



Memorandum

AGENDA ITEM 6

DATE: April 18, 2024
TO: Transportation Authority Board
FROM: Cynthia Fong - Deputy Director for Finance and Administration
SUBJECT: 05/14/24 Board Meeting: Preliminary Fiscal Year 2024/25 Budget and Work Program

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| <p>RECOMMENDATION <input checked="" type="checkbox"/> Information <input type="checkbox"/> Action</p> <p>None. This is an information item.</p> <p>SUMMARY</p> <p>The purpose of this memorandum is to present the preliminary Fiscal Year (FY) 2024/25 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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DISCUSSION

The preliminary FY 2024/25 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 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 (Transportation Network Company or 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 2024/25. 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, 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 preliminary 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 2024/25 Budget and Work Program will be presented as a separate item at the June TIMMA Committee and TIMMA Board meetings.

Revenues. Total revenues are projected to be \$193.3 million and are budgeted to increase by an estimated \$4.5 million from the FY 2023/24 Amended Budget, or 2.4%. Sales tax revenues, net of interest earnings, are projected to be \$108.3 million or 56% of revenues. This is an increase of \$2.1 million, or 2.0%, compared to the budgeted sales tax revenues of \$106.2 million for FY 2023/24. This 2% increase represents a flattening in sales tax growth compared to the past few years of pandemic recovery. The return to the workplace, business travel, and international travel all have been returning slower than anticipated. TNC tax revenues are projected to be \$8.5 million or 4.4% of revenues. Program revenues are projected to be \$70.5 million or 36.4% of revenues. This is an increase of \$3 million compared to the budgeted program revenues of \$67.5 million for FY 2023/24, which is largely due to increased state and regional and other funding for construction activities for the Yerba Buena Island (YBI) Hillcrest Road Improvement Project, YBI West Side Bridges Project, and Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project, as well as design work for the YBI Multi-Use Path Project.

Expenditures. Total expenditures are projected to be about \$266.9 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 \$228.3 million.



Capital projects costs are 85.5% of total projected expenditures, with another 3.8% of personnel expenditures and 1.3% of non-personnel expenditures budgeted for administrative operating costs, and 9.4% for debt service and interest costs. Capital project costs in FY 2024/25 are budgeted to increase by \$13.6 million, or 6.3%, from the FY 2023/24 amended budget, which is primarily due to CMA program capital expenditures related to construction activities for the YBI Hillcrest Road Improvement Project, YBI West Side Bridges Project, and Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project, as well as design work for the YBI Multi-Use Path Project.

Debt service costs of \$24.9 million are for costs related to the assumed fees and interests related to the expected \$65 million 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 our debt program. We have a \$125 million Revolving Credit Loan Agreement to support the Transportation Authority's interim borrowing program, which expires in October 2024. In FY 2024/25, we may enter into a new short-term borrowing facility. Our debt program has allowed us more flexibility and has enabled us to cost effectively accelerate delivery of the Prop K program than 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 2024/25 preliminary budget includes anticipated drawdown from the Revolving Credit Loan Agreement. We had budgeted for a \$60 million drawdown in our FY 2023/24 amended budget. The estimated level of sales tax capital expenditures for FY 2024/25 may trigger the need to drawdown up to an additional \$65 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 and CMA funds. These transfers represent Sales Tax appropriations to projects such as the YBI Hillcrest Road Improvement Project, I-280 Ocean Avenue South Bound Off-Ramp Realignment, Bayview Caltrain Station Location Study, Inner Sunset Safety and Circulation Study, and Travel Demand Management Market Analysis 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 \$34 million in total fund balances, as a result of the anticipated \$65 million Revolving Credit Loan Agreement drawdown.

Next Steps. The preliminary FY 2024/25 budget will be presented for information to the Board at its May 14 meeting. The final proposed FY 2024/25 Annual Budget and Work Program will be presented to the Community Advisory Committee at its May 22 meeting and the Board at its June 11 and 25 meetings. A public hearing will precede consideration of the FY 2024/25 Annual Budget and Work Program at the June 11 Board meeting.

FINANCIAL IMPACT

None. This is an information item.

CAC POSITION

None. This is an information item.

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 Work Program

The Transportation Authority's Fiscal Year (FY) 2024/25 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 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 2024/25 Work Program will be presented to the TIMMA Committee and TIMMA Board 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. The San Francisco Transportation Plan (SFTP) 2050, adopted in 2022, serves as the long-range transportation policy and investment blueprint for the city. Recommendations from the SFTP 2050 provide the basis for our input into regional plans such as Plan Bay Area (PBA) 2050+ and Transit 2050+, seeking to position San Francisco projects for discretionary funds and to shape regional policy that helps to support San Francisco's goals. In FY 2024/25, as the region updates PBA 2050, we will launch an SFTP update, SFTP 2050+, a limited and focused update to SFTP 2050. SFTP 2050+ will incorporate region-wide revisions to projected population growth and reduced revenues, and will include strategies to address the transit fiscal cliff and support the new Housing Element adopted growth. Through SFTP 2050+, we will undertake technical analysis and stakeholder outreach to inform recommendations for local and/or regional revenue measures to implement the plan investments. We will also continue to implement recommendations from SFTP 2050 as corridor, neighborhood, and community-based transportation plans under our lead, while supporting efforts led by

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partner agencies. We will undertake new planning efforts meant to inform and respond to emerging trends and policy areas including resilience planning and driverless ride-hail services.

Most of the FY 2024/25 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 Policy and Programming divisions. Proposed activities include:

Active Congestion Management

- **Congestion Management Program Microsite and COVID-Era Congestion Tracker Expansion.** We will release an on-line interactive version of our 2023 Congestion Management Program (CMP) that will allow decision-makers and the public to interactively access key citywide system performance metrics. We will expand the COVID-Era Congestion Tracker to incorporate new data sources such as roadway volumes at key cordons, as well as local and regional transit ridership, and report a wider range of metrics. We will continue with monthly updates to the COVID-Era Congestion Tracker (<https://covid-congestion.sfcta.org/>).
- **Downtown Travel Trends Study.** Office vacancy in San Francisco is at the highest levels in years, transit ridership continues to be historically low, and traffic congestion has returned to, and in some areas is worse than, pre-COVID levels. We will gather data to complete a profile of changes in downtown travel patterns before and after COVID, to help inform strategies for downtown congestion management and revitalization. This strategic area of focus for our planning work includes research on the factors underlying return of traffic to the Bay Bridge and downtown freeways even as office vacancy rates remain high and we observe the continued prevalence of remote work.
- **SF CHAMP Model Development (CHAMP 8.0). Innovative Travel Demand Management (TDM).** Implement 2021 Climate Action Plan (CAP) recommendations by completing the **Eco-Friendly (formerly "Decarbonizing") Downtown Goods Movement Study**, funded by a Carbon Neutral Cities Alliance Grant. Through a working group of small business and freight sector representatives, this effort is on track to identify a set of pilots and policy measures to reduce emissions associated with deliveries. We will also complete the **TDM Market Analysis**, which will recommend corridor-based or neighborhood-based mode shift goals and identify neighborhood- or corridor -scale travel markets suited to TDM measures based on variation in land use, demographics, or transportation supply. The TDM Market Analysis will inform a parallel update of the **TDM Strategic Plan** which we have launched in collaboration with SFMTA, SF Environment, and the Planning Department. This plan will inform future programming of Prop L TDM funds and other funds prioritized by the Transportation Authority.

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- **Treasure Island Mobility Management Program.** The Transportation Authority Board also sits as the TIMMA Board. This year, we will work with the Treasure Island Development Authority (TIDA) and other city partners to build on the momentum generated by current housing production to advance implementation of the TIMMA program, focused on accelerating transit expansion (ferry, intra-Islands shuttle, East bay, and SF proper shuttles), advancing transit pass and TDM (transportation demand management) programs and finalizing toll and affordability program policies. Pending program adoption, we will begin to remobilize system design and incorporate mobility wallet and affordability components. The TIMMA team will continue near- and long-term funding including federal, state, and regional grant pursuits to implement the congestion management program and recommendations from the D6 Supplemental Transportation Study.

SFTP Implementation and Board Support

- **Neighborhood Transportation Program (NTP) Cycle 3 (Fiscal Years 2023/24-2027/28).** We will continue to identify and advance new projects through Cycle 3 of the Prop L sales tax-funded NTP and monitor implementation of previously funded NTP projects. Funds for Cycle 3 include \$100,000 in planning funds and \$600,000 in local match funds for each district to advance NTP projects toward implementation. Scoping of new NTP planning and capital efforts, including advancing recommendations from recently completed or soon to be completed plans, will be done in coordination with Board members and SFMTA's NTP Coordinator. We will complete NTP projects in six City supervisorial districts including District 1 (Richmond Multimodal Transportation Plan), District 2 (Safety Study), District 3 (Walter U Lum Placemaking Study), District 4 (On-Demand Microtransit Business Plan), District 6 (Mission Bay School Access Plan), and District 7 (Inner Sunset Safety and Circulation Study). We will work with Commissioners to scope potential NTP planning efforts and/or seek other funding for neighborhood planning efforts such as District 7 (Monterey Boulevard Traffic Calming) and District 9 (Mission Community Based Transportation Plan (CBTP), targeting MTC CBTP grant funds matched with Prop L Equity Priority Transportation Program funds). We also will continue working with SFMTA to implement near term recommendations and seek funding to advance the medium to long-term recommendations of the D5 NTP, Octavia Circulation Study, regarding providing carpool and regional/local transit priority treatments and the D7 Ocean Avenue Mobility Action Plan.
- **Geary-Fillmore Underpass Community Planning Study.** In FY 2024/25, we will launch the Geary-Fillmore Underpass Community Planning Study, an effort to repair past harm and increase equitable access identified in our prior Streets and Freeways Study, with funding from the U.S. Department of Transportation Reconnecting Communities and Neighborhoods Program. The project will develop transportation and land use concept designs to better connect the Japantown and Fillmore/Western

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Addition neighborhoods (Equity Priority Community) that were divided when the underpass was constructed in the 1960s. The study will engage neighborhoods through a community-led outreach process to rethink the urban renewal-era Geary Expressway and re-imagine adjacent land uses by establishing a Community Council with representatives of the Black, Japanese, and Jewish communities that were displaced when the underpass was constructed, as well as with newer community members.

- **Vision Zero Ramps Phase 3.** Funded by a federal Safe Streets and Roads for All grant, and a recommendation from the Streets and Freeways Study, this conceptual design effort will focus on safety at I-280 and US-101 on and off-ramps in the south and southeast parts of the city. The study will focus on freeway intersections on San Francisco's High Injury Network, which is highly correlated with Equity Priority Communities. The study launched in FY 2023/24.

Long Range, Countywide, and Inter-Jurisdictional Planning

- **SFTP 2050+.** As the region updates PBA 2050, discussed below, we will launch the San Francisco Transportation Plan (SFTP) update, SFTP 2050+, a limited and focused update to SFTP 2050. SFTP 2050+ will incorporate PBA 2050+ revisions to projected population growth and reduced revenues, including strategies to address the transit fiscal cliff and support the new Housing Element adopted growth. Through SFTP 2050+, we will undertake technical analysis and stakeholder outreach to inform recommendations for local and/or regional revenue measures to implement the plan investments.
- **PBA 2050+ and Transit 2050+.** We will use recommendations from SFTP 2050 (adopted December 2022), from 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 as the basis for San Francisco's input into MTC's PBA 2050+ and Transit 2050+, which will conclude in Fall/Winter 2025/26. PBA 2050+ is a focused update of PBA 2050 that will include updated revenue estimates, targeted updates to major project recommendations, a call for new regional significant projects, and development of a climate resilience project list focused primarily on sea level rise adaptation projects. Transit 2050+ is intended to develop a customer-focused, fiscally constrained regional transit network vision, building off the region's Transit Transformation Plan. Transit 2050+ is being developed in parallel with PBA 2050+ and will provide input in the final investment plan known as the Blueprint. This work will be closely coordinated with Caltrans' District 4 (Bay Area) Transit Priority Study.
- **PBA 2050 Implementation.** We will continue to provide input to numerous regional efforts from MTC's piloting of more equitable toll policies, Transit Oriented

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Communities policy, the Next Generation Bay Area Freeways Study, implementation of the Transit Transformation Plan and advancing Climate Initiatives (e.g., regional bikeshare coordination/e-bike incentives outreach). This work will be coordinated with MTC's Regional Network Manager and regional fare integration/BayPass proposals. These efforts involve close coordination with San Francisco agencies, the Mayor's office, our representatives on the Association of Bay Area Governments (ABAG) and MTC, and with Bay Area County Transportation Agencies, regional transit agencies, and other community stakeholders.

- **Geary/19th Ave Subway and Regional Connections Study.** This effort comprises the first phase of planning for a rail subway along the Geary and 19th Avenue corridors including regional connections to the east and south as identified in the Connect SF Transit Strategy. The first step of a multi-phase planning and development process, the current study is engaging the public and agency partners to establish the business case for the project and identify strategic considerations and project risks that will need to be explored in further phases. Public and stakeholder outreach will continue during FY 2024/25 concluding with presentation of the study's findings and recommendations to the Board.
- **Bayview Caltrain Station Location Study.** We will continue to advance a pre-environmental effort to identify a single preferred station location for the Bayview Caltrain Station, in collaboration with the Bayview community. Two potential locations at Evans Avenue and Oakdale Avenue are under consideration. The station location study includes broad public outreach and technical analyses to support a final recommendation. We are also continuing to coordinate with SF Planning and Caltrain to scope the environmental phase of work. This effort will complete in FY 2024/25.
- **Freeway Managed Lanes Projects and Policy Support.** Building on the Streets and Freeways Study recommendations, we continue to work on planning and regional coordination for the San Francisco freeway system seeking to inform other regional and county agencies' activities on this front, as we continue advancement of concepts for San Francisco's network. In the last quarter of FY 2023/24, we will propose next steps for the Northbound I-280 Carpool Lanes and Express Bus Project, a proposed queue bypassed lane between 18th and 3rd Streets, as well as an approach for evaluating managed lanes options (including both carpool and express/tolled lanes) for the rest of the county's freeway network. We anticipate bringing a scope and funding request for this work to the Board by end of the FY 2023/24, which will inform our FY 2024/25 work program. We are also continuing to coordinate with regional agencies and advocate for San Francisco's priorities on the 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.

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- **Brotherhood Way Safety and Circulation Plan.** With support from a Caltrans Sustainable Transportation Planning grant, this community-driven planning process is developing concepts and conceptual designs for safety, traffic calming and corridor redesign improvements that connect new recreational opportunities and housing near Lake Merced to the City's core active transportation network and the Daly City BART station near to Brotherhood Way in southwest San Francisco. The Brotherhood Way Safety and Circulation Plan is a recommendation from the Streets and Freeways Study. Concepts will integrate developer-funded street improvements west of the US 101 interchange. The study also engages community stakeholders through a working group appointed by the District 7 and District 11 offices.
- **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 CPUC 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). We will also continue to coordinate with BART and other partner agencies to advance Link21, the study of a potential second Transbay rail crossing, and associated connection to San Francisco.
- **West Side Transportation Network Planning.** We propose to initiate a planning effort to develop the multimodal network on San Francisco's west side, in partnership with SFMTA, SF Planning Department, and Caltrans. This study will respond to and support the City's recently adopted Housing Element, and propose multimodal network investments to better reach long range planning goals. The study will incorporate the effects of the Great Highway pilot, and planned improvements for state routes Sloat/Skyline Boulevards and intersections with Sunset Boulevard and 19th Avenue (Highway1).
- **Support Local Planning Efforts.** We will continue to support local studies and planning efforts led by partners, including continuing to oversee and participate in the SFMTA's Biking and Rolling Plan and coordinating with City and regional agencies to advance climate resilience/adaptation and electrification through various planning, policy, funding strategy/support, and project delivery efforts, such as: advocating for funding to implement the Climate Action Plan through federal, state, and regional (MTC and Air District) grant programs; participating in SFMTA's Embarcadero Mobility Resilience Plan and the Port's Sea Level Rise Coordinating Committee and Waterfront Resilience Plan; supporting adaptation efforts as described in the Ocean Beach Master Plan; providing funding and project delivery support for electrification of Muni's fleet and modernization of its transit facilities; and supporting the SFMTA's Curbside Electrification Feasibility Study. We will draw on all of the above to inform

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climate resilience and electrification initiatives and priorities for inclusion in SFTP 2050+ and PBA 2050+.

Transportation Forecasting, Data and Analysis

- **Travel Forecasting.** We will provide modeling and data analysis to support Transportation Authority planning efforts such as evaluating potential managed lanes options (including both carpool and express/tolled lanes); West Side Transportation Network Planning; and the SFTP 2050+ update to the county's long range transportation plan. We also provide modeling, data analysis, and technical advice to City agencies and consultants through our Model Service Bureau in support of many projects and studies.
- **SF CHAMP Model Development.** We will complete our initial implementation of the next SF-CHAMP model (version 8) and also share analyses from our comprehensive 2023 Household Travel Diary survey that we deployed in collaboration with MTC and the Santa Clara Valley Transportation Authority, including comparisons to our 2019 Travel Diary survey effort. The travel diary serves as the basis for our travel demand estimates work, and provides other key information used to support Transportation Authority planning and capital projects, as well as updates to the CMP. We will implement updates to the current SF-CHAMP version 7 model to establish a new 2023 "baseline" that reflects changes in commuting and other travel behaviors such as increased levels of telework and reduced transit ridership. We will continue to work on the conversion and deployment of an open-source visitor travel model and an open-source commercial vehicle model.
- **Next Generation/Enhanced Congestion Management Program (CMP) Update.** Every two years, we prepare an update to the San Francisco CMP, which documents changes in multi-modal transportation system performance including average roadway speeds and reliability, transit reliability, and bicycle and pedestrian counts. The 2025 CMP will include continued monitoring and evaluation of land use/transportation strategy and select investment outcomes, and also expand performance tracking to include additional metrics and more frequent data reporting, including use of "big data" sources, and incorporating Equity Priority Community reporting where possible. We will lead CMP data collection efforts in spring 2025, and the CMP update will be completed in fall 2025.
- **2023 Travel Survey and Citywide Trends Report.** We will analyze and publish findings from our 2023 travel diary survey, undertaken in collaboration with the MTC and other Bay Area agencies, which will provide detailed information about post-COVID individual and household travel patterns. This will include comparisons with 2019 Travel Survey results and regional, citywide, and sub-area market trend analysis.

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- **Transportation Sustainability Program Evaluation Study.** We will complete our research to quantify the effectiveness of the TDM strategies included in San Francisco’s Transportation Sustainability Program in reducing vehicle miles traveled (VMT) and single-occupancy vehicle trips, using data collected in fall of 2023 to quantify the effects of TDM parking availability strategies on reducing VMT.

- **AV/TNC Policy and Rulemaking.** We will continue to work with SFMTA, the Mayor’s Office, the City Attorney, and with industry, regulatory and community stakeholders to provide San Francisco’s input to state and federal Autonomous Vehicle (AV) policy (including proposed state legislation) and rulemaking opportunities addressing issues such as safety standards, traffic enforcement, and data sharing. We will continue to monitor and track on-street conditions, and support Board of Supervisors Resolution 529-99, and explore potential AV pilots or demonstration projects to evaluate technology or management strategies to manage impacts. We will also continue to work with agency partners on issues related to the CPUC’s regulation of TNCs including data sharing; and CARB implementation of the TNC “Clean Miles” legislation. In addition, we will initiate an AV Safety Metrics & Standards Study to develop consensus AV Safety Metrics and Standards to inform regulators, San Francisco policymakers and the public about appropriate AV safety metrics and performance standards to guide AV Safety Analysis and deployment policies such as permitting.

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 and by Prop L in 2023. 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 Prop D TNC Tax program, the Transportation Fund for Clean Air (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 and close coordination with all agency divisions.

Implement Prop L. We will seek Board adoption of any remaining Prop L 5-Year Prioritization Programs (5YPPs) and the final Strategic Plan in fall 2024. We also plan to present a comprehensive amendment to the Muni Maintenance 5YPP to specify the projects to be funded from the annual placeholders for the remainder of the 5YPP period (through FY 2027/28), anticipated fall 2024. As noted in bullets below, ongoing work includes supporting sponsor efforts to secure discretionary funds to leverage Prop L, working with Board

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members to identify and scope new Neighborhood Transportation Program (NTP) projects and support ongoing NTPs; monitoring Prop L revenues; and closely tracking grant closeouts, invoicing, and project cash expenditures to inform financing needs. See *Customer Service and Efficiency Improvements* section below for additional Prop L work program details.

Fund Programming and Allocations. We will continue to administer the 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 (SB 1) (see below), California's Cap-and-Trade and Active Transportation Programs, and federal competitive grant programs.

Senate Bill 1 (SB 1). This coming fiscal year, we will work with San Francisco project sponsors and MTC to advance 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 (SCCP). After seeking Board approval of project priorities for the Transportation Authority's share of LPP formula funds, we will seek approval from the CTC and support allocation requests for projects recommended to receive funding by April 30, 2026. Applications for the next round of LPP and SCCP competitive programs are due to CTC by the end of 2024. We will work with the Bay Skyway Phase 1 project team, including MTC/BATA, to submit an SCCP application to implement the YBI Multi-use Path.

Regional Measure 3 (RM3) Implementation. We will continue to work with MTC/BATA and San Francisco project sponsors on the roll out of RM3, including working to coordinate the timing of RM3 and Prop L funds to support San Francisco priorities such as BART Core Capacity, The Portal, and Muni facilities needs; providing input on discretionary RM3 programs such as Regional Express Bus operations funding and Bay Trail/Safe Routes to Transit.

New Revenue Options. We are actively participating in discussions regarding a potential regional transportation measure and corresponding authorizing legislation (SB 1031 (Weiner, Wahab), as well as engaging in conversations with SFMTA about a potential local measure in upcoming election cycles. This work includes closely tracking the 4 initiatives within the bill and seeking amendments as adopted in the Transportation Authority's "support and seek amendments" bill position. See also Legislative Advocacy below.

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

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done in coordination with the Mayor's Office, the Self-Help Counties Coalition, and other city and regional agencies. This year we will continue to focus our efforts on two high priority policy areas: filling regulatory and data gaps in the growing Autonomous Vehicle sector and advocacy for 'bridge funding' to address the fiscal cliff that transit agencies are facing as well as potential authorization for a regional measure(s)(e.g. SB 1031) that could be part of a sustainable solution for transit going forward; education and advocacy related to the need for extension of the Cap-and-Trade Program which expires in 2030. Extending this program would benefit projects such as The Portal and SFMTA's Train Control Upgrade project; and help leverage funding from the Infrastructure Investment and Jobs Act for SF priorities (e.g., The Portal).

Funding and Financing Strategy Opportunities. We will continue to provide funding and financing strategy support for signature projects in the Prop L Expenditure Plan, many of which are also included in MTC's Regional Transit Expansion Agreement and Major Projects Advancement Policy (MAP). Examples include: Caltrain Electrification, The Portal, SFMTA's Train Control Upgrade, and BART Core Capacity. Other ongoing funding efforts are supporting Treasure Island/Yerba Buena Island infrastructure needs and Treasure Island Mobility Management program as well as Port of SF's Seawall capital planning. We will help position San Francisco's projects to receive funding from the federal Infrastructure Investment and Jobs Act, Senate Bill 1, regional One Bay Area grant, and other fund programs. We serve as a funding resource for all San Francisco project sponsors (e.g., brokering fund exchanges).

Capital Financing/Debt 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 Prop L sales tax-funded capital projects compared to what is supportable on a pay-go basis while achieving leveraging goals and minimizing financing costs so more funds remain available for projects. We will continue to engage in a variety of cash management activities including facilitating grant close-out and de-obligation of unneeded funds as well as closely tracking cash balances for the \$313.5 million in Prop K grants with peak cash flow needs in Fiscal Years 2024/25 and 2025/26 and seeking improved lookahead information about billings from our largest grant recipient, the SFMTA. We are preparing to come to the Board for approval to draw down on the \$125 million revolving credit loan agreement when funds are needed, which could be as soon as summer 2024.

Customer Service and Efficiency Improvements. This ongoing multi-division initiative will continue to improve our grant-related 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

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revenue measures (Prop L, Prop K, Prop AA, and the TNC Tax). The initiative includes maintaining and enhancing the Portal, our web-based grants management database used by our staff and project sponsors. We will modify our grants Portal to track the distribution of projects located in Equity Priority Communities and/or benefiting disadvantaged populations, which is required under Prop L. We are also exploring enhancements to the Portal including the potential for creating grant agreements and support tracking of projects for public promotion opportunities at key milestones in project delivery. We will maintain, and as needed, refine the MyStreetSF.com tool to support user-friendly features showcasing underway and completed projects, improved search features, and other customer enhancements.

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 sales tax-funded major capital investments, such as SFMTA's train control and facility upgrade projects; The Portal (Downtown Rail Extension); 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) West Side Bridges Project, which typically are multi-jurisdictional in nature and often involve significant coordination with Caltrans. Key activities supporting project delivery for FY 2024/25 include the following:

Transportation Authority - Lead Construction:

- **I-80/YBI East Bound Off Ramp/Southgate Road Realignment Project.** The Southgate Road Realignment Project is open to public traffic. Work on Torpedo Building preservation and Southgate contract closeout efforts, including the ultimate land transfer between United States Coast Guard and TIDA will continue in Fiscal Year 2024/25. We will combine the Torpedo Building preservation with the Pier E-2 parking lot reconstruction into one contract for the construction phase. We expect to complete contractor procurement in FY 2023/24 and to begin construction in FY 2024/25.
- **YBI West Side Bridges.** We are delivering this project using the Construction Management/General Contractor delivery method and the project is currently under construction. The construction is anticipated to be completed at the end of 2026. We are also coordinating with bicycle/pedestrian path plans adjacent to the West Side Bridges project. See YBI Multi-Use Path and Hillcrest Road Improvement below.

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- **YBI Hillcrest Road Improvement Project.** We anticipate awarding the construction contract for the Hillcrest roadway improvement project between Forest Road and the I-80 Portal crossing on the west side of YBI at the April 23, 2024 Board meeting. The project will add sidewalks and a bike path and bring Hillcrest Road up to San Francisco Public Works (SFPW) standards and install safety features. Construction is expected to start in May 2024 and last 3 years until Spring 2027. We will closely coordinate the Hillcrest project with the adjacent YBI Multi-Use Path and West Side Bridges projects (see entries for these projects).

Transportation Authority - Lead Project Development:

- **I-280/Ocean Avenue South Bound Off-Ramp Realignment and Geneva Avenue North Bound Ramp Optimization.** We are leading design of the Ocean Avenue Off-Ramp Realignment Project in coordination with Caltrans and local agencies. This work includes analyzing geotechnical conditions and geometric, traffic, and structural requirements. We plan to complete final design by June 2025. The Geneva Ave Northbound Ramp project team substantially completed the feasibility study and will undertake another round of engagement in fourth quarter of FY 2023/24 before bringing the study to the Board for adoption.
- **YBI Multi-Use Path.** The Multi-Use Path project will connect the western side of the Island from the San Francisco-Oakland Bay Bridge (SFOBB) East Span YBI viewing area down to the Treasure Island Ferry Terminal and provide an ultimate connection point to the planned BATA-led SFOBB West Span Skyway Path. The project team will award the design contract and start design in FY 2024/25. The team will continue to work to secure full funding for the project, working with MTC/BATA and TIDA, following on grant applications for the Active Transportation Program that we plan to submit in the last quarter of FY 2023/24 and for SB 1 SCCP in the first quarter of FY 2024/25.
- **Treasure Island Ferry Terminal Enhancements.** We will complete contractor procurement and secure funding obligation for the construction of restrooms and transit shelters for the Treasure Island Ferry Terminal. Construction will start in FY 2024/25.
- **Quint Street Connector Road.** We are working with SFPUC on the street vacation for Quint Street between Jerrold Avenue and the Caltrain berm and are also working with SFPW and the Office of Real Estate on developing an appraisal to acquire the Quint Connector Road right-of-way. This acquisition will allow SFPW to begin the design phase of the project. This project is a Racial Equity Plan priority from the 2012 closure of Jerrold Avenue.
- **Pennsylvania Avenue Extension (PAX).** We will advance the PAX Pre-Environmental Bridging Study in FY 2024/25. The PAX project is planned to grade-separate the

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Preliminary Work Program

remaining at-grade crossings of the Caltrain corridor, at 16th Street and Mission Bay Drive. Building on our completed PAX Project Initiation Study, the Bridging Study will update our assessment of the strategic context for PAX and will advance project concepts in preparation for future phases of project development. The study will include further technical development of project alternatives, coordination with Caltrain and other agency partners, and public and stakeholder engagement.

Transportation Authority - Project Delivery Support:

- **Peninsula Corridor Electrification Project.** We anticipate completing our work to provide technical oversight and project development support to the Peninsula Corridor Electrification Project, which will electrify the passenger rail corridor between San Francisco and San Jose to serve a newly electrified Caltrain fleet and serve future California High-Speed Rail service in the blended corridor. Caltrain Electrification is scheduled to open for passenger service in Fall 2024. We will continue to lead funding partner oversight efforts through the Caltrain Modernization Configuration Management Board, and we will provide advice and support to San Francisco's representatives to the Peninsula Corridor Joint Powers Authority Board.
- **California High-Speed Rail Program (CHSRA).** We will continue to partner with the CHSRA and City agencies on high-speed rail issues affecting San Francisco, including project development and funding activities to bring the high-speed rail system from the Central Valley to the Bay Area. We will coordinate with CHSRA on state-level engagement to seek reauthorization of California's cap-and-trade program, to unlock funding for transit projects including The Portal. We will also collaborate with CHSRA on projects within San Francisco, including The Portal, PAX, and Fourth and King Railyards.
- **The Portal (Downtown Rail Extension).** We will continue to serve as an integral member of the six-agency team, led by the Transbay Joint Powers Authority (TJPA), that is advancing The Portal project toward full funding and construction. In FY 2024/25, we will continue to co-lead efforts to implement The Portal Governance Blueprint, with a new multi-agency memorandum of understanding (MOU) and refined organizational structure as the project prepares to advance to construction in the coming years. We will also continue to support progression through the Federal Transit Administration (FTA) process, including advancing the project's funding plan. Finally, we will continue our program oversight as TJPA progresses the procurement of the project's major contracts and initiates delivery of other pre-construction activities.
- **Fourth and King Railyards.** We will continue to actively participate in planning and project development for the Caltrain Railyards site at Fourth and King streets through our active participation in the Railyards MOU Working Group and the Preliminary

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Business Case (PBC) process for the site being led by Caltrain and the site owner. We will support San Francisco's representatives to the Caltrain Board as the PBC is brought forward for consideration. We will work with Caltrain and City agencies to develop work program priorities for planning and project development efforts to follow the PBC. We will also coordinate PAX project planning activities with the MOU Working Group as the PAX Bridging Study advances.

- **22nd Street Station ADA Improvements.** We will support Caltrain in advancing design and engagement for planned upgrades to the 22nd Street Station, as recommended by the recently completed ADA Access Improvement Feasibility Study. We will continue to work with Caltrain to identify a funding strategy for these improvements, including support for grant applications to regional, state, and federal sources. We will coordinate short- and medium-term design improvements with any longer-term changes potentially necessitated by the future implementation of PAX.
- **Muni Metro Modernization Program Development.** We will continue providing 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 is developing a program of investment to be put forward for FTA Core Capacity grant funds to be matched with Prop L funds. We will also support advancement of the **Muni Metro Train Control Upgrade Project**, including assistance with funding strategy, and the broader 10-year subway renewal program.
- **Potrero and Presidio Yards Modernization Projects.** We will continue to provide enhanced oversight of these two critical SFMTA facilities. The Potrero Yard Modernization Project, which will replace the existing site with a modern transit facility to serve Muni's bus fleet, with an integrated joint development housing component. The project is nearing completion of the pre-construction development phase, which will be followed by final design and construction. The Presidio Yard Modernization Project. The project is in the planning phase and is envisioned to rebuild the existing facility with a modern transit facility and provide for an adjacent development opportunity.
- **BART Core Capacity and Faregates/Station Modernization Oversight.** We will continue to provide enhanced oversight of BART's Core Capacity program, including participation in FTA's regular oversight meetings and process. We will also coordinate with MTC and other partners, as needed, on this Prop L major transit project. We will continue to oversee BART's implementation of new faregates, elevators, and other improvements at SF stations.

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- **Vision Zero.** We will continue to convene quarterly presentations to the CAC and Board to highlight the work that city agencies are doing to advance the goals of Vision Zero, including updates on project delivery and the SFMTA's rollout of speed safety cameras, and program evaluation.
- **OTHER PROJECT DELIVERY SUPPORT AND OVERSIGHT.** Support and oversee project delivery of Better Market Street and continue coordinating and collaborating with major transportation infrastructure departments (SFMTA, Public Works, SFPUC) to improve project delivery. Work closely with Public Works, SFMTA, and Caltrans on near-term 19th Avenue paving improvements.

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 and CAC meetings including standing and ad hoc committees. Includes preparation of agenda packets and clerking/supporting hybrid meetings to enable remote public participation.

Communications and Community Relations. Execute the agency's communications and engagement strategy with the public, our Board, various interest groups, our Community, Business, and Labor Roundtables, 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. In FY 2024/25, we will endeavor to grow our following on various social media platforms (estimates are based in part on past performance trends):

- Instagram: Grow following by 20%
- LinkedIn: Grow following by 10%
- Website: Increase unique website hits by 5%
- Facebook, X (Twitter) and Messenger Newsletter: Grow following by 2%

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

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- Refine outreach and communications techniques by incorporating the latest engagement techniques for the public, with a focus on racial equity and seeking to engage Equity Priority Communities.
- Enhance/update the agency website and branding. Provide ongoing review of the agency's website (sfcta.org) ensuring content is updated and functionality and reporting features operate in alignment with best practices.
- Support Board and agency experts in thought leadership roles and speaking engagements.
- Support project delivery events (groundbreakings, ribbon cuttings).
- Nominate notable agency and SF projects for industry recognition/awards.

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.

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. Ongoing enhancement and maintenance of the newly migrated enterprise resource planning system (business management and accounting software) to improve accounting functions, general ledger reconciliations and financial reporting.

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 work through the Racial Equity Working Group to advance the Racial Equity Action Plan created in 2020. The plan identifies over 80 actions for implementation over a multi-year period. This year, the Racial Equity Working Group continues to focus on completing elements of its Racial Equity Action Plan related to retention, promotion, and professional development.. Continue to identify opportunities to further advance racial equity on active projects by developing additional actions focused on outreach and project work.

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

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Preliminary Work Program

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 in multiple areas of project management, communication, and technical skills. We advance agency workplace excellence initiatives through staff working groups, training, and other means.

Office Management and Administrative Support. Work with the City's Office of Real Estate to establish a sublease agreement of our current office space under the anticipated City's 21-year lease agreement for multi-city departments as our lease expires June 2025. Maintain facilities and provide procurement of goods and services and administration of services contracts. Continue to document/update office policies, procedures, and guidance for new and existing staff. Staff front desk reception duties.

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 Annual Budget by Fund

| | Sales Tax Program | Congestion Management Agency Programs | Transportation Fund for Clean Air Program | Vehicle Registration Fee for Transportation Improvements Program | Treasure Island Mobility Management Agency Program | Traffic Congestion Mitigation Tax Program | Preliminary Fiscal Year 2024/25 Annual Budget |
|--|-----------------------|---------------------------------------|---|--|--|---|--|
| Revenues: | | | | | | | |
| Sales Tax Revenues | \$ 108,308,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 108,308,000 |
| Vehicle Registration Fee | - | - | - | 4,545,508 | - | - | 4,545,508 |
| Traffic Congestion Mitigation Tax | - | - | - | - | - | 8,500,000 | 8,500,000 |
| Interest Income | 622,416 | - | 760 | 26,491 | - | 835,978 | 1,485,645 |
| Program Revenues | - | 65,918,659 | 681,176 | - | 3,889,812 | - | 70,489,647 |
| Total Revenues | 108,930,416 | 65,918,659 | 681,936 | 4,571,999 | 3,889,812 | 9,335,978 | 193,328,800 |
| Expenditures | | | | | | | |
| Capital Project Costs | 135,265,000 | 68,260,379 | 764,583 | 10,341,345 | 3,735,574 | 9,934,957 | 228,301,838 |
| Administrative Operating Costs | 7,826,196 | 4,917,804 | 47,445 | 227,275 | 368,926 | 180,000 | 13,567,646 |
| Debt Service Costs | 24,983,500 | - | - | - | - | - | 24,983,500 |
| Total Expenditures | 168,074,696 | 73,178,183 | 812,028 | 10,568,620 | 4,104,500 | 10,114,957 | 266,852,984 |
| Other Financing Sources (Uses): | 57,525,788 | 7,259,524 | - | - | 214,688 | - | 65,000,000 |
| Net change in Fund Balance | \$ (1,618,492) | \$ - | \$ (130,092) | \$ (5,996,621) | \$ - | \$ (778,979) | \$ (8,524,184) |
| Budgetary Fund Balance, as of July 1 | \$ 12,684,383 | \$ - | \$ 221,078 | \$ 10,177,756 | \$ - | \$ 19,411,147 | \$ 42,494,364 |
| Budgetary Fund Balance, as of June 30 | \$ 11,065,891 | \$ - | \$ 90,986 | \$ 4,181,135 | \$ - | \$ 18,632,168 | \$ 33,970,180 |



| Category | Fiscal Year 2023/24 Amended Budget | Preliminary Fiscal Year 2024/25 Annual Budget | Variance from Fiscal Year 2023/24 Amended Budget | % Variance |
|--|---------------------------------------|---|--|-------------|
| Sales Tax Revenues | \$ 106,165,000 | \$ 108,308,000 | \$ 2,143,000 | 2.0% |
| Vehicle Registration Fee | 4,645,521 | 4,545,508 | (100,013) | -2.2% |
| Traffic Congestion Mitigation Tax | 8,500,000 | 8,500,000 | - | 0.0% |
| Interest Income | 1,966,680 | 1,485,645 | (481,035) | -24.5% |
| Program Revenues | | | | |
| Federal | 49,664,388 | 34,084,667 | (15,579,721) | -31.4% |
| State | 12,931,746 | 24,891,514 | 11,959,768 | 92.5% |
| Regional and other | 4,874,920 | 11,513,466 | 6,638,546 | 136.2% |
| Other Revenues | 65,989 | - | (65,989) | N/A |
| Total Revenues | 188,814,244 | 193,328,800 | 4,514,556 | 2.4% |
| Capital Project Costs | 214,743,316 | 228,301,838 | 13,558,522 | 6.3% |
| Administrative Operating Costs | | | | |
| Personnel expenditures | 9,753,583 | 10,231,638 | 478,055 | 4.9% |
| Non-Personnel expenditures | 3,816,273 | 3,336,008 | (480,265) | -12.6% |
| Debt Service Costs | 21,825,439 | 24,983,500 | 3,158,061 | 14.5% |
| Total Expenditures | 250,138,611 | 266,852,984 | 16,714,373 | 6.7% |
| Other Financing Sources (Uses) | 60,000,000 | 65,000,000 | 5,000,000 | 8.3% |
| Net change in Fund Balance | \$ (1,324,367) | \$ (8,524,184) | \$ (7,199,817) | |
| Budgetary Fund Balance, as of July 1 | \$ 43,818,731 | \$ 42,494,364 | | |
| Budgetary Fund Balance, as of June 30 | \$ 42,494,364 | \$ 33,970,180 | | |



Preliminary Annual Budget by Fund

| | Sales Tax Program | Congestion Management Agency Programs | Transportation Fund for Clean Air Program | Vehicle Registration Fee for Transportation Improvements Program | Treasure Island Mobility Management Agency Program | Traffic Congestion Mitigation Tax Program | Preliminary Fiscal Year 2024/25 Annual Budget |
|---|-----------------------|---------------------------------------|---|--|--|---|---|
| Revenues: | | | | | | | |
| Sales Tax Revenues | \$ 108,308,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 108,308,000 |
| Vehicle Registration Fee | - | - | - | 4,545,508 | - | - | 4,545,508 |
| Traffic Congestion Mitigation Tax | - | - | - | - | - | 8,500,000 | 8,500,000 |
| Interest Income | 622,416 | - | 760 | 26,491 | - | 835,978 | 1,485,645 |
| Program Revenues | | | | | | | |
| Federal | | | | | | | |
| Advanced Transportation and Congestion Management Technologies Deployment | - | - | - | - | 312,059 | - | 312,059 |
| Congestion Mitigation and Air Quality Improvement Program - YBI Multi-Use Pathway Project | - | 2,250,000 | - | - | - | - | 2,250,000 |
| Ferry Boat Discretionary Funds - Treasure Island Ferry Terminal | - | - | - | - | 2,612,555 | - | 2,612,555 |
| Highway Bridge Program - Yerba Buena Island (YBI) Westside Bridges | - | 20,000,000 | - | - | - | - | 20,000,000 |
| Priority Conservation Area Program - YBI Multi-Use Path | - | 239,718 | - | - | - | - | 239,718 |
| Reconnecting Communities & Neighborhoods Program - Geary-Fillmore Underpass Study | - | 697,076 | - | - | - | - | 697,076 |
| Rebuilding American Infrastructure with Sustainability and Equity - YBI Westside Bridges | - | 6,039,663 | - | - | - | - | 6,039,663 |
| Safe Streets and Roads for All - Vision Zero Ramps Intersection Study Phase 3 | - | 183,762 | - | - | - | - | 183,762 |
| Surface Transportation Program 3% Revenue and Augmentation | - | 1,749,834 | - | - | - | - | 1,749,834 |
| State | | | | | | | |
| Affordable Housing and Sustainable Communities - Treasure Island Ferry Terminal | - | - | - | - | 653,139 | - | 653,139 |
| Active Transportation Program - YBI Multi-Use Path | - | 516,630 | - | - | - | - | 516,630 |
| Planning, Programming & Monitoring SB45 Funds | - | 199,000 | - | - | - | - | 199,000 |
| Infill Infrastructure Grant Program - Hillcrest Road Improvement Project | - | 15,615,423 | - | - | - | - | 15,615,423 |
| Senate Bill 1 Local Partnership Program - I-280 SB Ocean Ave Off-Ramp Realignment Project | - | 582,716 | - | - | - | - | 582,716 |
| Senate Bill 1 Local Partnership Program - YBI Hillcrest Road Improvement Project | - | 1,214,434 | - | - | - | - | 1,214,434 |
| Senate Bill 1 Local Partnership Program - YBI Multi-Use Path | - | 240,718 | - | - | - | - | 240,718 |
| Senate Bill 1 Local Partnership Program - YBI Westside Bridges | - | 3,038,436 | - | - | - | - | 3,038,436 |
| Seismic Retrofit Proposition 1B - YBI Westside Bridges | - | 2,591,212 | - | - | - | - | 2,591,212 |
| Sustainable Communities - Brotherhood Way Safety and Circulation Plan | - | 239,806 | - | - | - | - | 239,806 |
| Regional and other | | | | | | | |
| BATA - I-80/YBI Interchange Improvement | - | 7,860,680 | - | - | - | - | 7,860,680 |
| BATA - YBI Westside Bridges | - | 162,698 | - | - | - | - | 162,698 |
| CNCA - Decarbonizing Downtown Business Deliveries Study | - | 7,497 | - | - | - | - | 7,497 |
| SFMTA - Travel Demand Modeling Assistance | - | 75,000 | - | - | - | - | 75,000 |
| SFPLN - In-Kind (Geary-Fillmore Underpass Study) | - | 27,000 | - | - | - | - | 27,000 |
| Treasure Island Community Development LLC - Ferry Exchange | - | - | - | - | 312,059 | - | 312,059 |
| TIDA - YBI Westside Bridges | - | 2,387,356 | - | - | - | - | 2,387,356 |
| Vehicle Registration Fee Revenues (TFCA) | - | - | 681,176 | - | - | - | 681,176 |
| Total Revenues | \$ 108,930,416 | \$ 65,918,659 | \$ 681,936 | \$ 4,571,999 | \$ 3,889,812 | \$ 9,335,978 | \$ 193,328,800 |



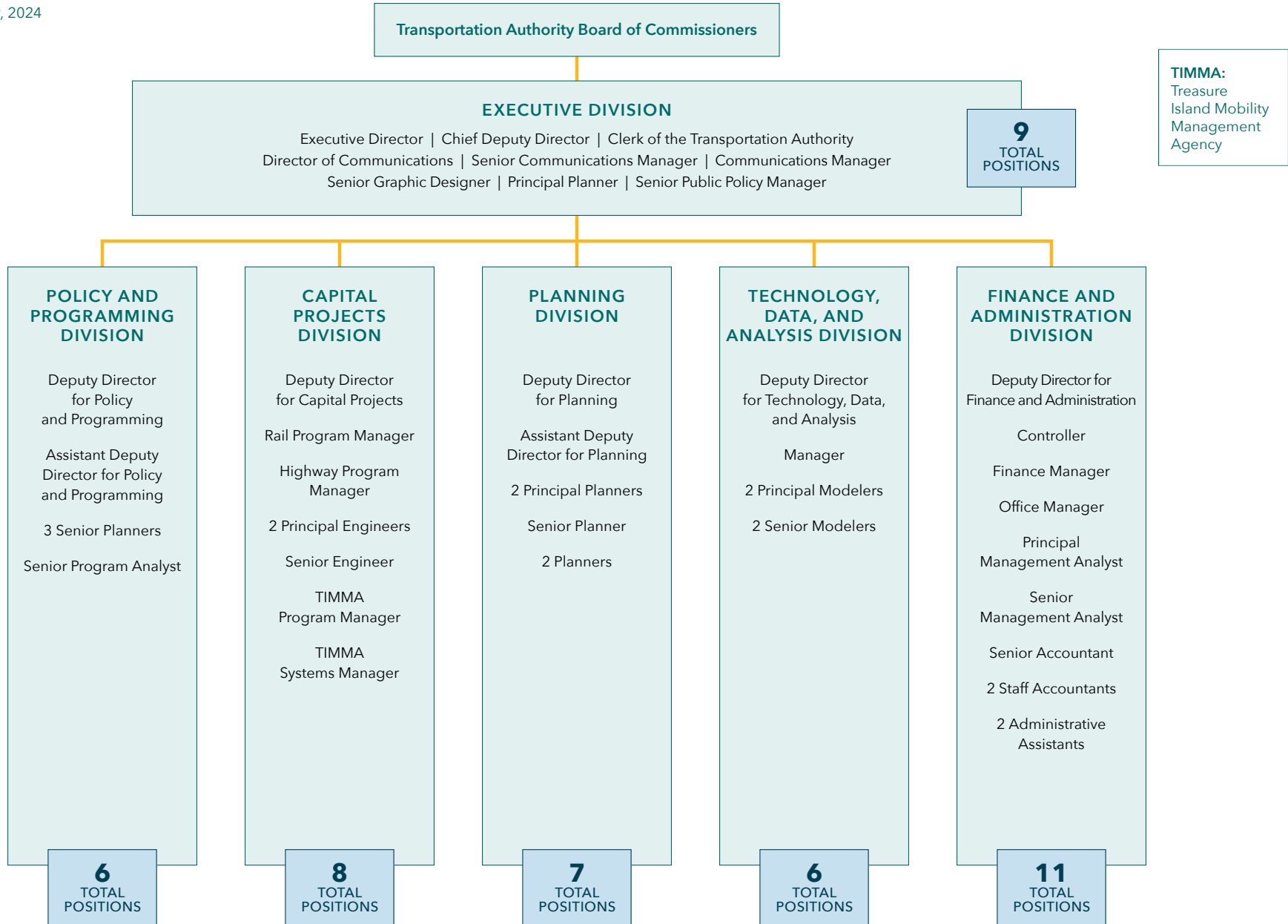
| Preliminary Annual Budget by Fund | | | | | | | |
|---|-----------------------|---------------------------------------|---|--|--|---|--|
| | Sales Tax Program | Congestion Management Agency Programs | Transportation Fund for Clean Air Program | Vehicle Registration Fee for Transportation Improvements Program | Treasure Island Mobility Management Agency Program | Traffic Congestion Mitigation Tax Program | Preliminary Fiscal Year 2024/25 Annual Budget |
| Expenditures: | | | | | | | |
| Capital Project Costs | | | | | | | |
| Individual Project Grants, Programs & Initiatives | \$ 133,000,000 | \$ - | \$ 764,583 | \$ 10,341,345 | \$ - | \$ 9,859,957 | \$ 153,965,885 |
| Technical Professional Services | 2,265,000 | 68,260,379 | - | - | 3,735,574 | 75,000 | 74,335,953 |
| Administrative Operating Costs | | | | | | | |
| Personnel Expenditures | | | | | | | |
| Salaries | 2,859,997 | 3,280,512 | 31,778 | 152,227 | 216,896 | 120,563 | 6,661,973 |
| Fringe Benefits | 1,409,978 | 1,617,292 | 15,667 | 75,048 | 106,930 | 59,437 | 3,284,352 |
| Pay for Performance | 285,313 | - | - | - | - | - | 285,313 |
| Non-personnel Expenditures | | | | | | | |
| Administrative Operations | 2,989,008 | 20,000 | - | - | 42,000 | - | 3,051,008 |
| Equipment, Furniture & Fixtures | 221,900 | - | - | - | - | - | 221,900 |
| Commissioner-Related Expenses | 60,000 | - | - | - | 3,100 | - | 63,100 |
| Debt Service Costs | | | | | | | |
| Fiscal Charges | 255,000 | - | - | - | - | - | 255,000 |
| Interest Expenses | 9,603,500 | - | - | - | - | - | 9,603,500 |
| Bond Principal Payment | 15,125,000 | - | - | - | - | - | 15,125,000 |
| Total Expenditures | \$ 168,074,696 | \$ 73,178,183 | \$ 812,028 | \$ 10,568,620 | \$ 4,104,500 | \$ 10,114,957 | \$ 266,852,984 |
| Other Financing Sources (Uses): | | | | | | | |
| Transfers in - Prop K Match to Grant Funding | - | 7,259,524 | - | - | 214,688 | - | 7,474,212 |
| Transfers out - Prop K Match to Grant Funding | (7,474,212) | - | - | - | - | - | (7,474,212) |
| Draw on Revolving Credit Agreement | 65,000,000 | - | - | - | - | - | 65,000,000 |
| Total Other Financing Sources (Uses) | 57,525,788 | 7,259,524 | - | - | 214,688 | - | 65,000,000 |
| Net change in Fund Balance | \$ (1,618,492) | \$ - | \$ (130,092) | \$ (5,996,621) | \$ - | \$ (778,979) | \$ (8,524,184) |
| Budgetary Fund Balance, as of July 1 | \$ 12,684,383 | \$ - | \$ 221,078 | \$ 10,177,756 | \$ - | \$ 19,411,147 | \$ 42,494,364 |
| Budgetary Fund Balance, as of June 30 | \$ 11,065,891 | \$ - | \$ 90,986 | \$ 4,181,135 | \$ - | \$ 18,632,168 | \$ 33,970,180 |
| Fund Reserved for Program and Operating Contingency | \$ 10,830,800 | \$ - | \$ 68,118 | \$ 454,551 | \$ - | \$ 850,000 | \$ 12,203,468 |

Proposed Agency Structure 47 STAFF POSITIONS



San Francisco
County Transportation
Authority

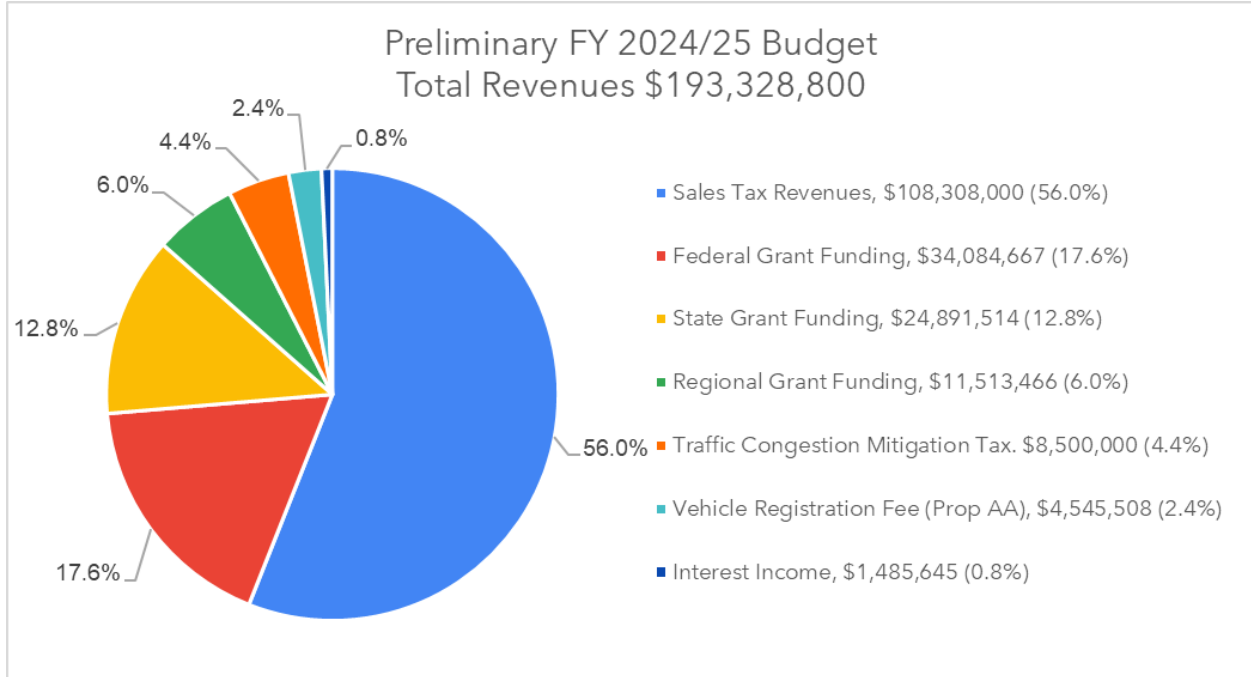
Revised April 19, 2024



Attachment 6
Line Item Descriptions

TOTAL PROJECTED REVENUES..... \$193,328,800

The following chart shows the composition of revenues for the preliminary Fiscal Year (FY) 2024/25 budget.



Prop L Sales Tax Revenues:\$108,308,000

In November 2022, San Francisco voters approved Prop L, 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 L Expenditure Plan. The 30-year expenditure plan extends through March 31, 2053, prioritizes \$2.6 billion (in 2020 dollars) and helps San Francisco projects leverage another \$23.7 billion in federal, state, regional and other local funding for transportation projects. The expenditure plan restricts expenditures to five major categories: 1) Major Transit Projects; 2) Transit Maintenance and Enhancements; 3) Paratransit; 4) Streets and Freeways; and 5) Transportation System Development and Management. Prop L superseded the Prop K Expenditure Plan on April 1, 2023.

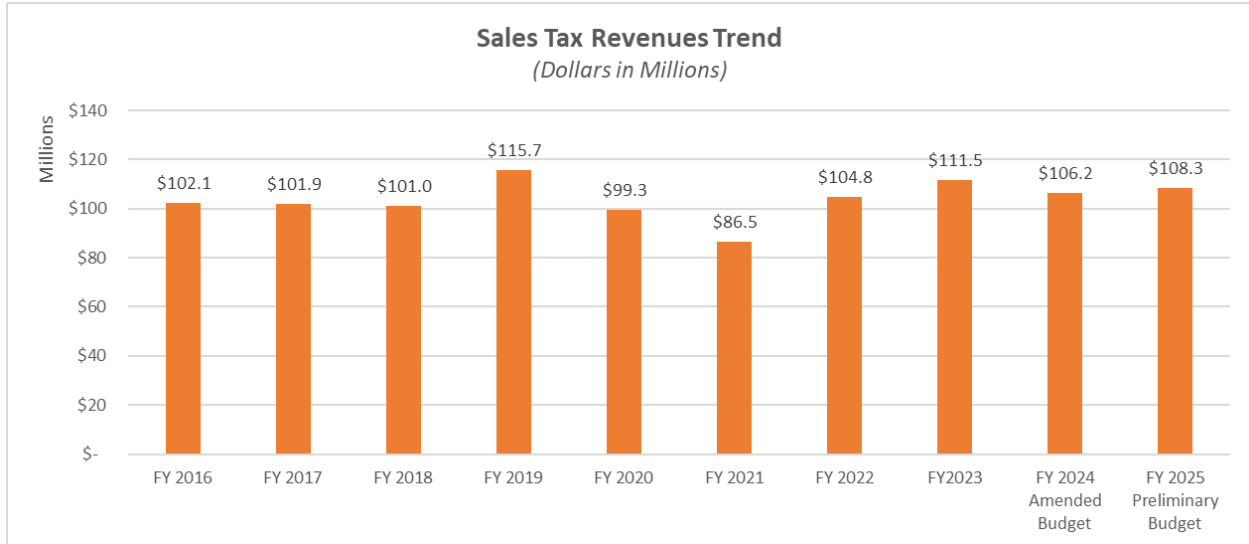
Based on sales tax receipts collected through February 2024, sales tax revenues are on track to meet the amended sales tax revenues budgeted in FY 2023/24 of \$106.2 million. We project that FY 2024/25 sales tax revenues to increase by 2.0%, or \$2.1 million as compared to the amended budget revenues for FY 2023/24. This 2% increase represents a flattening in sales tax growth compared to the past few years of pandemic recovery. Many jurisdictions throughout the state have seen declining sales tax revenues in recent quarters (including the Transportation Authority). However, a large part of the reasons for these declines were

Attachment 6

Line Item Descriptions

various short-term pandemic related effects that are anticipated to go away. For example, relative price changes for new and used cars and gas prices have largely worked their way through the system and the FY 2024/25 year is anticipated to return back to more normal price levels. Inflation will continue to be a factor in sales tax growth in FY 2024/25 with anticipated price increase levels in the 2% to 4% range depending on the price index used. Also, the return to the workplace, business travel, and international travel all have been returning slower than anticipated. Lastly, the recent slowdown in the economy (due to higher interest rates and other factors) is expected to end and the overall economy is expected to start to pick up to more normal growth levels in FY 2024/25. 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.

This chart reflects the eight-year historical and two-year budgeted receipts for sales tax revenues.



Vehicle Registration Fee for Transportation Improvements Program (Prop AA)

Revenues:.....\$4,545,508

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.

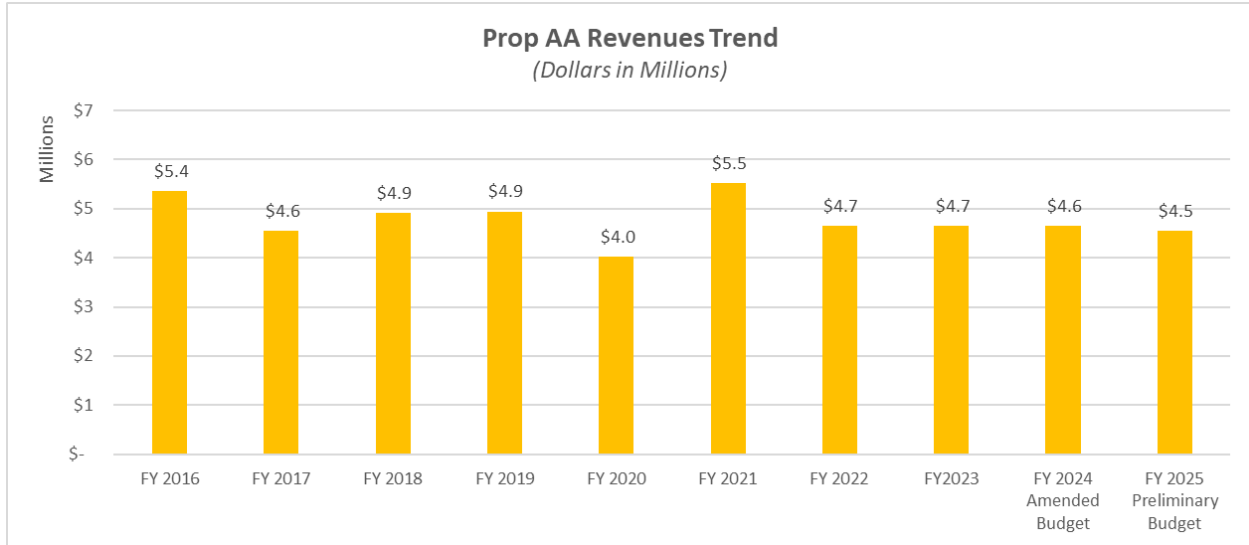
Based on actual revenues for FY 2021/22 and FY 2022/23, and FY 2023/24 revenues to date, we project FY 2024/25 Prop AA revenues will be 2.2% lower than the amended budget revenues for FY 2023/24, which was based on actual revenues for FY 2020/21, FY 2021/22, and the first six months of FY 2022/23. This decline in revenues is due to having fewer

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vehicles registered in San Francisco, which is consistent with declining population trends that we have seen during and following the pandemic. This amount is net of the Department of Motor Vehicles' charges for the collection of these fees.

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



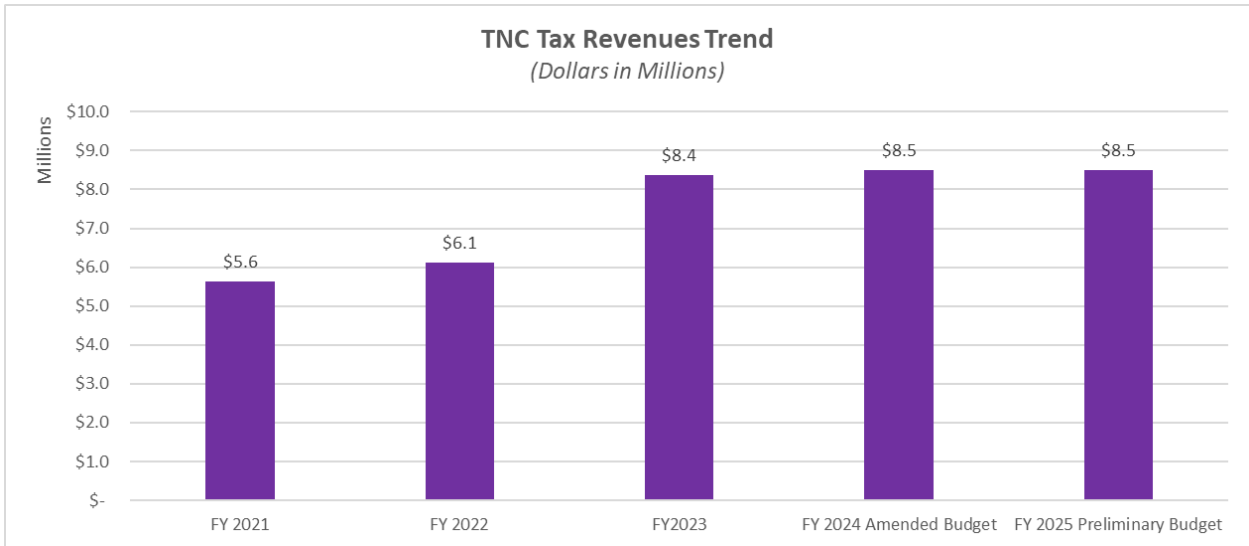
Traffic Congestion Mitigation Tax (TNC Tax) Revenues:..... **\$8,500,000**

The Proposition D Traffic Congestion Mitigation Tax was passed by San Francisco voters in November 2019. The measure, also referred to as the TNC Tax, is a surcharge on commercial ride-hail trips that originate in San Francisco, for the portion of the trip within the city. The tax also applies to private transit companies and rides given by autonomous vehicles commercially. Single occupant trips are taxed at 3.25%, with electric vehicle trips receiving a discount to 1.5% through 2024. Shared trips are taxed at 1.5%. The tax is in effect until November 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 revenues earned through January 2024 and through continuous discussions and coordination with the City's Controller's Office and the SFMTA, TNC Tax revenues for FY 2024/25 are projected at a similar level as in the amended budget for FY 2023/24. TNC Tax revenues are aligned with the City's Controller's Office estimates in the FY 2023/24 Six-Month Budget Status Report.

This chart reflects the three-year historical and two-year budgeted receipts for the Transportation Authority's share of TNC Tax revenues.

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

Interest Income:..... \$1,485,645

Most of our investable assets are deposited in the City’s Treasury Pool (Pool). The level of our deposits held in the pool during the year depends on the volume and level of Sales Tax capital project reimbursement requests. Our cash balance consists largely of allocated Sales Tax funds, which are invested until invoices are received and sponsors are reimbursed. The FY 2024/25 budget for interest income shows a \$481,035 or 24.5%, decrease as compared to FY 2023/24 which is mainly due to an anticipated lower bank balance in the Pool accounts at the start of FY 2024/25, thus less interest earned on the deposits. The budget does not include any adjustments that would occur due to Governmental Accounting Standards Board Statement No. 31 which is an adjustment to report the change in fair value of investments in the Pool.

Congestion Management Agency (CMA) Programs Federal, State and Regional Grant Revenues:.....\$65,918,659

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.

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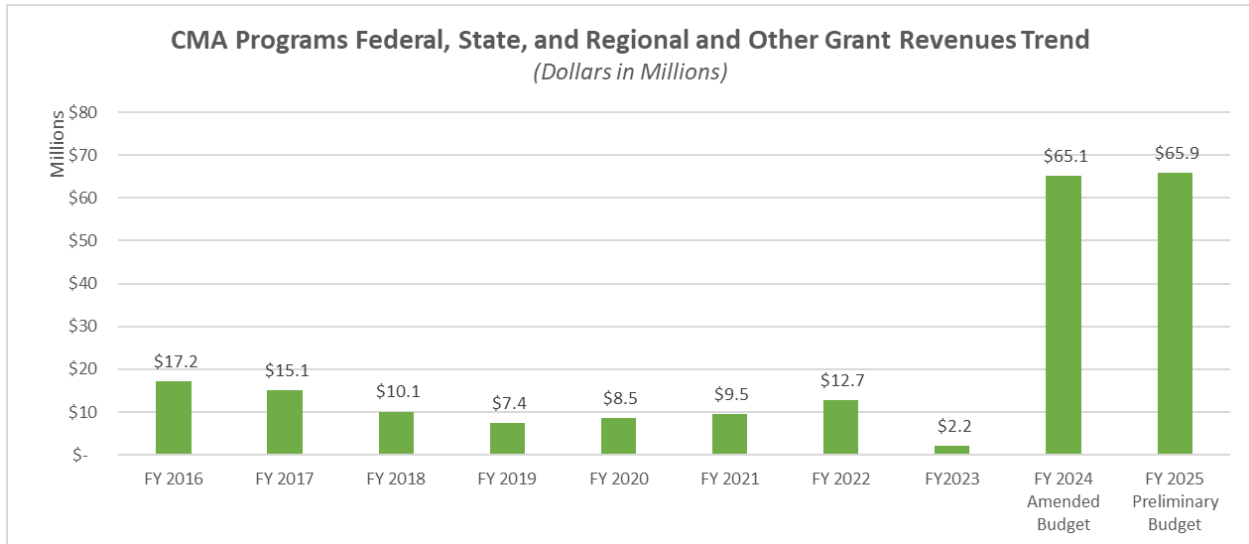
The CMA program revenues for FY 2024/25 will be used to cover ongoing staffing and professional/technical service contracts required to implement the CMA programs and projects, as well as for large projects undertaken in our role as CMA. CMA revenues are comprised of federal, state, and regional funds received from agencies such as the MTC, the California Department of Transportation (Caltrans), and the United States Department of Transportation (USDOT). Some of these grants are project-specific, such as those for the Yerba Buena Island (YBI) West Side Bridges Project, Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project, YBI Hillcrest Road Improvement Project, YBI Multi-Use Path Project, and Geary-Fillmore Underpass Community Planning Study. Other funding sources, such as federal Surface Transportation Program (STP) 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 update and the Congestion Management Program. Regional CMA program revenues include City agency contributions for projects such as travel demand model services provided to City agencies in support of various projects and Bay Area Toll Authority (BATA) contributions for projects such as the Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project.

The FY 2024/25 budget includes \$55.4 million from federal and state funding in the CMA program revenues. Some of the major drivers of the federal and state funding for FY 2024/25 are YBI West Side Bridges Project (\$31.7 million), YBI Hillcrest Road Improvements Project (\$16.8 million), projects funded by the STP funds as mentioned above (\$1.7 million), YBI Multi-Use Path Project (\$3.2 million), and Geary-Fillmore Underpass Community Planning Study (\$697,076). This is a \$6.3 million decrease as compared to FY 2023/24, largely due to the anticipated final collection of \$24.5 million in federal and state reimbursements from Caltrans for the YBI Southgate Road Realignment Project in FY 2023/24. This absence of collection in FY 2024/25 is offset by an increase of \$11.6 million for construction activities in the YBI Hillcrest Road Improvements Project, an increase of \$3.3 million for construction activities in the YBI West Side Bridges Project, an increase of \$1.9 million for design work in the YBI Multi-Use Path Project, and the addition of \$697,076 for the new Geary-Fillmore Underpass Community Planning Study. The budget for CMA program revenues also includes \$10.5 million from regional and other funding, a \$7.1 million increase as compared to FY 2023/24 largely due to an increase in regional funding from the BATA and Treasure Island Development Authority for construction activities in the Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project.

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

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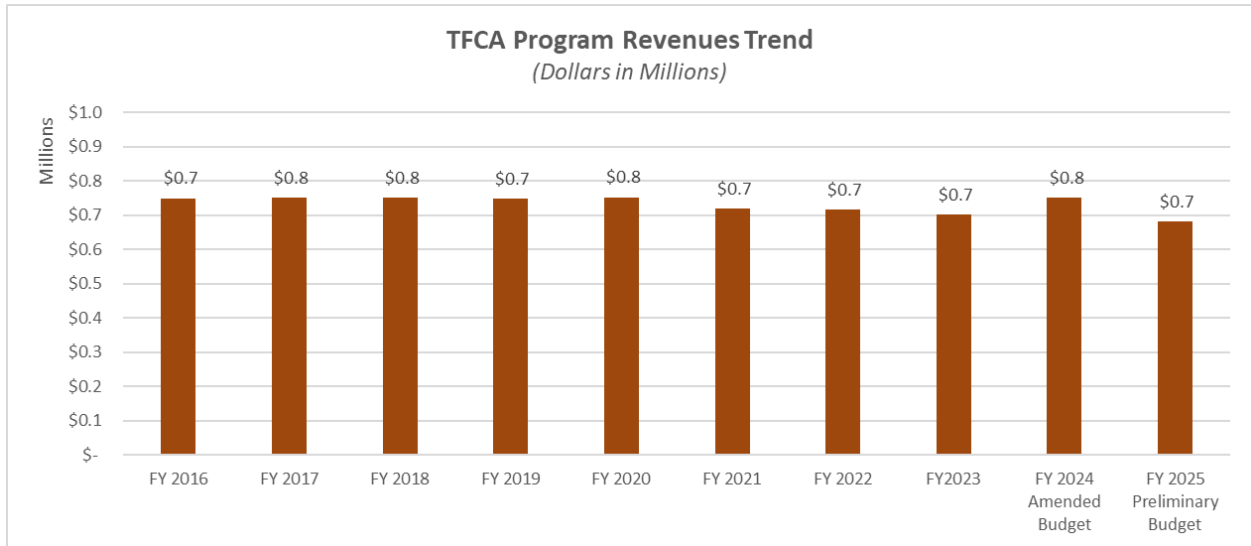
Transportation Fund for Clean Air (TFCA) Program Regional Revenues:..... \$681,176

On June 15, 2002, the Transportation Authority was designated to act as the overall program manager for the county share (40 Percent Fund) 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. The \$681,176 of TFCA revenues in FY 2024/25 from vehicle registration fees are in line with the trends we expect for Prop AA, which is also funded by a vehicle registration fee and reflects a slight decline in TFCA revenues in FY 2024/25 due to downward population trends. The Bay Area Quality Management District (Air District), which administers these revenues, also reprogrammed \$3,194 of de-obligated funds from past fiscal years to revenues in FY 2024/25. TFCA revenues for FY 2024/25 together with the additional reprogrammed funds are expected to decrease by 27.7% compared to FY 2023/24, due to significantly less reprogrammed funds.

This chart reflects the eight-year historical and two-year budgeted receipts for TFCA program revenues.

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Treasure Island Mobility Management Agency (TIMMA) Program

Revenues:.....\$3,889,812

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 2024/25 revenues will be presented as a separate item to the TIMMA Committee and Board at their upcoming June meetings.

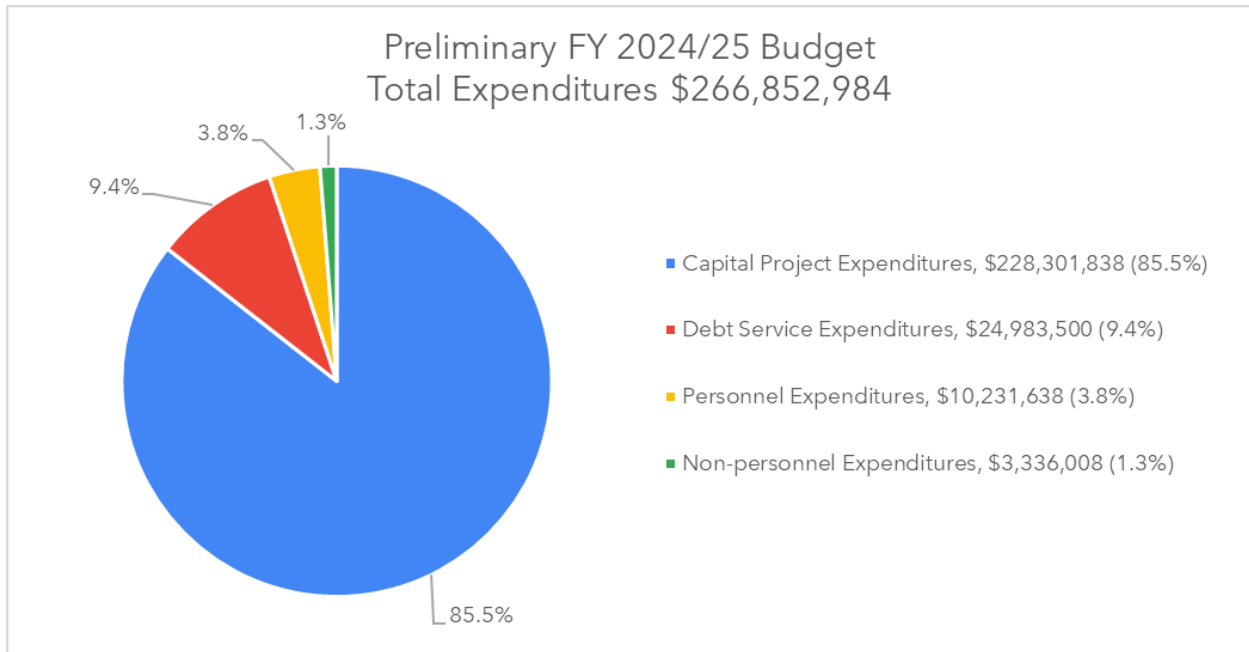
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TOTAL PROJECTED EXPENDITURES..... \$266,852,984

Total Expenditures projected for the budget year are comprised of Capital Project Expenditures of \$228.3 million, Administrative Operating Expenditures of \$13.6 million, of which \$10.2 million is for Personnel Expenditures and \$3.3 million is for Non-personnel Expenditures, and Debt Service Expenditures of \$25 million.

The following chart shows the composition of expenditures for the preliminary FY 2024/25 budget.



CAPITAL PROJECT EXPENDITURES..... \$228,301,838

Capital project expenditures in FY 2024/25 are budgeted to increase from the FY 2023/24 amended budget by an estimated 6.3%, or \$13.6 million, which is primarily due to anticipated higher capital expenditures for the CMA Programs. Expenditures by Program Fund are detailed below.

Sales Tax Program Expenditures:..... \$135,265,000

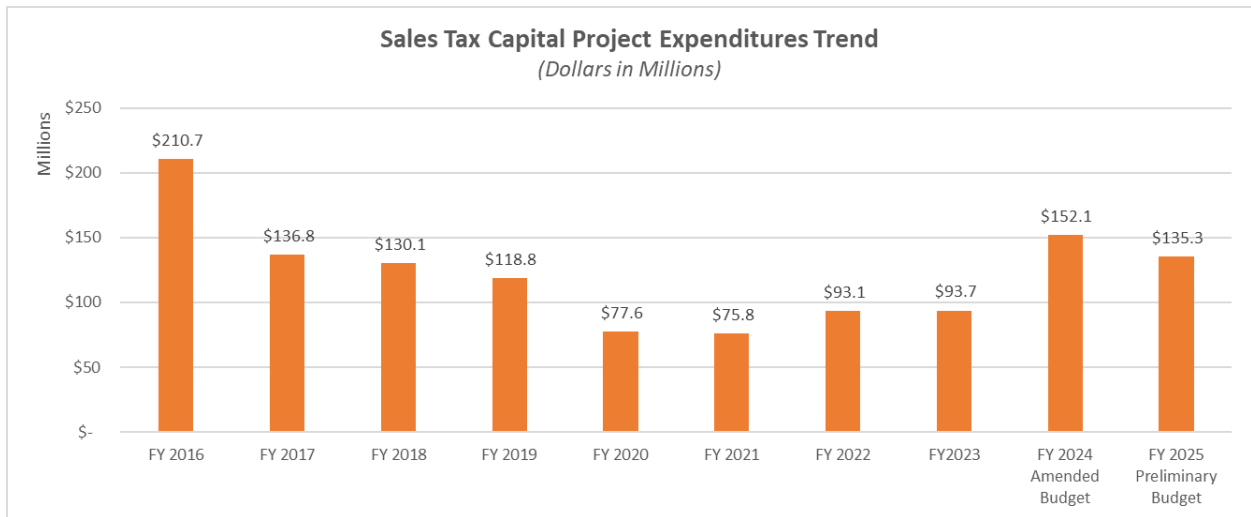
The estimate of sales tax capital expenditures reflects the ongoing coordination with project sponsors to maintain up-to-date project reimbursement schedules for the existing Prop K grants (which carryforward into Prop L) with large remaining balances as well as the expected timing for reimbursements and new allocations of Prop L funds. The primary drivers of Sales Tax capital expenditures for FY 2024/25 are SFMTA's Muni maintenance, rehabilitation and replacement projects, which include various projects such as Motor Coach procurement and facilities projects like Modernization of Potrero and Presidio Yards (\$20 million), and Light Rail

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Vehicle (LRV) procurement (\$12 million); SFMTA's Paratransit operations(\$12.7 million), BART's Next Generation Fare Gates (\$9.3 million), various Caltrain state of good repair initiatives (\$9.2 million), The Portal (Downtown Rail Extension) (\$7.9 million with another \$10 million potentially to be allocated in FY 2024/25), SF Public Works' Pavement Renovation projects (\$7.5 million), SFMTA's L-Taraval Transit Enhancements (\$6.3 million), and Better Market Street (\$4 million).

This chart reflects the eight-year historical and two-year budgeted sales tax program capital expenditures.



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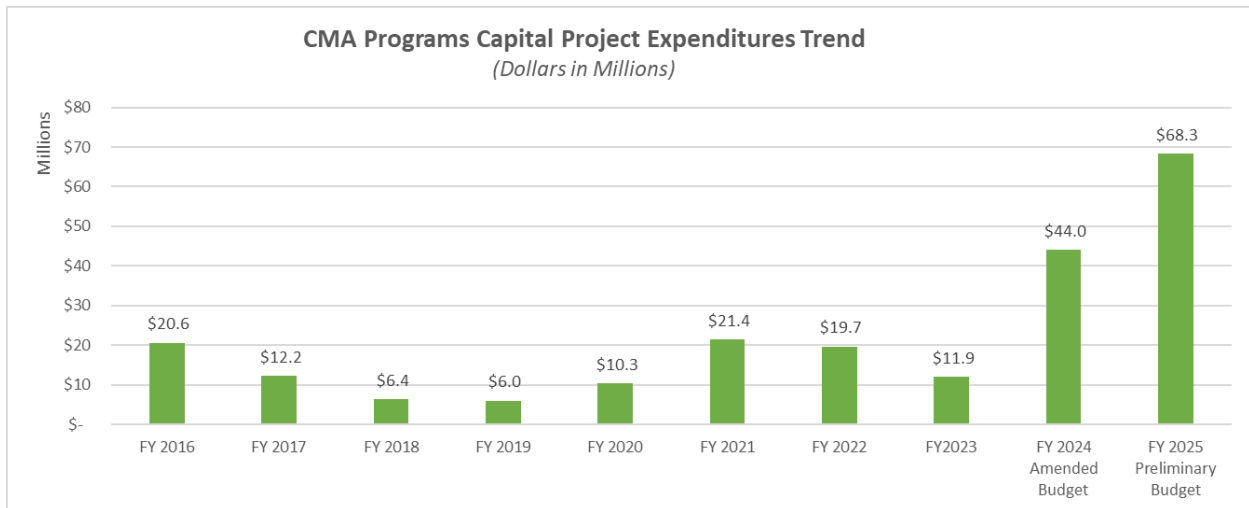
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CMA Programs Expenditures:..... \$68,260,379

This line item includes construction activities and 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 projects such as YBI Hillcrest Road Improvement Project, YBI Multi-Use Path Project, and I-280/Ocean Avenue South Bound Off-ramp Realignment Project. Also included is the YBI West Side Bridges and Torpedo Building Rehabilitation work and Pier E-2 work of the YBI Southgate Road Realignment Project.

Expenditures in FY 2024/25 are budgeted to increase by 55.2%, or \$24.3 million, as compared to FY 2023/24 amended budget. This increase is primarily due to increased construction activities for the YBI Hillcrest Road Improvement Project of \$12.2 million in capital expenditures. In addition, this line item budget includes increased construction activities of \$6.7 million for the Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project, increased construction activities of \$3.3 million for the YBI West Side Bridges Project, and increased design work of \$1.9 million for the YBI Multi-Use Path Project.

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



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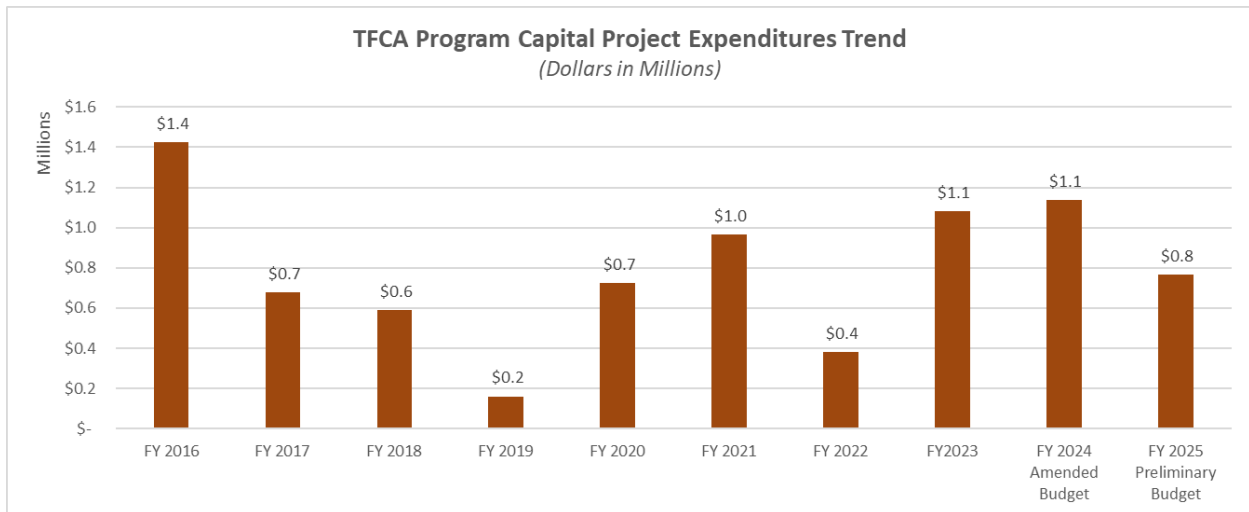
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TFCA Program Expenditures:..... \$764,583

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 2024/25 projects, anticipated to be approved by the Board in July 2024, carryover prior year projects with multi-year schedules and FY 2023/24 projects that are taking longer to complete than originally anticipated.

This year's budget of \$764,583 is lower than the FY 2023/24 amended budget by 32.7% or \$371,828, due to projects that are expected to complete significant amounts of work in FY 2023/24, such as SFMTA's Short-Term Bike Parking and EVgo's Mixed Use Building Fast Charging.

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



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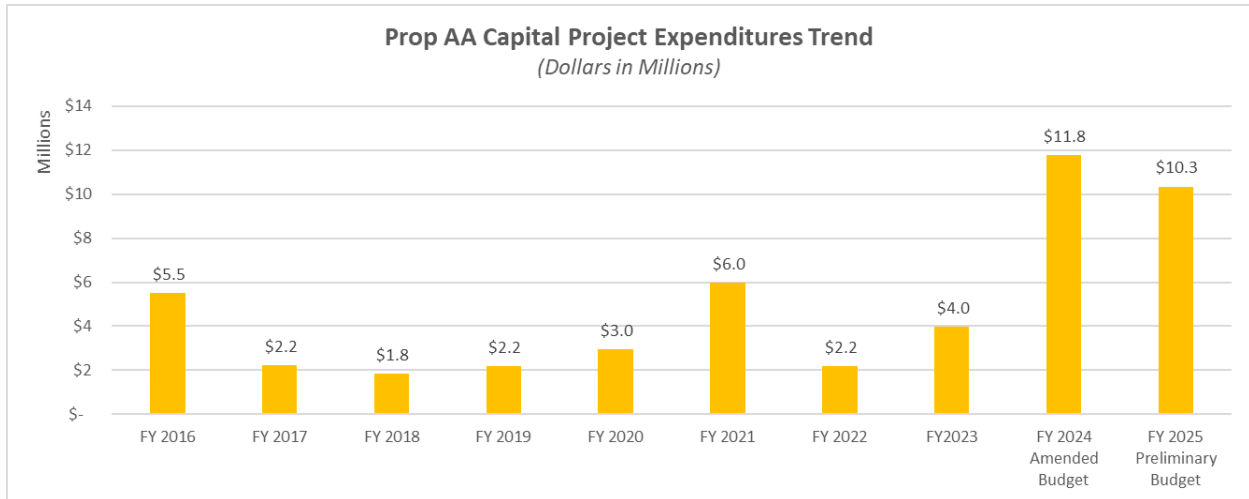
Vehicle Registration Fee for Transportation Improvements Program (Prop AA)

Expenditures:\$10,341,345

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 2024/25 projects programmed in the Prop AA Strategic Plan, carryover prior year projects with multi-year schedules, and other projects that will not be completed as anticipated by the end of FY 2023/24. The largest capital project expenditures include SFMTA's 29 Sunset Improvement Project (Phase 1), and San Francisco Public Works' 23rd Street, Dolores Street, York Street, and Hampshire Street Pavement Renovation, Mission and Geneva Pavement Reconstruction, and Hunters Point, Central Waterfront and Potrero Hill Area Streets Pavement Renovation.

For FY 2024/25, we expect expenditures to decrease by 12.1%, or \$1.4 million, as compared to the FY 2023/24 amended budget of \$11.8 million. This decrease is expected as some large projects, such as SFMTA's L-Taraval and SFPW's Richmond paving projects, have progressed past their most active periods.

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



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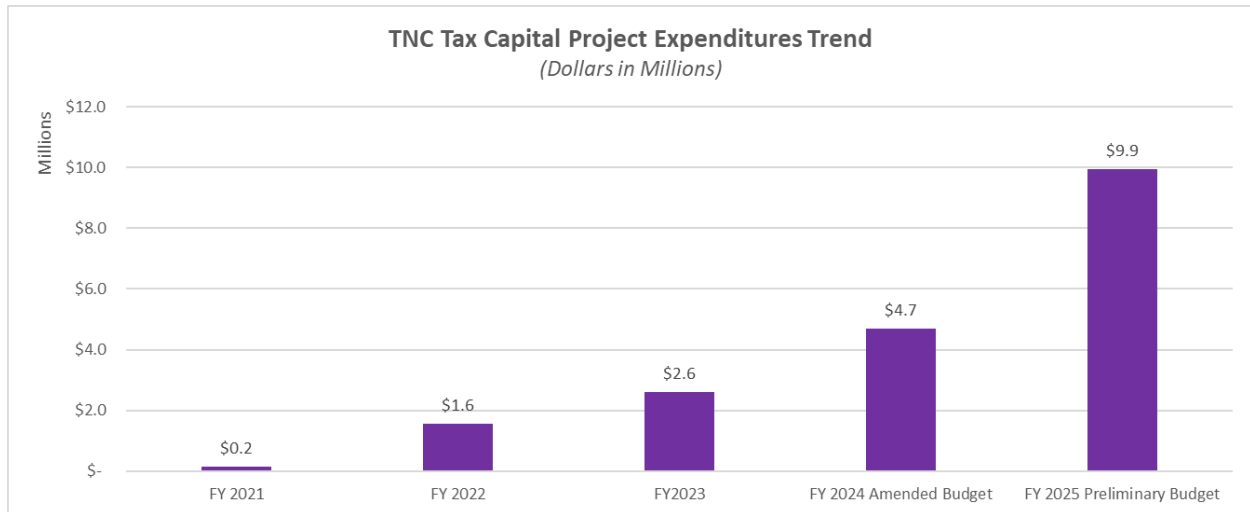
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Traffic Congestion Mitigation Tax Program (TNC Tax) Expenditures:..... \$9,934,957

On April 26, 2023, the Board adopted the TNC Tax Program Guidelines and the programming of \$21.3 million in TNC Tax revenues in FY 2022/23 and FY 2023/24 to the SFMTA's Vision Zero Quick-Build Program and the Application-Based Residential Traffic Calming Program.

Capital Project Costs for the TNC Tax Program in FY 2024/25 are expected to increase by 112.2%, or \$5.3 million, which is based on recent allocations for SFMTA's Vision Zero Quick-Build Program and Residential Traffic Calming Program, as well as anticipated allocations to both programs, and their associated project schedules.

This chart reflects the three-year historical and two-year budgeted TNC Tax capital project expenditures.



TIMMA Program Expenditures:.....\$3,735,574

The TIMMA FY 2024/25 expenditures will be presented as a separate item to the TIMMA Committee and Board at the upcoming June meetings.

ADMINISTRATIVE OPERATING EXPENDITURES..... \$13,567,646

Administrative operating expenditures in FY 2024/25 are budgeted to decrease from the FY 2023/24 amended budget by \$2,210. Operating expenditures include personnel, administrative, Commissioner-related, and equipment, furniture, and fixtures expenditures.

Personnel:..... \$10,231,638

Personnel costs are budgeted at a higher level by 4.9% as compared to the FY 2023/24 amended budget, reflecting a budget of 42 full-time equivalents. This increase is primarily due to the budgeting of various positions for a partial year that resulted from unexpected staff departures (Director of Communications, Assistant Deputy Director for Capital Projects

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(now reclassified as Highway Program Manager), Clerk of the Transportation Authority, and a Transportation Planner) and the delayed hiring of vacancies (Rail Program Principal Engineer, a Principal Transportation Planner, and two Transportation Planners) during the FY 2023/24 that are now budgeted at full-time in FY 2024/25, with the exception of the Highway Program Manager. The increase in fringe benefits reflects the proportional increase in salaries as mentioned above. Personnel costs budgeted under the Treasure Island Mobility Management Agency (TIMMA) program will be reflected in the Transportation Authority budget, as relevant, after it is presented to the TIMMA Committee. Capacity for merit increases is also included in the pay-for-performance and salary categories; however, there is no assurance of any annual pay increase. Employees are not entitled to cost of living increases. All salary adjustments are determined by the Executive Director based on merit only.

Non-Personnel:..... \$3,336,008

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

Non-personnel expenditures in FY 2024/25 are budgeted to decrease from the FY 2023/24 amended budget by an estimated 12.6%, or \$480,265. This is mainly due to the completion of the migration of the new enterprise resource planning system (business management and accounting software) and a decrease in legal costs.

DEBT SERVICE COSTS..... \$24,983,500

The Transportation Authority has a \$125 million Revolving Credit Loan Agreement with U.S. Bank National Association and the full balance is currently available to draw upon for Sales Tax capital project costs. This line item assumes fees and interests related to the expected full drawdown from the Revolving Credit Loan Agreement noted in the Other Financing Sources/Uses section, anticipated bond principal payment of \$15.1 million and interest payments of \$9.6 million related to our 2017 Sales Tax Revenue Bonds and anticipated drawdowns from the Revolving Credit Loan Agreement, and other costs associated with our debt program. Since our current Revolving Credit Loan Agreement expires in October 2024, the line item also includes costs associated with entering into a new short-term borrowing

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facility. Debt service expenditures in FY 2024/25 are budgeted to increase from the FY 2023/24 amended budget by an estimated 14.5% or \$3.2 million.

OTHER FINANCING SOURCES/USES..... \$65,000,000

The Other Financing Sources/Uses section of the Line Item Detail for the FY 2024/25 budget includes anticipated drawdowns from the Revolving Credit Loan Agreement. We had budgeted for a \$60 million drawdown from the Revolving Credit Loan Agreement in our FY 2023/24 amended budget. The estimated level of sales tax capital expenditures for FY 2024/25 may trigger the need to drawdown up to an additional \$65 million from the Revolving Credit Loan Agreement. We will continue to monitor capital spending closely during the upcoming year through a combination of cash flow needs for allocation reimbursements, progress reports and conversations with project sponsors, particularly our largest grant recipient, the SFMTA.

This line item also includes inter-fund transfers of \$7.5 million among the sales tax, CMA, and TIMMA funds. These transfers represent Sales Tax appropriations to projects such as the YBI Hillcrest Road Improvement Project, I-280 Ocean Avenue Southbound Off-Ramp Realignment, Bayview Caltrain Station Location Study, Inner Sunset Safety and Circulation Study, and Travel Demand Management Market Analysis projects.

BUDGETARY FUND BALANCE FOR CONTINGENCIES..... \$12,203,468

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 \$10.8 million, or 10% of annual projected sales tax revenues, is set aside as a program and operating contingency reserve. We have also set aside \$68,118 or about 10% as a program and operating contingency reserve respectively for the TFCA Program; \$454,551 or about 10% as a program and operating contingency reserve respectively for the Prop AA Program; and \$850,000 or about 10% as a program and operating contingency reserve respectively for the TNC Tax Program.