the Major Projects Advancement Policy (MAP) that is under development. Examples include: Caltrain Electrification, Downtown Rail Extension (DTX), and Better Market Street. We will help position San Francisco's projects and programs to receive funding from the federal Infrastructure Investment and Jobs Act, 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 spring 2022, MTC will be kicking off the program development for the regional programs under the One Bay Area Grant framework to distribute future federal Surface Transportation Program and Congestion Mitigation and Air Quality Improvement funding. In our role as a CMA and advisors to our MTC and ABAG representatives, we will provide input to regional program guidelines development and prioritization processes, 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 outstanding sales tax revenues bonds, as well as the revolving credit loan agreement. Our goals are to enable accelerated delivery of sales tax-funded capital projects compared to what is supportable on a pay-go basis, while minimizing financing costs so more funds remain available for projects. We will closely track cash balances and proactively work with project sponsors to identify upcoming reimbursements so that we can better forecast when we may need to drawdown on the \$125 million revolving credit loan agreement. We will come to the Board for approval to drawdown revolving credit loan funds when they are needed.

**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 (Prop K, Prop AA, and the TNC Tax). The initiative includes maintaining and enhancing [mystreetsf.sfcta.org](http://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 the Allocation Request Form and enhancements to grant administration functionality in the Portal including incorporating cash flow reimbursement schedules and amendments thereof and identifying grants 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 BRT, and facility upgrade projects; DTX; and Caltrain Modernization, including electrification as well as railyards planning coordination and oversight. 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

## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

Project, which typically are multi-jurisdictional in nature and often involve significant coordination with Caltrans. Key activities supporting project delivery for FY 2022/23 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 substantial completion in summer of 2022. Work on building mitigation efforts will continue through 2023.
- **YBI West Side Bridges.** We recently submitted the project for inclusion in MTC's Major-Capital Project Advancement Policy as part of efforts securing full funding, executing funding agreements, and completing final engineering in preparation for the award of the construction contract. The project is experiencing a six-month delay due to the challenges of securing remaining Caltrans funding and need to re-scope the project. We anticipate resuming the project by the end of FY 2021/22. We are also coordinating with bicycle/pedestrian path plans adjacent to the West Side Bridges project. See YBI Multi-Use Path below.

#### Transportation Authority - Lead Project Development:

- **Pennsylvania Avenue Extension (PAX).** Subject to approval by the Board of a planned sales tax allocation, we will initiate a Bridging Study in FY 2022/23 to further develop the Pennsylvania Avenue rail alignment. Building on our design concept study, the Bridging Study will prepare the project to be advanced into environmental review, and will include further technical comparison of project alternatives, development of operational analysis working with Caltrain and the California High Speed Rail Authority (CHSRA), and public and stakeholder engagement.
- **US 101/I-280 Managed Lanes and Express Bus Project.** We 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 above.
- **I-280/Ocean Avenue South Bound Off-Ramp Realignment and Geneva Avenue North Bound Ramp Optimization.** We will continue to advance I-280 Interchange modifications at Balboa Park including furthering design work for the southbound off-ramp at Ocean Avenue and early planning for northbound off-ramp and signal timing improvements at Geneva Avenue. We will also finalize our Geneva Avenue North Bound Ramp Study and work on follow-ups with Caltrans, SFMTA and community groups, as guided by the Board.
- **YBI Multi-Use 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 preliminary engineering and environmental phase work for the YBI multi-use path segment connecting the western side of the island from the San Francisco-Oakland Bay Bridge (SFOBB) East Span YBI viewing area down to the future Treasure Island Ferry Terminal and providing an

## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

ultimate connection point to the planned BATA-led SFOBB West Span Skyway Path. A key element of this effort will be to conduct outreach and develop the Comprehensive Multimodal Corridor Plan required for the Solutions for Congested Corridors grant application. MTC will submit this application as well as applications for Active Transportation Program (ATP) and LPP-Competitive grants, with the Transportation Authority and TIMMA's support.

- **Hillcrest Road Widening.** We will begin the design phase for the roadway widening project between Forest Road and the I-80 Portal crossing on the west side of YBI. The project will widen the narrow Hillcrest Road, which lacks sidewalks and bike paths, up to San Francisco Public Works (SFPW) standards and install safety features. The project will be closely coordinated with the adjacent YBI Multi-Use Path and connected West Side Bridges (see prior entries for both of these projects). The project is funded by a \$30 million Infill Infrastructure Grant awarded to TIDA.
- **Quint Street.** We will continue to work with SFPW and the 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 2022. This acquisition will allow us to begin the design phase of the project, subject to funding availability.
- **Presidio Parkway.** We will complete an informational case study showcasing the Public Private Partnership delivery of Phase 2 in comparison to traditional Design Bid Build 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:

- **California High-Speed Rail Program and Peninsula Corridor Investment Program.** We coordinate with the CHSRA and City agencies on high-speed rail issues affecting the City, and work with Caltrain, MTC, the Mayor's Office, and Peninsula and regional stakeholders to monitor and support delivery of investments in the Peninsula Rail corridor, including the Caltrain electrification project. This year we will continue to work closely with aforementioned stakeholders to support delivery of the blended Caltrain/High Speed Rail system in the Peninsula corridor that will extend to the new Salesforce Transit Center, including leading critical Configuration Management Board efforts. We also continued to support 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 Transbay Joint Powers Authority (TJPA) Board as an alternate. We will work closely with our MOU partners to meet the requirements of the Federal Transit Administration (FTA) Project Development phase and the MOU work plan, including our work to lead or co-lead the project's funding plan, delivery strategy, governance review, demand forecasting, and benefits analysis. We will also provide program oversight as TJPA advances the project's preliminary design, capital cost estimate, and risk assessment.

## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

- **4th and King Railyards and 22<sup>nd</sup> Street ADA Access Study.** We will continue to support planning and project development for the Caltrain northern terminus railyards site at 4<sup>th</sup> and King streets through our participation in the Railyards MOU Working Group and the Preliminary Business Case process for the site being led by Caltrain and the site owner. We also will work with Caltrain to advance further work on accessibility improvements at the existing 22<sup>nd</sup> Street Caltrain Station, building on the findings of Caltrain's 22<sup>nd</sup> Street ADA Access Study.
- **Muni Metro Program Development.** We will provide enhanced oversight and planning/program development support to SFMTA in advancing its program of needed investments in the Muni Metro system, including state-of-good-repair and capacity expansion improvements. This includes the SFMTA-led Muni Metro Core Capacity Study, which will develop a program of investment to be put forward for FTA Core Capacity grant funds. We will also support development of the Muni Metro train control upgrade and the broader 10-year subway renewal program.
- **Geary and Van Ness Avenue Bus Rapid Transits (BRT).** 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 Transit Corridor Study recommendations for the Geary/19th Ave subway.
- **Better Market Street.** We will conduct oversight on City agencies' project delivery plans to minimize disruption to businesses during construction and reduce cost, as well as transit and cycling. 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 support to management of project scope, schedule, and budget. We will work closely with SFMTA and other partners as the project moves from construction and commissioning into revenue service.
- **Capital Projects Delivery Reform.** Advance project delivery reform best practices (lessons learned) analysis, including ongoing coordination with City stakeholders and industry experts. We anticipate bringing forward recommendations for this to the Board in early FY 2022/23.

## 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, budgeting, 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, and communications) as listed below.

**Board Operations and Support.** Staff Board meetings including standing and ad hoc committees.

## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

**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 below growth goals for various platforms (estimates are based in part on past performance trends).

- Instagram: Grow following by 50%
- LinkedIn: Grow following by 10%
- Website: Increase unique website hits by 10%
- Facebook: Grow following by 5%
- Twitter: Grow following by 4%
- Messenger: Grow subscriber list by 3%

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

- Refine outreach and communications techniques by incorporating the latest engagement techniques for the general public, with a focus on racial equity and seeking to engage Equity Priority Communities.
- 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 the anticipated Southgate Road Realignment opening and Central Subway opening

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

**Budget, Reports, and Financial Statements.** Develop and administer agency budget funds, including performance monitoring, internal program, and project tracking. Monitor internal controls and prepare reports and financial statements. We will also analyze results of our planned salary survey and long-term personnel and office lease costs, to inform and prepare for administration and budget needs in the coming years.

**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.



## Attachment 1

### Preliminary Fiscal Year 2022/2023 Annual Work Program

**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.** Continue to 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, the Racial Equity Working Group is focused on completing elements of its Racial Equity Action Plan related to retention and promotion. This work involves gathering data and identifying solutions to address any disparities by race/ethnicity and salaries. The Racial Equity Working Group will also be focused on elements related to professional development and formalizing staff policies.

**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 will complete the recruitments for the Deputy Director for Capital Projects, Senior Communications Manager, Program Analyst, and Transportation Planner.

**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.



**Preliminary 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	<b>Budget Annual Fiscal Year 2022/23</b>
<b>Revenues:</b>							
Sales Tax Revenues	\$ 101,701,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,701,000
Vehicle Registration Fee	-	-	-	4,834,049	-	-	4,834,049
Traffic Congestion Mitigation Tax	-	-	-	-	-	7,815,500	7,815,500
Interest Income	302,006	-	774	760	-	71,030	374,570
Program Revenues	-	6,582,268	690,700	-	10,765,798	-	18,038,766
Other Revenues	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>102,003,006</b>	<b>6,582,268</b>	<b>691,474</b>	<b>4,834,809</b>	<b>10,765,798</b>	<b>7,886,530</b>	<b>132,763,885</b>
<b>Expenditures</b>							
Capital Project Costs	137,816,845	7,616,109	760,852	7,859,747	9,315,408	3,405,686	166,774,647
Administrative Operating Costs	6,868,213	3,584,630	43,384	246,117	1,701,071	137,825	12,581,240
Debt Service Costs	24,629,505	-	-	-	-	-	24,629,505
<b>Total Expenditures</b>	<b>169,314,563</b>	<b>11,200,739</b>	<b>804,236</b>	<b>8,105,864</b>	<b>11,016,479</b>	<b>3,543,511</b>	<b>203,985,392</b>
<b>Other Financing Sources (Uses):</b>	<b>70,130,848</b>	<b>4,618,471</b>	<b>-</b>	<b>-</b>	<b>250,681</b>	<b>-</b>	<b>75,000,000</b>
<b>Net change in Fund Balance</b>	<b>\$ 2,819,291</b>	<b>\$ -</b>	<b>\$ (112,762)</b>	<b>\$ (3,271,055)</b>	<b>\$ -</b>	<b>\$ 4,343,019</b>	<b>\$ 3,778,493</b>
Budgetary Fund Balance, as of July 1	\$ 26,004,031	\$ -	\$ 348,184	\$ 10,474,442	\$ -	\$ 9,408,371	\$ 46,235,028
Budgetary Fund Balance, as of June 30	<u>\$ 28,823,322</u>	<u>\$ -</u>	<u>\$ 235,422</u>	<u>\$ 7,203,387</u>	<u>\$ -</u>	<u>\$ 13,751,390</u>	<u>\$ 50,013,521</u>



**San Francisco  
County Transportation  
Authority**

**Attachment 3  
Preliminary Fiscal Year 2022/23 Budget Annual  
Comparison of Revenues and Expenditures**

Category	Fiscal Year 2020/21 Actual	Fiscal Year 2021/22 Amended Budget	Preliminary Fiscal Year 2022/23 Budget Annual	Variance from Fiscal Year 2021/22 Amended Budget	% Variance
Sales Tax Revenues	\$ 86,530,445	\$ 92,879,800	<b>\$ 101,701,000</b>	\$ 8,821,200	9.5%
Vehicle Registration Fee	5,513,643	4,834,049	<b>4,834,049</b>	-	0.0%
Traffic Congestion Mitigation Tax	5,625,880	5,880,000	<b>7,815,500</b>	1,935,500	32.9%
Interest Income	19,960	324,761	<b>374,570</b>	49,809	15.3%
Program Revenues					
Federal	6,868,989	10,290,316	<b>7,632,364</b>	(2,657,952)	-25.8%
State	125,865	5,066,932	<b>3,779,538</b>	(1,287,394)	-25.4%
Regional and other	4,792,608	8,647,921	<b>6,626,864</b>	(2,021,057)	-23.4%
<b>Total Revenues</b>	<b>109,512,718</b>	<b>127,923,779</b>	<b>132,763,885</b>	<b>4,840,106</b>	<b>3.8%</b>
Capital Project Costs	105,080,558	178,623,313	<b>166,774,647</b>	(11,848,666)	-6.6%
Administrative Operating Costs					
Personnel expenditures	7,087,755	8,997,784	<b>9,348,335</b>	350,551	3.9%
Non-Personnel expenditures	2,556,765	3,307,170	<b>3,232,905</b>	(74,265)	-2.2%
Debt Service Costs	21,681,509	21,722,350	<b>24,629,505</b>	2,907,155	13.4%
<b>Total Expenditures</b>	<b>136,406,587</b>	<b>212,650,617</b>	<b>203,985,392</b>	<b>(8,665,225)</b>	<b>-4.1%</b>
<b>Other Financing Sources (Uses)</b>	<b>-</b>	<b>50,000,000</b>	<b>75,000,000</b>	<b>25,000,000</b>	<b>50.0%</b>
<b>Net change in Fund Balance</b>	<b>\$ (26,893,869)</b>	<b>\$ (34,726,838)</b>	<b>\$ 3,778,493</b>	<b>\$ 38,505,331</b>	<b>-110.9%</b>
<b>Budgetary Fund Balance, as of July 1</b>	<b>\$ 107,855,735</b>	<b>\$ 80,961,866</b>	<b>\$ 80,961,866</b>		
<b>Budgetary Fund Balance, as of June 30</b>	<b>\$ 80,961,866</b>	<b>\$ 46,235,028</b>	<b>\$ 84,740,359</b>		



	<b>Preliminary Budget Annual by Fund</b>						<b>Preliminary Fiscal Year 2022/23 Budget Annual</b>
	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	
<b>Revenues:</b>							
Sales Tax Revenues	\$ 101,701,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,701,000
Vehicle Registration Fee	-	-	-	4,834,049	-	-	4,834,049
Traffic Congestion Mitigation Tax	-	-	-	-	-	7,815,500	7,815,500
Interest Income	302,006	-	774	760	-	71,030	374,570
<b>Program Revenues</b>							
Federal							
Advanced Transportation and Congestion Management Technologies Deployment	-	-	-	-	3,729,957	-	3,729,957
Ferry Boat Discretionary Funds - Treasure Island Ferry Terminal	-	-	-	-	1,460,000	-	1,460,000
Innovative Deployments to Enhance Arterials Shared Automated Vehicle	-	-	-	-	464,885	-	464,885
Highway Bridge Program - I-80/Yerba Buena Island (YBI) Interchange Improvement	-	-	-	-	-	-	-
Priority Conservation Area Program - YBI Multi-Use Pathway	-	862,202	-	-	-	-	862,202
Surface Transportation Program 3% Revenue and Augmentation	-	1,115,320	-	-	-	-	1,115,320
State							
Affordable Housing and Sustainable Communities - Treasure Island Ferry Terminal	-	-	-	-	365,000	-	365,000
Affordable Housing and Sustainable Communities - East Bay Bus Exchange	-	-	-	-	1,013,283	-	1,013,283
Planning, Programming & Monitoring SB45 Funds	-	290,000	-	-	-	-	290,000
Infill Infrastructure Grant Program - Hillcrest Road Widening Project	-	1,292,692	-	-	-	-	1,292,692
Senate Bill 1 Local Partnership Program - I-280 SB Ocean Ave Off-Ramp Realignment Project	-	514,586	-	-	-	-	514,586
Senate Bill 1 Local Partnership Program - YBI Multi-Use Pathway Project	-	111,707	-	-	-	-	111,707
Sustainable Communities - School Access Plan	-	36,580	-	-	-	-	36,580
Sustainable Transportation - Brotherhood Active Transportation and Open Space Plan	-	155,690	-	-	-	-	155,690
Regional and other							
BATA - I-80/YBI Interchange Improvement	-	2,078,970	-	-	-	-	2,078,970
SFMTA - School Access Plan	-	9,521	-	-	-	-	9,521
SF Planning - Transportation Demand Management Program	-	40,000	-	-	-	-	40,000
SFMTA - Travel Demand Modeling Assistance	-	75,000	-	-	-	-	75,000
Treasure Island Community Development LLC (TICD) - Exhibit N Shuttle Exchange	-	-	-	-	1,857,673	-	1,857,673
TICD - Ferry Exchange	-	-	-	-	1,875,000	-	1,875,000
Vehicle Registration Fee Revenues (TFCA)	-	-	690,700	-	-	-	690,700
<b>Total Revenues</b>	<b>\$ 102,003,006</b>	<b>\$ 6,582,268</b>	<b>\$ 691,474</b>	<b>\$ 4,834,809</b>	<b>\$ 10,765,798</b>	<b>\$ 7,886,530</b>	<b>\$ 132,763,885</b>

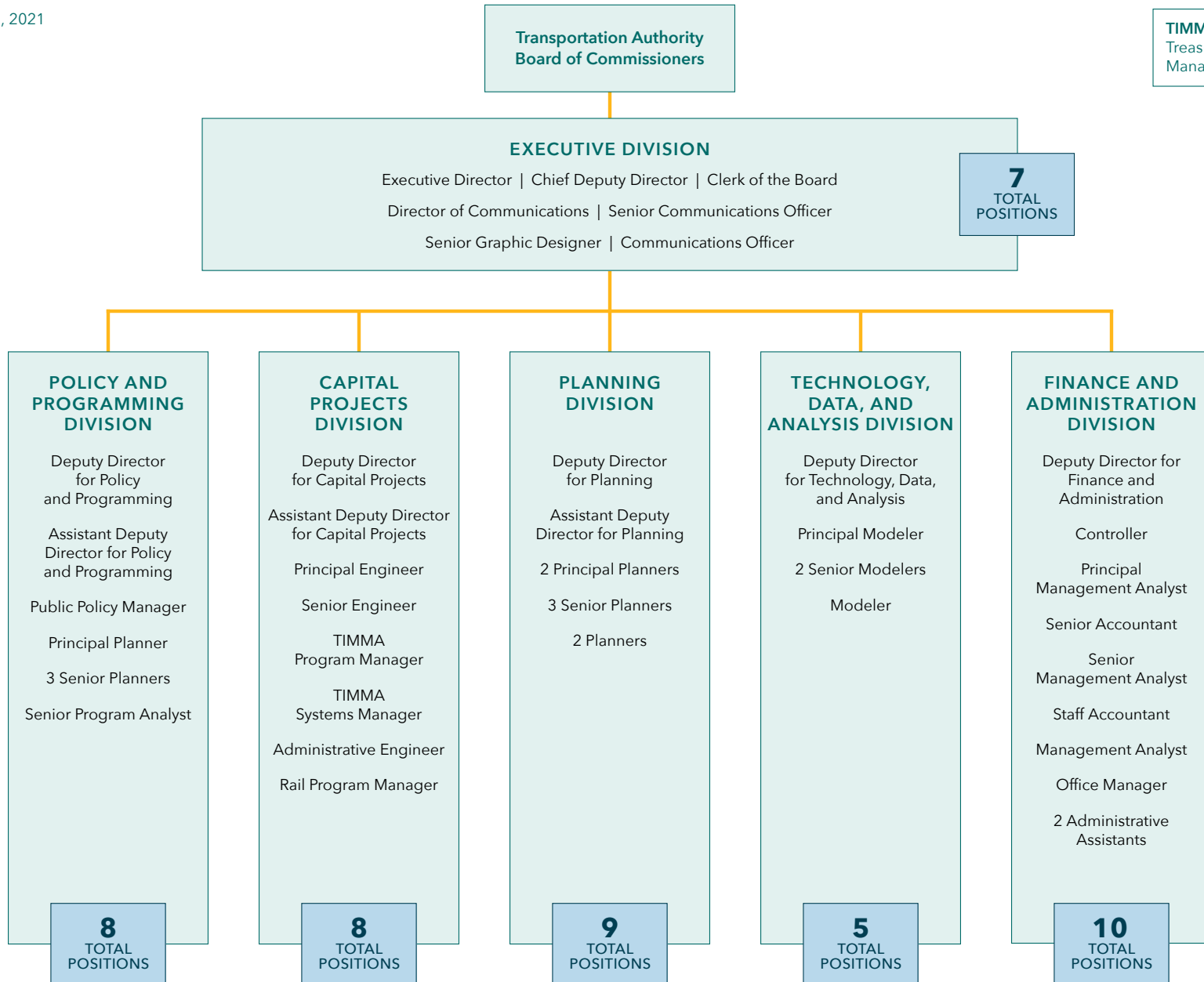


	<b>Preliminary Budget Annual by Fund</b>						<b>Preliminary Fiscal Year 2022/23 Budget Annual</b>
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
<b>Expenditures:</b>							
Capital Project Costs							
Individual Project Grants, Programs & Initiatives	\$ 135,000,000	\$ -	\$ 760,852	\$ 7,859,747	\$ -	\$ 3,305,686	\$ 146,926,285
Technical Professional Services	2,816,845	7,616,109	-	-	9,315,408	100,000	19,848,362
Administrative Operating Costs							
Personnel Expenditures							
Salaries	2,407,942	2,400,958	29,058	164,847	1,009,626	88,965	6,101,396
Fringe Benefits	1,187,114	1,183,672	14,326	81,270	497,745	43,860	3,007,987
Pay for Performance	238,952	-	-	-	-	-	238,952
Non-personnel Expenditures							
Administrative Operations	2,869,205	-	-	-	187,500	5,000	3,061,705
Equipment, Furniture & Fixtures	105,000	-	-	-	-	-	105,000
Commissioner-Related Expenses	60,000	-	-	-	6,200	-	66,200
Debt Service Costs							
Fiscal Charges	120,000	-	-	-	-	-	120,000
Interest Expenses	10,384,505	-	-	-	-	-	10,384,505
Bond Principal Payment	14,125,000	-	-	-	-	-	14,125,000
<b>Total Expenditures</b>	<b>\$ 169,314,563</b>	<b>\$ 11,200,739</b>	<b>\$ 804,236</b>	<b>\$ 8,105,864</b>	<b>\$ 11,016,479</b>	<b>\$ 3,543,511</b>	<b>\$ 203,985,392</b>
<b>Other Financing Sources (Uses):</b>							
Transfers in - Prop K Match to Grant Funding	-	4,618,471	-	-	250,681	-	4,869,152
Transfers out - Prop K Match to Grant Funding	(4,869,152)	-	-	-	-	-	(4,869,152)
Draw on Revolving Credit Agreement	75,000,000	-	-	-	-	-	75,000,000
<b>Total Other Financing Sources (Uses)</b>	<b>70,130,848</b>	<b>4,618,471</b>	<b>-</b>	<b>-</b>	<b>250,681</b>	<b>-</b>	<b>75,000,000</b>
<b>Net change in Fund Balance</b>	<b>\$ 2,819,291</b>	<b>\$ -</b>	<b>\$ (112,762)</b>	<b>\$ (3,271,055)</b>	<b>\$ -</b>	<b>\$ 4,343,019</b>	<b>\$ 3,778,493</b>
Budgetary Fund Balance, as of July 1	\$ 26,004,031	\$ -	\$ 348,184	\$ 10,474,442	\$ -	\$ 9,408,371	\$ 46,235,028
<b>Budgetary Fund Balance, as of June 30</b>	<b>\$ 28,823,322</b>	<b>\$ -</b>	<b>\$ 235,422</b>	<b>\$ 7,203,387</b>	<b>\$ -</b>	<b>\$ 13,751,390</b>	<b>\$ 50,013,521</b>
Fund Reserved for Program and Operating Contingency	<b>\$ 10,170,100</b>	<b>\$ -</b>	<b>\$ 69,070</b>	<b>\$ 483,405</b>	<b>\$ -</b>	<b>\$ 781,550</b>	<b>\$ 11,504,125</b>



Revised April 21, 2021

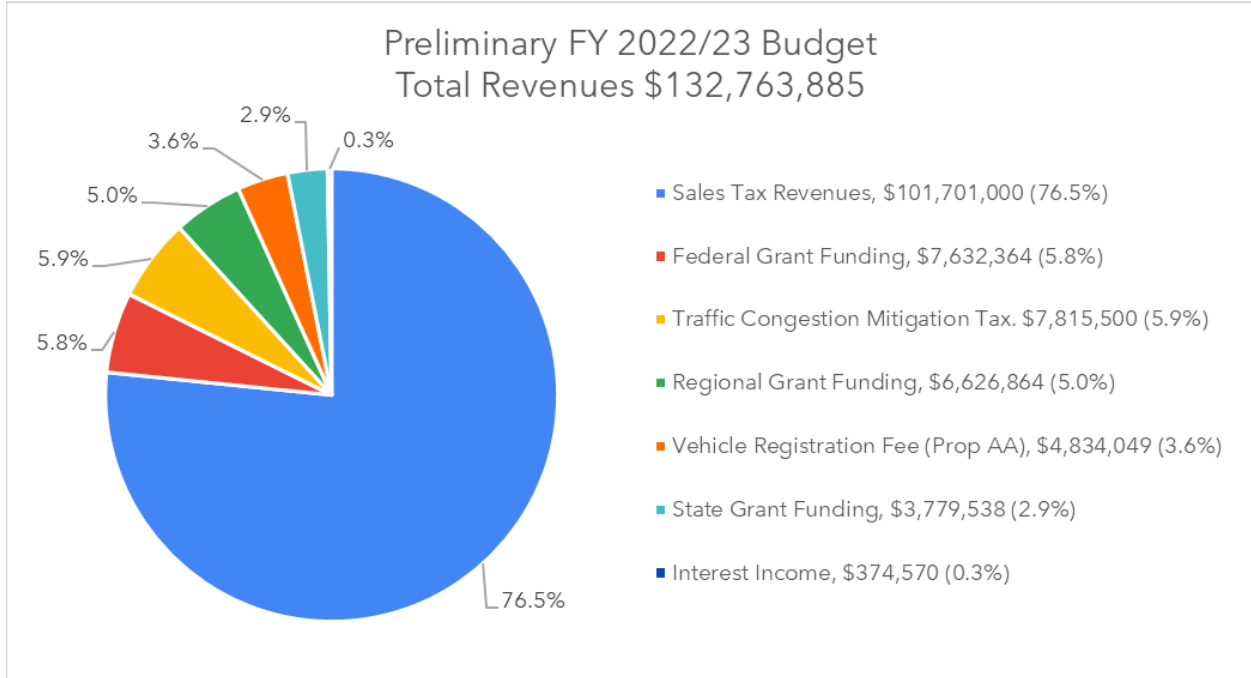
**TIMMA:**  
Treasure Island Mobility  
Management Agency



**Attachment 6**  
Line Item Descriptions

**TOTAL PROJECTED REVENUES..... \$132,763,885**

The following chart shows the composition of revenues for the preliminary FY 2022/23 budget.



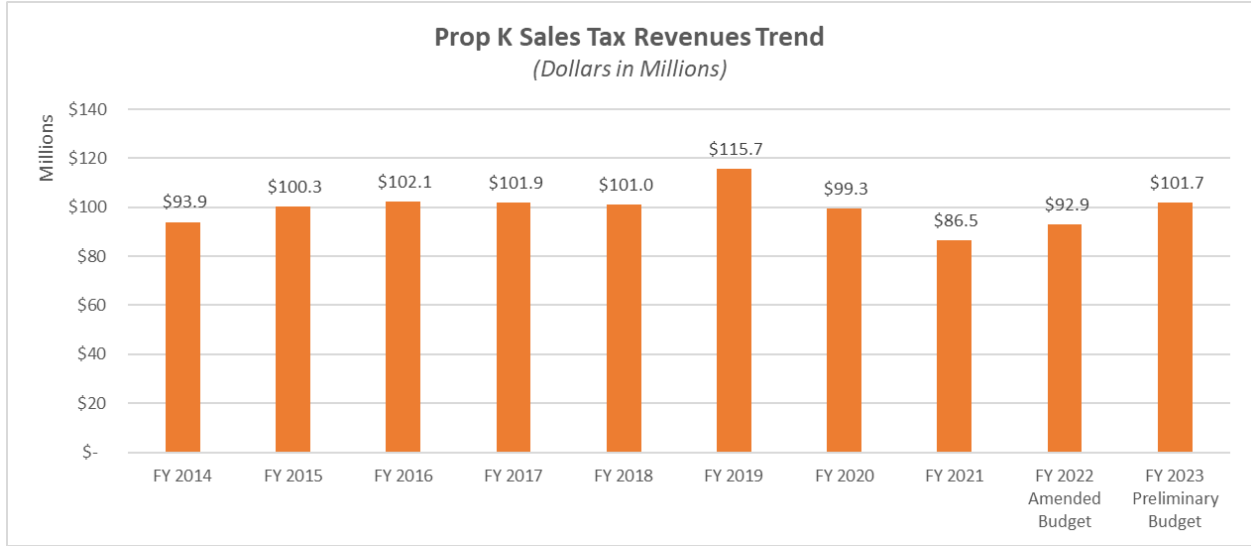
**Prop K Sales Tax Revenues: .....\$101,701,000**

On November 4, 2003, San Francisco voters approved Proposition K (Prop K), the imposition of a retail transactions and use tax of one-half of 1% in the City and County of San Francisco to fund 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 pandemic restrictions are relaxing, sales tax revenues across multiple sectors including general retail, food/restaurant, and transportation continue to recover at moderate levels, although not quite to pre-pandemic levels yet. In addition, higher than anticipated, sustained inflation and rising fuel prices contribute to the increased revenue forecast. We project FY 2022/23 sales tax revenues to increase compared to the amended budget revenues for FY 2021/22 by 9.5%, or \$8.8 million. The increase in sales tax revenues is a result of pandemic recovery and reduced health order restrictions. We 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.

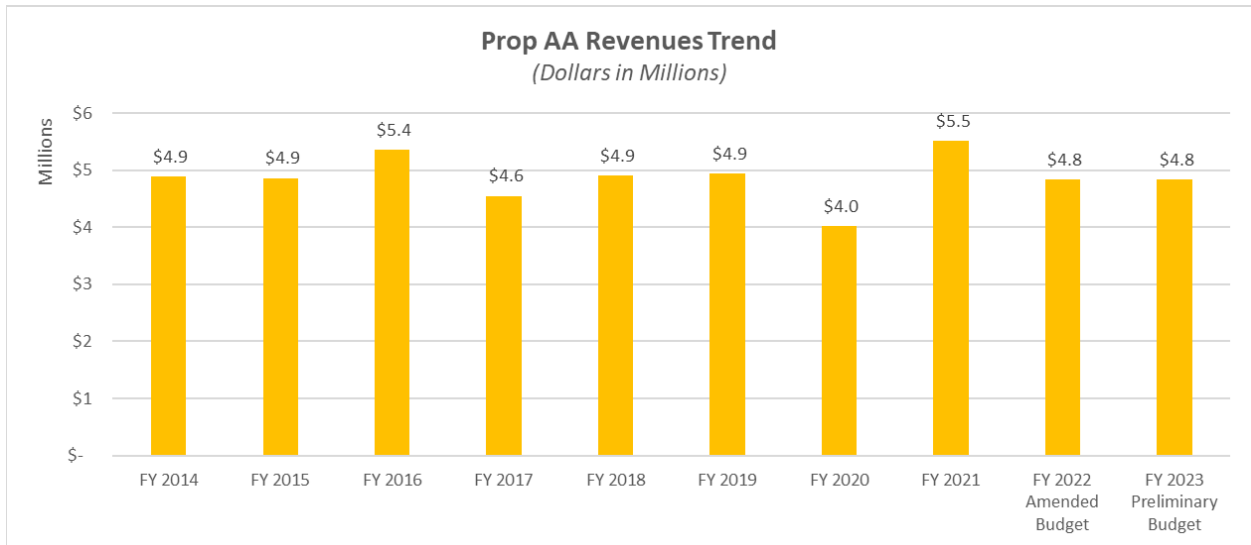


### Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Revenues...\$4,834,049

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 2021/22 revenues to date, we project FY 2022/23 Prop AA revenues to be in line with pre-pandemic levels. This amount is net of the Department of Motor Vehicles' charges for the collection of these fees.

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





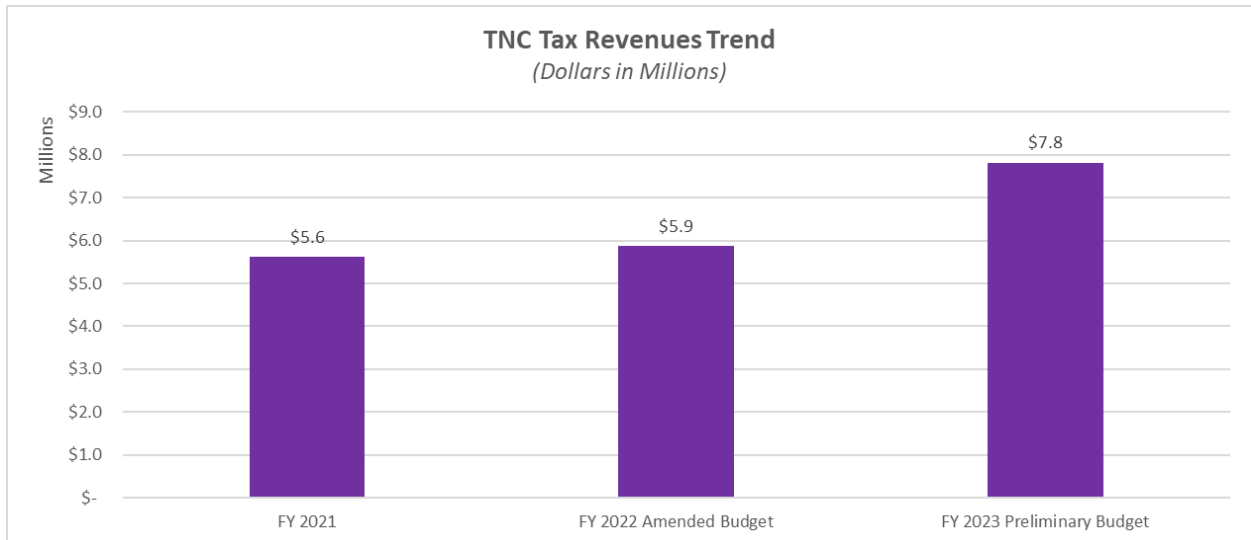
## Attachment 6 Line Item Descriptions

**Traffic Congestion Mitigation Tax (TNC Tax) Revenues:..... \$7,815,500**

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

Based on continuous discussions and coordination with the City’s Controller’s Office and the SFMTA, we anticipate TNC Tax revenues for FY 2022/23 to increase by 32.9%, or \$1.9 million, which is due to the relaxation of COVID pandemic protocols and increased mobility and activity. While revenues are rebounding as we recover from the pandemic, they continue to be affected by changes in travel demand brought on by the pandemic.

The chart below reflects the one-year historical and two-year budgeted receipts for TNC Tax revenues



Note: FY 2020/21 TNC Tax Revenues includes \$2.5 million covering January to June 2020 that was received in October 2020.

**Interest Income:..... \$374,570**

Most of our investable assets are deposited in the City’s Treasury Pool. The level of our deposits held in the pool during the year depends on the volume and level 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. The FY 2022/23 budget for interest income shows a \$49,809 or 15.3% increase as compared to FY 2021/22 which is mainly due to the increase in bank balance for the TNC Tax program thus more interest earned on the deposits with the anticipated capital expenditures for project sponsors’ projects and programs in FY 2022/23.

**Attachment 6**  
Line Item Descriptions

**Congestion Management Agency (CMA) Programs Federal, State and Regional Grant**  
**Revenues:.....\$6,582,268**

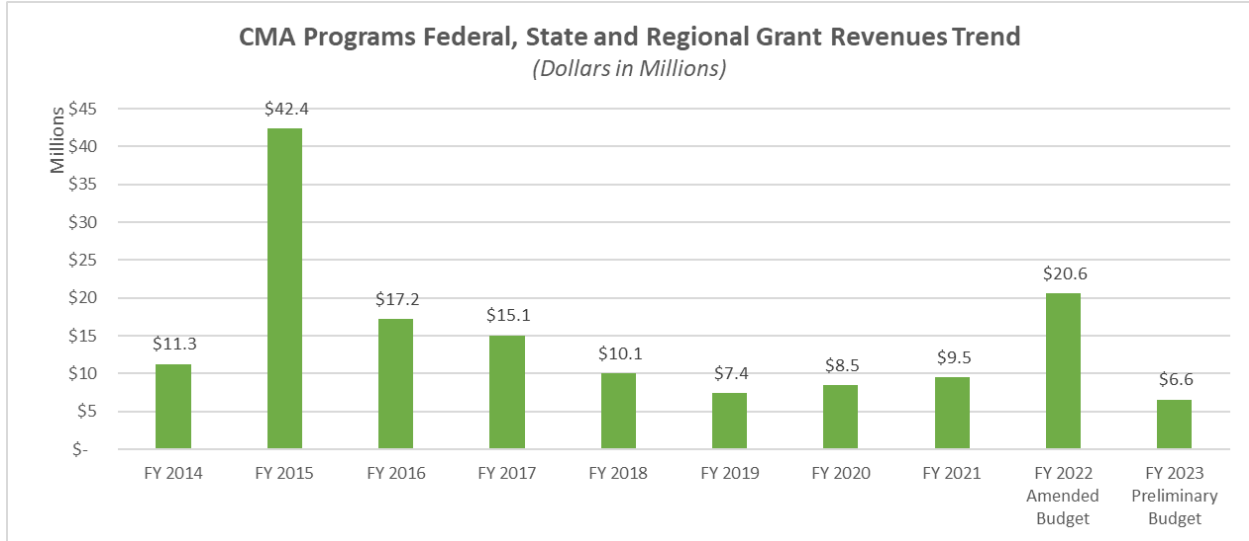
The Transportation Authority is designated under state law as the CMA for the City. Responsibilities resulting from this designation include developing a Congestion Management Program, which provides evidence of the integration of land use, transportation programming, and air quality goals; preparing 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 2022/23 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 Yerba Buena Island (YBI) Hillcrest Road Widening Project, YBI Multi-Use Pathway Project, and I-280 Southbound Ocean Avenue Off-Ramp Realignment Project. 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 and the Congestion Management Program. 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 2022/23 budget includes \$4.4 million from federal and state funding, a \$3.9 million decrease as compared to FY 2021/22, largely due to expected depletion and decreased use of federal and state funding for construction phase activities for the I-80/YBI Southgate Road Realignment project and design phase activities for the YBI West Side Bridges project (collectively known as YBI Project). Construction activities for the Southgate Road Realignment project are anticipated to be completed by Summer 2022. The budget also includes \$2.2 million from regional funding, a \$2.0 million decrease as compared to FY 2021/22 largely due to expected depletion and decreased use of regional funding for the YBI Project from the Bay Area Toll Authority and the Treasure Island Development Authority.

## 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:..... \$690,700**

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 2022/23 TFCA revenues are expected to increase compared to the new revenues included in FY 2022/23 by 2.7% or \$17,992. Budgeted revenues are based on a funding estimate for calendar year 2021 provided by the Bay Area Air Quality Management District, which administers these revenues.

**Treasure Island Mobility Management Agency (TIMMA) Program Revenues:..... \$10,765,798**

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 San Francisco 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.

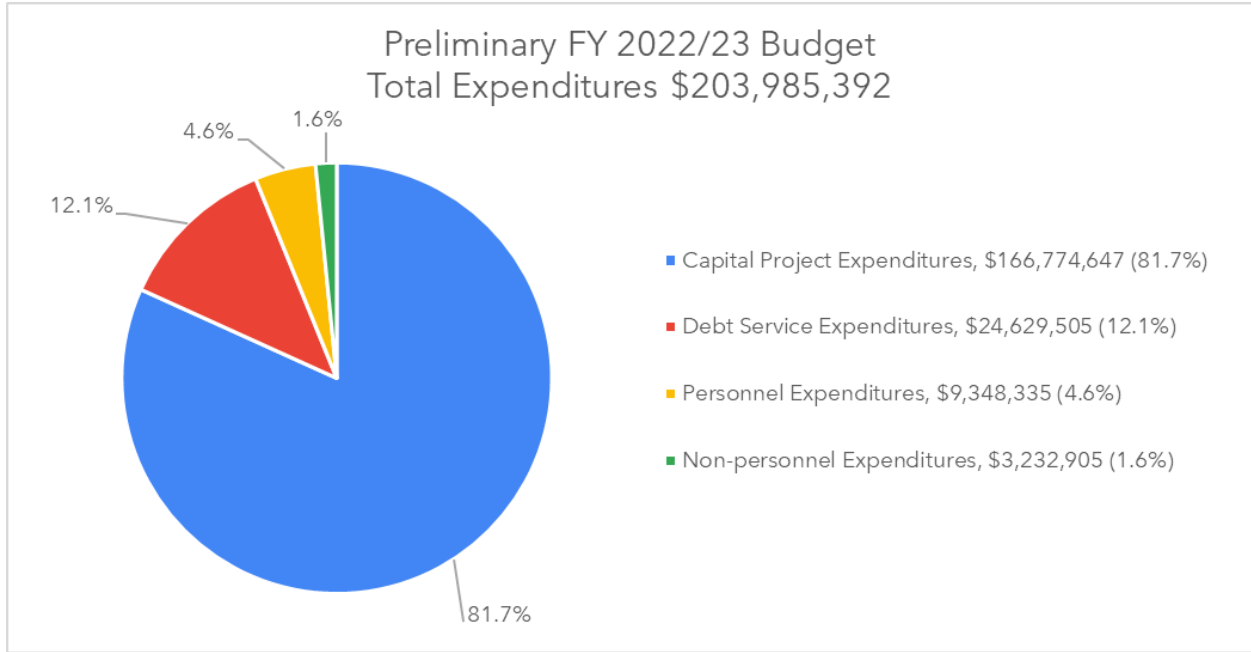
The TIMMA FY 2022/23 revenues will be presented as a separate item to the TIMMA Committee and TIMMA Board at its respective May meetings.

**Attachment 6**  
Line Item Descriptions

**TOTAL PROJECTED EXPENDITURES..... \$203,985,392**

Total Expenditures projected for the budget year are comprised of Capital Expenditures of \$166.8 million, Administrative Operating Expenditures of \$12.6 million, and Debt Service Expenditures of \$24.6 million.

The following chart shows the composition of expenditures for the preliminary FY 2022/23 budget.



**CAPITAL EXPENDITURES..... \$166,774,647**

Capital expenditures in FY 2022/23 are budgeted to decrease from the FY 2021/22 amended budget by an estimated 6.6%, or \$11.8 million, which is primarily due to anticipated lower capital expenditures for the CMA Programs. Expenditures by Program Fund are detailed below.

**Sales Tax Program Expenditures:..... \$137,816,845**

The estimate of sales tax capital expenditures reflects the ongoing coordination with project sponsors to keep up-to-date project reimbursement schedules for the existing allocations with large remaining balances as well as the expected timing for allocations of programmed but unallocated funds. Some of the main drivers of Prop K capital expenditures for FY 2022/23 are SFMTA’s Light Rail Vehicle (LRV) procurement (\$27.4 million), Motor Coach procurement (\$13.2 million), Paratransit program (\$11.9 million), Muni Guideways projects (\$8.7 million), Muni Facility projects (\$7.9 million), Van Ness Bus Rapid Transit (\$6.7 million), Better Market Street (\$5.2 million), and Caltrain Electrification including vehicles (\$2 million).

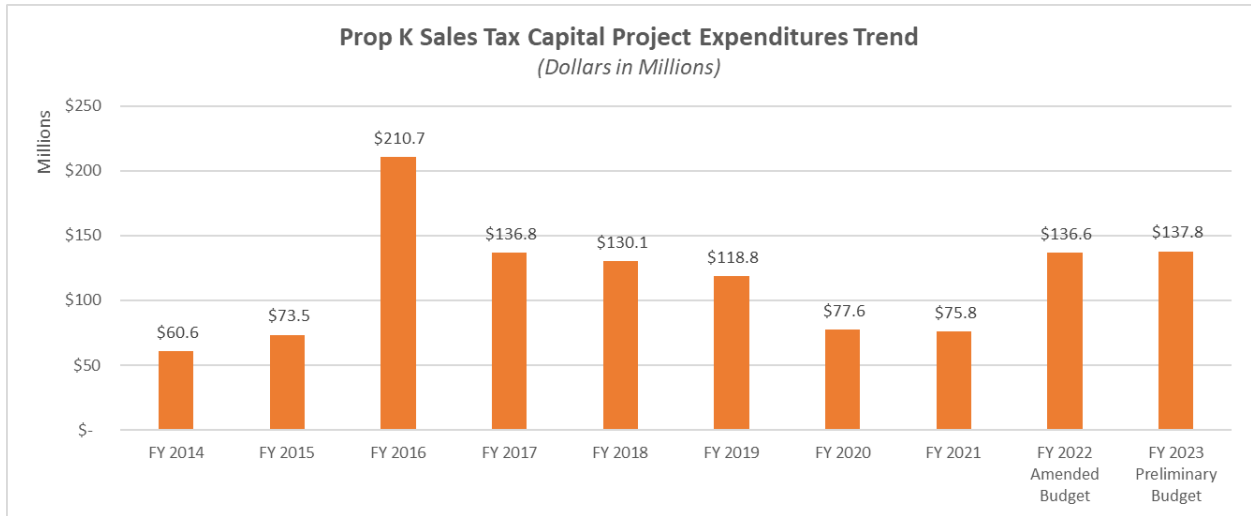
SFMTA’s LRV Procurement project remains the largest cash obligation in the FY 2022/23 budget despite substantially reduced cash needs in FYs 2021/22 and 2022/23. The original cash flow schedule for this project anticipated that Prop K reimbursements in FY 2021/22 and FY 2022/23 would total \$121 million, whereas the FY 2022/23 budget reflects total reimbursements of \$73.8 million over the

## Attachment 6 Line Item Descriptions

two fiscal years, with \$46.4 million in FY 2021/22 and \$27.4 million in FY 2022/23. This slower than anticipated cash reimbursement schedule reflects delays in the vehicle delivery schedule due to the COVID pandemic and supply chain issues, as well as SFMTA's ability to invoice against funds recently made available from the Federal Transit Administration. SFMTA still expects to procure all 151 replacement LRVs by June 2026 as originally planned, and production will continue to ramp up in the coming years with 53 vehicles to be delivered in FY 2025/26, compared with 30 vehicles in FY 2022/23.

With this new updated information, we no longer anticipate the need for a \$50 million drawdown from the Revolving Credit Loan Agreement assumed in the FY 2021/22 amended budget. See Other Financing Sources/Uses section for more information.

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



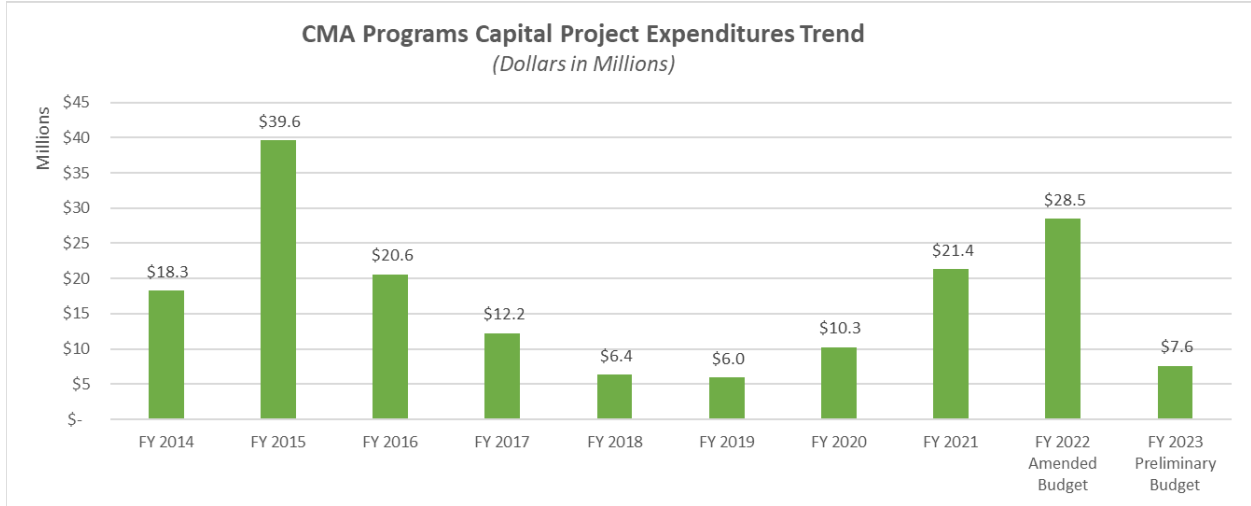
**CMA Programs Expenditures:..... \$7,616,109**

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 US 101/I-280 Managed Lanes and Express Bus, YBI Hillcrest Road Widening, and I-280 Ocean Avenue South Bound Off-ramp Realignment projects. Also included is the YBI Project, which is supported by regional funding.

Expenditures in FY 2022/23 are budgeted to decrease by 73.3%, or \$20.9 million, as compared to FY 2021/22 amended budget. This decrease is primarily due to decreased activities for the YBI projects of \$23.3 million in capital expenditures as construction activities for the Southgate Road Realignment project are anticipated to be completed by Summer 2022 as well as increased activities of \$3.2 million for the Candlestick Undercrossing, I-280 Ocean Avenue South Bound Off-Ramp Realignment, YBI Multi-Use Path, YBI Hillcrest Road Widening, and Geary/19<sup>th</sup> Avenue Subway Strategic Case projects.

## Attachment 6 Line Item Descriptions

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

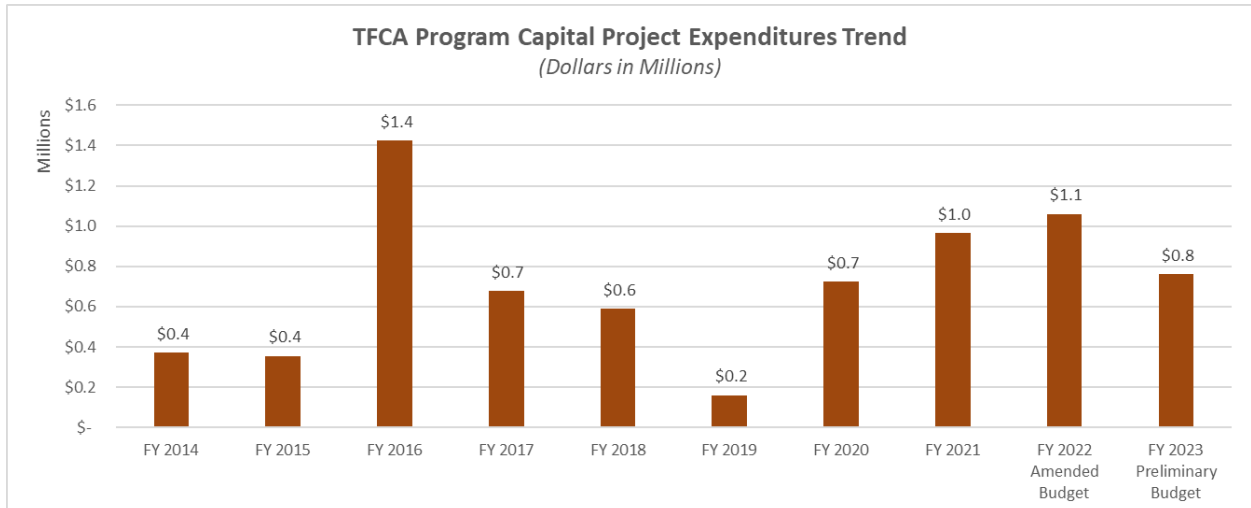


**TFCA Program Expenditures:..... \$760,852**

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 2022/23 projects, anticipated to be approved by the Board in June 2022, carryover prior year projects with multi-year schedules and other projects that will not be completed as anticipated in FY 2021/22.

This year's budget is lower than the FY 2021/22 amended budget of \$1,060,567 by 28.3% or \$299,715, due to projects that have been or are expected to be completed by FY 2021/22 such as the Presidio Trust's PresidioGo Battery Electric Shuttles project and the Bay Area Rapid Transit's Early Bird Express project.

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



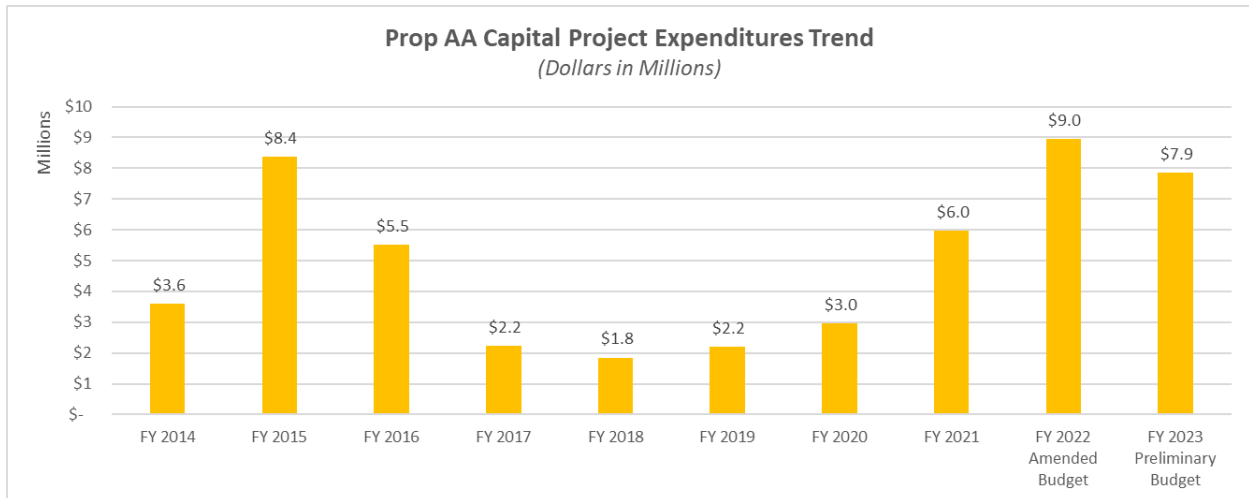
## Attachment 6 Line Item Descriptions

**Vehicle Registration Fee for Transportation Improvements Program (Prop AA)**  
**Expenditures: .....\$7,859,747**

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 2022/23 projects programmed in the Prop AA Strategic Plan, anticipated to be approved April 2022, carryover prior year projects with multi-year schedules, and other projects that will not be completed as anticipated by the end of FY 2021/22. The largest capital project expenditures include San Francisco Public Works' Richmond Residential Streets Pavement Renovation, Mission Street Transit and Pavement Improvement, 23rd Street, Dolores Street, York Street, and Hampshire Street Pavement Renovation projects, and SFMTA's L-Taraval Transit Enhancements (Segment B) project, which together account for 57% of the FY 2022/23 budget amount.

For FY 2022/23, we expect expenditures to decrease by 12.2%, or \$1.1 million, as compared to the FY 2021/22 amended budget of \$9.0 million. This decrease is primarily due to several projects that have or are expected to complete construction in FY 2021/22, including the Geary Boulevard Pavement Renovation project.

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



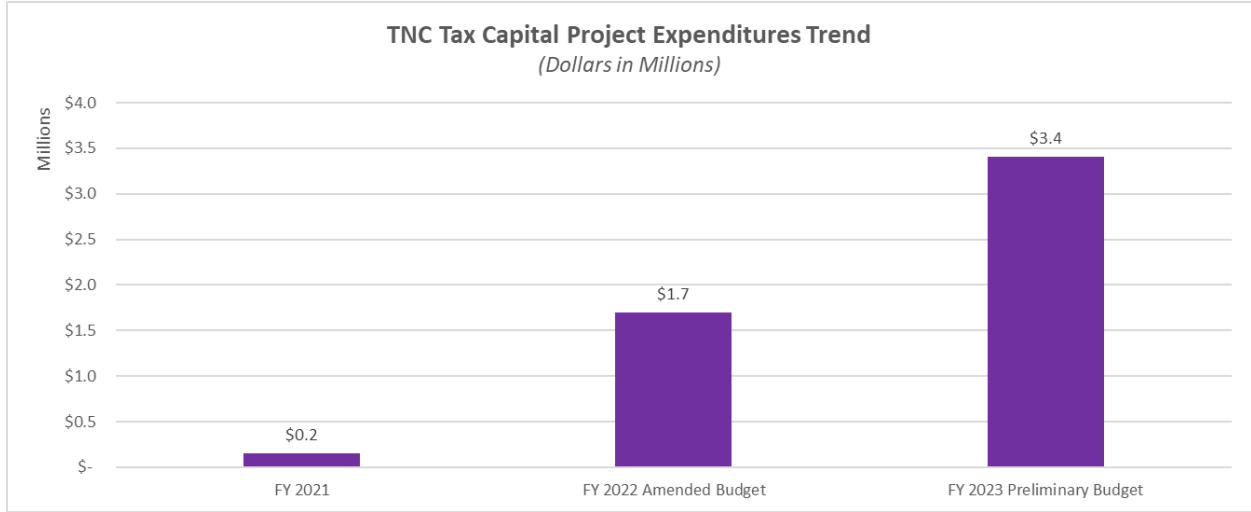
**Traffic Congestion Mitigation Tax Program (TNC Tax) Expenditures:.....\$3,405,686**

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. A second allocation of \$3.0 million was made in December 2021 for the FY 2021/22 Vision Zero Quick-Build Program. We anticipate allocating the remaining programmed amount of \$2.0 million this fall and updating the TNC Tax Program Guidelines to program additional funds.

Capital Project Costs for the TNC Tax Program in FY 2022/23 are expected to increase by \$1.7 million, which is based on allocations made for SFMTA's Vision Zero Quick-Build Program in FY 2020/21 and FY 2021/22 and their associated project schedules.

## Attachment 6 Line Item Descriptions

The chart below reflects the one-year historical and two-year budgeted TNC Tax capital project expenditures.



**TIMMA Program Expenditures:.....\$9,315,408**

The TIMMA FY 2022/23 expenditures will be presented as a separate item to the TIMMA Committee and TIMMA Board at its respective May meetings.

**ADMINISTRATIVE OPERATING EXPENDITURES..... \$12,581,240**

Administrative operating expenditures in FY 2022/23 are budgeted to increase from the FY 2021/22 amended budget by \$276,286 or 2.2%. Operating expenditures include personnel, administrative, Commissioner-related, and equipment, furniture and fixtures expenditures.

**Personnel:..... \$9,348,335**

Personnel costs are budgeted at a higher level by 3.9% as compared to the FY 2021/22 amended budget, reflecting a budget of 42 full-time equivalents. The increase in personnel costs is primarily due to the hiring of vacant positions for the Assistant Deputy Director for Planning, Senior Engineer, Senior Communications Officer, and Transportation Planner in the FY 2021/22 amended budget for a partial year as compared to FY 2022/23 for the full year. In addition, we anticipate hiring a TIMMA Program Manager in the latter half of the fiscal year, which would be funded by the TIMMA, to advance its FY 2022/23 work program. The increase in fringe benefits reflects the corresponding increase in salaries as mentioned above and rising healthcare 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.

A study on total compensation which would include a comprehensive review of our job classifications, descriptions, base compensation and benefits is currently being conducted. The goal is to optimize personnel recruitment and retention by making every effort to compensate employees fairly and equitably and remaining competitive with similar agencies in its compensation practices as the Transportation Authority’s Personnel Manual calls for a periodic review of the Transportation Authority job classification structure. Changes to Personnel expenditures as a result of the revised job



**Attachment 6**  
**Line Item Descriptions**

classifications and salary structure, if any, will be reflected in the FY 2022/23 Mid-Year Budget Amendment.

**Non-Personnel:..... \$3,232,905**

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.

In June/July 2022, the San Francisco Board of Supervisors are expected to act placing the local half-cent transportation sales tax reauthorization ordinance on the November 2022 ballot that would continue in effect the existing half-cent transportation sales tax for 30-years to fund the program in the 2022 Expenditure Plan. Costs associated with the placing of the measure on the ballot, if any, will be reflected in the FY 2022/23 Mid-Year Budget Amendment.

Non-personnel expenditures in FY 2022/23 are budgeted to decrease from the FY 2021/22 amended budget by an estimated 2.2%, or \$74,265. This is primarily due to the decreased project-related legal costs as well as decreased costs related to computer network system upgrades that were included in FY 2021/22 amended budget but will not be needed in FY 2022/23.

**DEBT SERVICE COSTS..... \$24,629,505**

We have a \$125 million Revolving Credit Loan Agreement with U.S. Bank National Association and the full balance is currently available to draw upon for Prop K capital project costs. 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 payment of \$14.1 million and interest payments of \$7.2 million related to our 2017 Sales Tax Revenue Bonds, and other costs associated with our debt program. Debt service expenditures in FY 2022/23 are budgeted to increase from the FY 2021/22 amended budget by an estimated 13.4% or \$2.9 million. This is primarily due to higher costs associated with the anticipated drawdown from the Revolving Credit Loan Agreement.

**OTHER FINANCING SOURCES/USES.....\$75,000,000**

The Other Financing Sources/Uses section of the Line Item Detail for the FY 2022/23 budget includes anticipated drawdowns from the Revolving Credit Loan Agreement. We had budgeted for a \$50 million drawdown from the Revolving Credit Loan Agreement in our FY 2021/22 amended budget. However, we do not anticipate the need for this drawdown by June 2022 due to new updated information received on FY 2021/22 capital project costs as mentioned above in Sales Tax Program Expenditure. The estimated level of sales tax capital expenditures for FY 2022/23 may trigger the need to drawdown up to \$75 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.

**Attachment 6**

Line Item Descriptions

This line item also includes inter-fund transfers of \$5.8 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 the 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, Geary/19<sup>th</sup> Avenue Subway Strategic Case, and I-280 Ocean Avenue Southbound Off-Ramp Realignment projects.

**BUDGETARY FUND BALANCE FOR CONTINGENCIES..... \$11,504,125**

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 \$10.2 million, or 10% of annual projected sales tax revenues, is set aside as a program and operating contingency reserve. We have also set aside \$69,070 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 \$781,550 or about 10% as a program and operating contingency reserve respectively for the TNC Tax Program.