



## Memorandum

### AGENDA ITEM 7

**DATE:** October 20, 2023

**TO:** Transportation Authority Board

**FROM:** Cynthia Fong – Deputy Director for Finance and Administration

**SUBJECT:** 11/14/23 Board Meeting: Authorize the Executive Director to Execute Master Agreements, Program Supplemental Agreements, Cooperative Agreements, Fund Transfer Agreements and Any Amendments Thereto with the California Department of Transportation for Receipt of Federal and State Funds for Design of the Yerba Buena Island (YBI) Multi-Use Pathway in an Amount Up to \$3,001,000; State Funds for Construction of the YBI Hillcrest Road Improvement Project in the Amount of \$2,600,000; and State Funds for Planning, Programming, and Monitoring in the Amount of \$46,000

#### **RECOMMENDATION** ☐ Information ☒ Action

Authorize the Executive Director to execute master agreements, program supplemental agreements, cooperative agreements, fund transfer agreements and any amendments thereto with the California Department of Transportation (Caltrans) for receipt of federal and state funds for the following projects:

- YBI Multi-Use Pathway Design - up to \$3,000,000 in federal One Bay Area Grant (OBAG) funds
- YBI Multi-Use Pathway Design - \$1,000 in Senate Bill (SB) 1 Local Partnership Program (LPP) Formulaic funds
- YBI Hillcrest Road Improvement Project (Hillcrest Project) Construction - \$2,600,000 in SB 1 LPP Formulaic funds
- Planning, Programming, and Monitoring activities - \$46,000 in State Transportation Improvement Program (STIP) funds

#### **SUMMARY**

We are seeking authorization for the Executive Director to execute funding agreements between the Transportation Authority and Caltrans for receipt of federal and state funds

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



for four grants that we anticipate receiving this year: the YBI Multi-Use Pathway OBAG 3 and SB 1 LPP Formulaic funds; YBI Hillcrest Project SB 1 LPP Formulaic funds; and Planning, Programming and Monitoring activities state grant. Guidelines established by Caltrans require that certain funding agreements be signed by the project sponsor and returned to Caltrans. For some grants, project sponsors are also required to adopt a Board resolution. For instance, on October 7, 2023, we received the Fiscal Year (FY) 2023/24 Planning, Programming and Monitoring Agreement from Caltrans. Caltrans requires us to return the signed agreement with an approved Board resolution to execute the grant agreement. This resolution must also identify the person(s) authorized to execute these funding agreements and the title of the grant. Caltrans may disencumber and/or de-obligate funds without a resolution. The Board has previously adopted similar resolutions with the last one being Resolution 22-56 in July 2022. In addition, we anticipate an award notification from Caltrans for the YBI Multi-Use Pathway OBAG 3 and SB 1 LPP Formulaic funds for the two YBI projects mentioned above in early 2024, which will also require an approved Board resolution to execute the grant agreements. Under a separate item on this agenda, we are proposing a package of fund exchanges that, if approved, would reduce the OBAG 3 funding on the Multi-Use Pathway design to \$2.25 million, enabling us to add \$750,000 in Prop K funds to complete a portion of the YBI Multi-use Pathway design (known as Segment 2) within the Hillcrest Road Improvement Project limits.

## **BACKGROUND**

We regularly receive federal and state transportation funds under ongoing grant programs and periodically receive congressional earmarks. These grant funds are typically administered by Caltrans, which requires that various types of funding agreements be executed between the project sponsor and Caltrans before the project sponsor can claim (e.g., encumber, seek reimbursement) the grant funds. Caltrans also requires an updated Board resolution identifying the person(s) authorized to execute these funding agreements and the title of the grant.



## **DISCUSSION**

Brief descriptions of the projects for which we are recommending approval of the subject resolution are provided below along with information on the relevant federal and state grants.

**YBI Multi-Use Pathway:** The YBI Multi-use Pathway Project will develop a safe and accessible Class I multi-use path connection between the current YBI Bike Landing/Vista Point and the intersection of Treasure Island Road at Macalla Road, travelling along Treasure Island and Hillcrest Roads. These roads lack modern safety features such as bike lanes. The project will improve safety and connectivity for bicyclists and pedestrians and provide convenient access for residents and visitors between Treasure Island and Yerba Buena Island. It will also support the ongoing and planned growth on both islands. The project will coordinate with the West Side Bridges Seismic Retrofit Project and Hillcrest Road Improvement Project. The YBI Multi-use Pathway project is part of the Islands Redevelopment Project, which will introduce a substantial number of residences and visitors to the islands, increasing the need for active transportation facilities. Project implementation would provide residents and visitors of the islands expanded bicycle and pedestrian facility connectivity, including to the existing Class I multi-use path along the eastern span of the San Francisco-Oakland Bay Bridge to West Oakland, and the Treasure Island Ferry Terminal which provides service to Downtown San Francisco.

The project team is currently in the environmental approval phase. The project received California Environmental Quality Act (CEQA) categorical exemption approval in March 2023 and is expected to receive National Environmental Policy Act (NEPA) categorical exclusion in December 2023. The project team anticipates completing the environmental phase and starting design in 2024. The current funding plan includes a \$3,000,000 federal OBAG 3 grant along with a \$3,800,000 regional Active Transportation Program (ATP) grant for design. The OBAG 3 grant has been programmed but requires NEPA approval before it can be allocated. Under a separate item on this agenda, we are proposing a package of fund exchanges that, if approved, would reduce the OBAG 3 funding on YBI Multi-Use Pathway design to \$2.25 million, enabling us to add \$750,000 in Prop K funds (through a fund exchange) to complete a portion of the YBI Multi-use Pathway design (known as Segment 2) within the Hillcrest Road Improvement Project limits. Doing so will enable us to incorporate certain accommodations (e.g., a wider shoulder, taller retaining wall in the correct location) for the future Multi-Use Pathway into the



construction of the Hillcrest Road Improvement Project, resulting in cost savings and construction efficiencies.

We also recommend programming \$1,000 in LPP Formulaic funds to the design phase of the YBI Multi-Use Pathway. This is required by the California Transportation Commission (CTC) to facilitate a transfer of LPP cost savings from the YBI Multi-Use Pathway Project Approval & Environmental Document phase (PA&ED) (environmental) to the YBI MUP Plans, Specifications, and Estimates phase (PS&E or design). The Transportation Authority Board programmed \$1,000,000 in LPP Formulaic funds to the YBI Multi-Use Pathway PA&ED phase in May 2021. The project realized \$750,000 in cost savings since it was able to receive a Categorical Exemption for environmental clearance. To shift the \$750,000 in cost savings from PA&ED (environmental) to PS&E (design), the CTC informed us we must first program \$1,000 to YBI Multi-Use Pathway PS&E.

The ATP grant for the Multi-Use Pathway will also require NEPA approval, followed by California Transportation Commission allocation in March 2024. The Board previously approved the authorization to execute a funding agreement for the regional ATP grant through Resolution 21-52. The project team anticipates design will take approximately two years to complete.

**YBI Hillcrest Project:** The California Department of Housing and Community Development awarded the Treasure Island Development Authority (TIDA) a \$30,000,000 Infill Infrastructure Grant in the Spring of 2020 for the widening of Hillcrest Road to improve safety and traffic circulation. TIDA requested that the Transportation Authority lead the design and construction effort for the Hillcrest Project and in December 2021, TIDA and the State executed the agreement which allows work to start on the YBI Hillcrest Project.

The Hillcrest Project will improve the safety of the existing Hillcrest Road from Treasure Island Road and West Side Bridges Seismic Retrofit Project on the west side to the Southgate Road Realignment Improvement Project on the east side. The improvements are a connecting segment located between the under-construction Westside Bridges Project and the recently opened Southgate Realignment Project. As originally envisioned, the Hillcrest Project would provide a total cross-section of 36-feet wide for the segment between the Westside Bridges project and over the I-80 Tunnel Portal, and up to 40-feet wide from south of the Portal to the Forest Road Intersection to meet San Francisco Public Works standards. The base project will also



build a retaining wall south of the Portal to accommodate the Class II bike lane improvement.

Under a separate item on this agenda, we recommend programming \$2,600,000 in LPP Formulaic funds to help fund the construction phase of the Hillcrest Project including accommodations for the future YBI Multi-Use Pathway to achieve construction and cost efficiencies compared to deferring this work until after the Hillcrest project is done.

The project team expects to advertise Hillcrest construction in early 2024 and to bring the contract award recommendation to the Board by Spring 2024. Construction would begin Summer 2024.

**Planning, Programming and Monitoring:** Guidelines established for the use of State Transportation Improvement Program (STIP) funds by the CTC allow us to program up to 5% of STIP county share funds for planning, programming, and monitoring activities. These activities are captured under our Congestion Management Agency function and are related to project planning, development, and oversight of projects including timely use of funds and compliance with State law and CTC guidelines. As noted in the memo summary, on October 7, 2023, we received the FY 2023/24 Planning, Programming and Monitoring Agreement in the amount of \$46,000. Caltrans requires us to adopt a resolution to execute the grant agreement to avoid losing the funds. We have already received approval to seek reimbursement of these grant funds retroactively to July 1, 2023, pending approval of the subject resolution and execution of the grant agreement.

## **FINANCIAL IMPACT**

Approval of the recommended action would facilitate compliance with Caltrans funding agreement requirements (avoiding loss of grant revenues) and enable the Transportation Authority to seek reimbursement of federal and state grant funds administered by Caltrans for the YBI Multi-Use Pathway, YBI Hillcrest Project and Planning, Programming, and Monitoring activities. Anticipated revenues for the Planning, Programming, and Monitoring grant are included in the adopted FY 2023/24 Budget and Work Program and the first year of anticipated revenues for the YBI Multi-Use Pathway and YBI Hillcrest Project will be incorporated into the FY 2023/24 mid-year budget amendment. In addition, we will bring procurements to be funded by these grants, where applicable, to the Board for approval as part of future agenda items.



## **CAC POSITION**

The Community Advisory Committee considered this item at its October 25, 2023 meeting and unanimously adopted a motion of support for the staff recommendation. Subsequent to the CAC meeting, we updated this memo to include SB 1 LPP Formulaic grants for the YBI Multi-Use Pathway and YBI Hillcrest Project, which are subject to the Metropolitan Transportation Committee's approval of the OBAG/Prop K fund exchange at their December 2023 meeting, and CTC's approval of programming recommendations anticipated at their January 2024 meeting.

Attachment:

1 - Resolution



RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE MASTER AGREEMENTS, PROGRAM SUPPLEMENTAL AGREEMENTS, COOPERATIVE AGREEMENTS, FUND TRANSFER AGREEMENTS AND ANY AMENDMENTS THERETO WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR RECEIPT OF FEDERAL AND STATE FUNDS FOR DESIGN OF THE YERBA BUENA ISLAND (YBI) MULTI-USE PATHWAY IN AN AMOUNT UP TO \$3,001,000; STATE FUNDS FOR CONSTRUCTION OF THE YBI HILLCREST ROAD IMPROVEMENT PROJECT IN THE AMOUNT OF \$2,600,000; AND STATE FUNDS FOR PLANNING, PROGRAMMING, AND MONITORING IN THE AMOUNT OF \$46,000

WHEREAS, The Transportation Authority regularly receives federal and state transportation funds under ongoing grant programs and periodically receives congressional earmarks, grant funds typically administered by the California Department of Transportation (Caltrans), and requires execution between the project sponsor and Caltrans, along with an updated Board resolution identifying the person(s) authorized to execute these funding agreements and the title of the grant, before the project sponsor can claim (e.g., encumber, seek reimbursement of) the grant funds; and

WHEREAS, In Fiscal Year 2023/24, staff anticipates receiving federal One Bay Area Grant (OBAG) funds and Senate Bill (SB) 1 Local Partnership Program (LPP) Formulaic funds from Caltrans for the Yerba Buena Island (YBI) Multi-Use Pathway Design, SB 1 LPP Formulaic funds for the YBI Hillcrest Road Improvement Project (Hillcrest Project), and State Transportation Improvement Program funds for planning, programming and monitoring activities; and

WHEREAS, The YBI Multi-use Pathway Project will develop a safe and accessible Class I multi-use pathway connection between the current YBI Bike Landing/Vista Point and the intersection of Treasure Island Road at Macalla Road, travelling along Treasure Island and Hillcrest Roads; and



WHEREAS, Staff anticipates an award of up to \$3,000,000 federal OBAG 3 grant funds, and an additional \$1,000 in SB 1 LPP Formulaic funds for the design phase of the YBI Multi-Use Pathway to facilitate a transfer of LPP costs savings from the Project Approval & Environmental Document phase to the final design phase; and

WHEREAS, The California Department of Housing and Community Development awarded the Treasure Island Development Authority (TIDA) a \$30,000,000 Infill Infrastructure Grant in the Spring of 2020 for the widening of Hillcrest Road to improve safety and traffic circulation; and

WHEREAS, TIDA requested that the Transportation Authority lead the design and construction effort for the Hillcrest Project and in December 2021, TIDA and the State executed the agreement which allows work to start on the Hillcrest Project; and

WHEREAS, The Hillcrest Project will improve the safety of the existing Hillcrest Road from Treasure Island Road and West Side Bridges Seismic Retrofit Project on the west side to the Southgate Road Realignment Improvement Project on the east side; and

WHEREAS, Under a separate item on this agenda, staff recommends programming \$2,600,000 in LPP Formulaic funds to support expanding the construction phase of the Hillcrest Project to include accommodations for the future YBI Multi-Use Pathway Project, anticipating grant award from Caltrans in early 2024; and

WHEREAS, The Transportation Authority project team is seeking Board approval to execute a grant award to Planning, Programming, and Monitoring activities through State Transportation Improvement Program (STIP) funds by the California Transportation Commission, which allows the Transportation Authority to program up to 5% of STIP county share, captured under the Transportation Authority's Congestion Management Agency function and related to project





planning, development, and oversight of projects including timely use of funds and compliance with State law and CTC guidelines; and

WHEREAS, Approval of the recommended action would facilitate compliance with Caltrans funding agreement requirements, avoiding loss of grant revenues, and enable the Transportation Authority to seek reimbursement of federal and state grant funds administered by Caltrans for the YBI Multi-Use Pathway; Hillcrest Project and Planning, Programming, and Monitoring activities; and

WHEREAS, At its October 25, 2023, meeting, the Community Advisory Committee was briefed on the subject requests and unanimously adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby authorizes its Executive Director to execute master agreements, program supplemental agreements, cooperative agreements, fund transfer agreements and any amendments thereto with Caltrans for receipt of federal OBAG 3 funds in an the amount up to \$3,000,000 and SB 1 LPP Formulaic funds in the amount of \$1,000 for design of the Yerba Buena Island Multi-Use Pathway; SB 1 LPP Formulaic funds in the amount of \$2,600,000 for the construction of the Hillcrest Project; and state funds for planning, programming, and monitoring in the amount of \$46,000; and be it further

RESOLVED, That the Executive Director is directed to submit this resolution to Caltrans and other relevant parties.