



Memorandum

Date: 06.20.14 **RE:** Citizens Advisory Committee
June 25, 2014

To: Citizens Advisory Committee

From: Anna LaForte – Deputy Director for Policy and Programming *are*
Maria Lombardo – Chief Deputy Director for Policy and Programming *mel*

Subject: **ACTION** – Adopt a Motion of Support for the Adoption of Fourteen 2014 Prop K 5-Year Prioritization Programs

Summary

The Prop K Strategic Plan is the financial tool that guides the timing and allocation of Prop K revenues over the 30-year, voter-approved Expenditure Plan period, reconciling the timing of expected Prop K revenues with the schedule for when project sponsors need those revenues in order to deliver projects, and setting policy for the administration of the program to ensure prudent stewardship of the funds. In July 2013, the Transportation Authority Board adopted the 2013 Strategic Plan Baseline, which incorporated actual revenues and expenditures, updated revenue projections and other Strategic Plan financial model assumptions in anticipation of the 2014 Strategic Plan and 5-Year Prioritization Programs (5YPPs). Transportation Authority Board adoption of a 5YPP is a prerequisite for allocation of funds. The 5YPPs contain a number of required elements such as a prioritization methodology and a 5-year project list with scope, schedule, cost and full funding information for proposed projects. The 2014 5YPPs cover Fiscal Years 2014/15 to 2018/19. We have been working closely with eligible project sponsors on the draft 5YPPs, which include more user friendly scoring templates requested by members of the Citizens Advisory Committee (CAC). At the May CAC meeting, the Committee adopted six of the 21 5YPPs. We are recommending approval of 14 5YPPs. We will be bringing the last 5YPP (Bus Rapid Transit/Transit Preferential Streets/MUNI Metro Network) along with the 2014 Prop K Strategic Plan, for CAC approval at the late August/early September CAC meeting. We also plan to bring Neighborhood Transportation Improvement Program (NTIP) guidelines as a separate agenda item at that time. Attachment 1 shows which 5YPPs we are recommending for adoption. Project sponsors will be present at the CAC meeting to answer questions about the proposed projects. **We are seeking a motion of support for the adoption of 14 2014 Prop K 5YPPs.**

BACKGROUND

In November 2003, nearly 75% of the San Francisco electorate approved Proposition K (Prop K), extending the existing half-cent local transportation sales tax and adopting a new 30-year Expenditure Plan, and designating the Transportation Authority as the administrator of the Prop K program. The Prop K Expenditure Plan describes the types of projects that are eligible for funds, including both specific projects and programmatic (i.e., non-project specific) categories, establishes limits on sales tax funding by Expenditure Plan line item, and sets expectations for leveraging of sales tax funds to fully fund the Expenditure Plan programs and projects. The Expenditure Plan, however, does not specify in which years of the 30-year program projects will receive funds, nor does it detail specific projects for funding in programmatic categories.

The Expenditure Plan requires development of a Strategic Plan to guide the financial implementation of the program, and development of a 5-Year Prioritization Program (5YPP) for each of the 21 programmatic categories (e.g. street resurfacing, new signals and signs, and traffic calming) shown in Attachment 1 as a prerequisite for allocation of funds. The Strategic Plan is the financial tool that guides the implementation of the Expenditure Plan, reconciling the timing of expected Prop K

revenues with the schedule for availability of state, federal and other funds beyond Prop K, the Transportation Authority's debt issuance capacity, the Transportation Authority's own assessment of the deliverability schedule for proposed projects, and the costs associated with project escalation and debt financing.

The purpose of the 5YPPs is to provide transparency in how sponsors prioritize projects for Prop K funding, to establish a pipeline of projects that are ready to advance as soon as Prop K and other funds are available, and to encourage coordination across Prop K programs. Development of the 5YPPs is intended to be an open process where Transportation Authority Board members, public, and agencies can meaningfully weigh in, particularly on the proposed programs of projects for the next five years. Each 5YPP includes a prioritization methodology to rank projects within the program; a 5-year project list to be funded with information on scope, schedule, cost and funding (including non-Prop K funding); and a project delivery snap shot showing completed and underway projects from the prior 5YPP periods.

The purpose of this memorandum is to seek a motion of support for the adoption of 14 2014 Prop K 5YPPs, as presented.

DISCUSSION

The Transportation Authority Board adopted the first Prop K Strategic Plan and 5YPPs in 2005. The 2014 Prop K Strategic Plan and 5YPP update will be the second quadrennial update of these documents since voter approval of Prop K. Each update has a slightly different focus reflective of the particular context at the time of development. The 2014 updates are benefitting from and serving as the Early Action Plan for the San Francisco Transportation Plan (SFTP) adopted in 2013. Initiatives stemming from the SFTP include, but are not limited to the new Neighborhood Transportation Improvement Program (NTIP), which will provide \$100,000 for community based planning efforts in each supervisorial district during the next five years and funding for two neighborhood-scale capital projects intended to be delivered in the same period; and freeway performance management and transit core capacity needs. These initiatives and related recommendations are being incorporated into the 5YPPs, and we anticipate bringing the NTIP guidelines as a separate agenda item in September.

Development of the 5YPPs is a cooperative effort with Prop K project sponsors and it draws from work done by the Transportation Authority, project sponsor agencies and other community and agency stakeholders. For example, the 2014 updates are directing funding toward the further development and/or implementation of efforts such as the Transportation Authority-led Transportation Demand Management Partnership Project and the Balboa Park Station Area Circulation Study; the San Francisco Municipal Transportation Agency's (SFMTA's) Pedestrian Strategy, Bicycle Strategy and newly adopted 5-year Capital Improvement Program; as well as citywide efforts such as Vision Zero and recommendations from the Mayor's Transportation 2030 Task Force.

The 2014 5YPPs cover Fiscal Years 2014/15 to 2018/19 so allocation requests for Fiscal Year 2014/15 funds cannot be approved until the corresponding 2014 5YPP is approved by the Board. We are recommending approval of 5YPPs for the 14 categories detailed in Attachment 1.

The Draft 5YPPs are included as enclosures. We have worked to make them much more user-friendly than in the past; however, they are still technical documents. The sections that we anticipate being of most interest to the CAC include:

- Table 2 - Project Delivery Snapshot (shows completed and underway projects since Prop K inception)

- Table 3 - Prioritization Criteria and Scoring Table (the CAC-inspired new scoring template)
- Table 4 - 5-Year Project List (shows the projects, phase(s) to be funded, and amount of Prop K)
- Project Information Forms (for more detail on scope, schedule, cost and funding for specific projects)

We encourage CAC members and the public to visit the Transportation Authority's interactive project map at mystreetsf.com where one can view completed, active and proposed projects. The latter are the projects proposed for funding in the 2014 5YPPs. Please be sure to look at the citywide project listings below the map as so far there are relatively few location-specific projects in the 5YPPs.

We have attached a presentation to this memo, which distills the 5YPP recommendations in a more user-friendly format.

Next Steps: We anticipate bringing the 5YPP for the Bus Rapid Transit/Transit Preferential Streets/MUNI Metro Network category, along with the full Prop K Strategic Plan, for approval at the late August/early September CAC meeting. This will allow additional time to update the schedule for the Geary Bus Rapid Transit project and other related project updates within the category. The recommended action includes concurrent amendment of the 2013 Strategic Plan Baseline to incorporate the programming and cash flows in the 5YPPs. **We are seeking a motion of support for the adoption of 14 2014 Prop K 5YPPs.**

ALTERNATIVES

1. Adopt a motion of support for the adoption of 14 2014 Prop K 5YPPs, as requested.
2. Adopt a motion of support for the adoption of 14 2014 Prop K 5YPPs, with modifications.
3. Defer action, pending additional information or further staff analysis.

FINANCIAL IMPACTS

There is no impact on the Transportation Authority's adopted FY 14/15 annual budget associated with the recommendation action. However, the 5YPPs are an important financial planning tool for the Transportation Authority as the 5YPPs - along with the Strategic Plan, establish the expected annual sales tax allocations and set maximum annual reimbursements. While we've been developing the 5YPPs with project sponsors, we have concurrently been working with them to establish Prop K programming and cash flow levels for the remainder of the 30-year EP period (FY 19/20 - 33/34). Assuming conservative programming levels for the remaining 5YPP (BRT/TPS/Muni Metro Network), the estimate of financing costs for the life of the Prop K program are \$299 million vs. \$275 million, \$24 million more than the amount in the 2013 Strategic Plan Baseline. We will not exceed this amount when we return in September with the 2014 Strategic Plan for approval.

Actual allocation of funds is subject to separate approval actions by the Transportation Authority. We will update the adopted FY 2014/15 amount for Prop K capital budget expenditures as part of a mid-year budget amendment.

RECOMMENDATION

Adopt a motion of support for the adoption of 14 2014 Prop K 5YPPs, as requested.

Attachment:

1. Expenditure Plan Programmatic Categories Requiring a 5YPP

Enclosures (16):

- A. 2014 Prop K Strategic Plan and 5YPP Update: Part 1 – What is the 2014 Update?
- B. 2014 Prop K Strategic Plan and 5YPP Update: Part 2 – 14 5YPPs recommended for approval
- C. Draft 2014 Prop K Caltrain Capital Improvement Program 5YPP
- D. Draft 2014 Prop K Transit Enhancements 5YPP
- E. Draft 2014 Prop K Vehicles 5YPP
- F. Draft 2014 Prop K Facilities 5YPP
- G. Draft 2014 Prop K Guideways 5YPP
- H. Draft 2014 Prop K New and Upgraded Streets 5YPP
- I. Draft 2014 Prop K New Signals and Signs 5YPP
- J. Draft 2014 Prop K Advanced Technology and Information Systems (SFgo) 5YPP
- K. Draft 2014 Prop K Signals and Signs 5YPP
- L. Draft 2014 Prop K Traffic Calming 5YPP
- M. Draft 2014 Prop K Bicycle Circulation/Safety 5YPP
- N. Draft 2014 Prop K Pedestrian Circulation/Safety 5YPP
- O. Draft 2014 Prop K Transportation Demand Management/Parking Management 5YPP
- P. Draft 2014 Prop K Transportation/Land Use Coordination 5YPP

Attachment 1.
Expenditure Plan Programmatic Categories Requiring a 5-Year Prioritization Program (5YPP)

EP No.	Category	Eligible Project Sponsors ¹
1	Bus Rapid Transit/Transit Preferential Streets/MUNI Metro Network ²	SFMTA, DPW, Planning, SFCTA
7	Caltrain Capital Improvement Program	PCJPB
8	BART Station Access, Safety and Capacity	BART, DPW, SFMTA
9	Ferry	PORT, GGBHTD
10-16	Transit Enhancements	SFMTA, BART, DPW, PCJPB
17	Vehicles ²	SFMTA, BART, PCJPB
20	Facilities ²	SFMTA, BART, PCJPB
22	Guideways ²	SFMTA, BART, PCJPB
26-30	New and Upgraded Streets	SFCTA, Caltrans, DPW, PCJPB, PORT, SFMTA
31	New Signals and Signs	SFMTA
32	Advanced Technology and Information Systems (SFgo)	SFMTA
33	Signals and Signs	SFMTA
34-35	Street Resurfacing, Rehabilitation, and Maintenance	DPW
37	Pedestrian and Bicycle Facility Maintenance	DPW, SFMTA
38	Traffic Calming	SFMTA, DPW
39	Bicycle Circulation/Safety	SFMTA, BART, DPW, PCJPB
40	Pedestrian Circulation/Safety	SFMTA, BART, DPW, PCJPB
41	Curb Ramps	DPW, SFMTA
42	Tree Planting and Maintenance	DPW
43	Transportation Demand Management/Parking Management	SFCTA, Planning, SFE, SFMTA
44	Transportation/Land Use Coordination	SFCTA, BART, DPW, PCJPB, Planning, SFMTA

BOLD Indicates 5YPP included for June Board action.

Indicates 5YPP included for June CAC and July Board action.

¹ Sponsor acronyms include BART (Bay Area Rapid Transit District), Caltrans (California Department of Transportation), DPW (Department of Public Works), GGBHTD (Golden Gate Bridge, Highway & Transportation District), PCJPB (Peninsula Corridor Joint Powers Board or Caltrain), PORT (Port of San Francisco), Planning (Planning Department), SFCTA (San Francisco County Transportation Authority), SFE (Department of the Environment), and SFMTA (San Francisco Municipal Transportation Agency).

²Staff will present the Bus Rapid Transit/Transit Preferential Streets/MUNI Metro Network category at the September CAC and Board meetings.