

Memorandum

Date: September 21, 2018
To: Citizens Advisory Committee
From: Anna LaForte – Deputy Director for Policy and Programming
Subject: 10/16/2018 Board Meeting: Adoption of Ten 2019 Prop K 5-Year Prioritization Programs (5YPPs) and Amendment of Eight 2014 5YPPs

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Adopt Ten 2019 Prop K 5YPPs (shown below) Amend Eight 2014 5YPPs (shown with an * below)</p> <ul style="list-style-type: none">• BART Station Access, Safety and Capacity• Ferry*• BART Facilities*• BART Guideways• New Signals and Signs*• Advanced Technology and Information Systems (SFgo)• Signals and Signs Maintenance and Renovation*• Street Resurfacing, Rehabilitation and Maintenance*• Pedestrian and Bicycle Facility Maintenance*• Tree Planting and Maintenance <p>SUMMARY</p> <p>Transportation Authority staff and project sponsors have worked closely to refine project proposals and programming recommendations for the 2019 5YPP Update. We are presenting the first ten 5YPPs for adoption, and anticipate presenting the remaining 5YPPs for adoption next month. Eight of the 5YPPs require concurrent 2014 5YPP amendments to better reflect the planned allocations for the remainder of this fiscal year. As a reminder, Transportation Authority Board adoption of the 5YPPs is a prerequisite for allocation of funds from the 21 Prop K programmatic categories. Attachment 1 shows the list of 5YPPs we are recommending for adoption this month and next month. The 5YPP documents are included as an enclosure. At the meeting we will present highlights of each 5YPP and sponsors will be available to answer questions.</p>	<ul style="list-style-type: none"><input type="checkbox"/> Fund Allocation<input checked="" type="checkbox"/> Fund Programming<input type="checkbox"/> Policy/Legislation<input type="checkbox"/> Plan/Study<input type="checkbox"/> Capital Project Oversight/Delivery<input type="checkbox"/> Budget/Finance<input type="checkbox"/> Contract/Agreement<input type="checkbox"/> Other: <hr/>
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DISCUSSION

Background.

The voter approved Prop K Expenditure Plan describes the types of projects that are eligible for funds, including both specific projects (e.g. Central Subway) and programmatic (i.e., non-project specific) categories. It also establishes limits on sales tax funding by Expenditure Plan line item and sets expectations for leveraging of sales tax funds with other federal, state and local dollars to fully fund the Expenditure Plan programs and projects. The Expenditure Plan estimates that \$2.35 billion (in 2003 \$'s) in local transportation sales tax revenue will be made available to projects over the 30-year program; however, it does not specify how much sales tax funds any given project would receive by year. The Expenditure Plan requires that the Transportation Authority develop and adopt periodic updates to the Strategic Plan and 5YPPs to guide the implementation of the program while supporting transparency and accountability. The Board approved the overall approach for updating the Strategic Plan and 5YPPs in April 2018, including the proposed schedule and outreach approach.

The Prop K Strategic Plan sets policy for administration of the program to ensure prudent stewardship of taxpayer funds. It also reconciles the timing of expected sales tax revenues with the schedule for when project sponsors need those revenues and provides a solid financial basis for the issuance of debt needed to accelerate the delivery of projects and their associated benefits to the public.

The Board adopted the 2019 Strategic Plan Baseline in May 2018, which established how much unallocated Prop K funds are available for each of the Expenditure Plan categories by fiscal year through the end of the 30-year Expenditure Plan in 2034. Adoption of the Strategic Plan Baseline allowed us to initiate the 5YPP updates. The 5YPPs identify the specific projects that will be funded with Prop K over the next five-year period starting July 1, 2019 through June 30, 2024.

The 5YPPs are intended 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. As established in the Expenditure Plan, each 5YPP is developed by the lead agency designated by the Transportation Authority Board, working closely with the Transportation Authority and other project sponsors eligible for Prop K funds in each category, as well as any other interested agencies. The Board has designated the lead agencies for the 2019 5YPPs as shown in Attachment 1.

In early May, we released guidance to project sponsors on the process for updating the 5YPPs. By the end of July, sponsors had submitted 115 applications (known as Project Information Forms) for projects across the 21 Prop K programmatic categories.

Adoption of the 2019 5YPPs – Group 1.

We are recommending approval of 10 5YPPs listed in Attachment 1 and included in the enclosure. We consider several factors as we evaluate the proposed programming and prepare draft recommendations. For example, we consider the past delivery track record for the category by reviewing the percent of funds allocated versus programmed in past 5YPPs, and the percent complete of previously funded projects. We consider project readiness (e.g. is the prior phase complete, are matching funds likely to be available), leveraging of non-Prop K funds, and whether the requested expenditure rates seem reasonable. In addition, we look at the percent of funds that would be spent on financing for the category and whether the category will run out of Prop K funds. We are also looking across the 5YPPs for cross-cutting themes such as geographic equity and ensuring consistency with Strategic Plan policies.

What's in Each 5YPP.

In compliance with Expenditure Plan requirements, each 5YPP includes: a prioritization methodology to rank projects within a category; a 5-year program or list of projects; Project Information Forms; and performance measures. The 5YPPs also include a summary of project delivery accomplishments for the prior 5YPP period and proposed leveraging of non-Prop K funds that can be compared to Expenditure Plan assumptions.

The sections that we anticipate being of most interest to the CAC include:

- **Table 2 - Project Delivery Snapshot.** This table shows completed projects and the percent complete for active projects.
- **Table 3 - Prioritization Criteria and Scoring Table.** This table includes scores for proposed projects using both program-wide and category specific criteria. These are largely the same as the criteria used in the 2014 5YPPs.
- **Table 4 - 5-Year Project List.** This table shows the amount of Prop K funds requested for each project by fiscal year. It also shows the amount of funds available by fiscal year as approved in the Strategic Plan Baseline, making it easy to see which categories are requesting to advance funds from future years.
- **Project Information Forms.** Each project is briefly described in a Project Information Form, containing scope, schedule, budget and funding plan information to help justify programming of Prop K funds to the projects.

Amendments to 2014 5YPPs.

Concurrent with the 2019 5YPP update process, we have been working closely with sponsors to update Prop K funding needs for Fiscal Year 2018/19, the final fiscal year of the 2014 5YPP period. This effort has resulted in the need for comprehensive amendments to 2014 5YPPs for several categories. We have identified any programmed, but unallocated funds and worked with sponsors to confirm which projects should remain programmed in Fiscal Year 2018/19 and what funds should be reprogrammed in the 2019 5YPP period. Through this process, we identified four potential scenarios requiring an amendment to the 2014 5YPP for a given category:

1. Projects are not advancing and the sponsor is requesting to reprogram funds to new projects in the 2019 5YPP period.
2. Projects are delayed and the sponsor is requesting to delay programming for the same projects into the 2019 5YPP period.
3. Projects are not advancing and sponsor is requesting to reprogram funds to new projects for allocation during Fiscal Year 2018/19.
4. Sponsor is requesting to advance funds into Fiscal Year 2018/19.

Each 2019 5YPP document contains the proposed 2014 5YPP amendment, if needed.

Next Steps.

Over the next month, we will continue to seek feedback from the Board, CAC, and public as we continue to evaluate and refine the proposed projects and remaining 5YPPs. Development of the Strategic Plan and 5YPPs is an iterative process. As we get closer to making recommendations for Prop K programming for each category, we are making corresponding changes to the Strategic Plan Baseline expenditures and financing assumptions to confirm that the Expenditure Plan category and Prop K program as a whole can accommodate the requests within the funding available.

Agenda Item 8

We are planning to present the second and final group of 5YPPs along with the Draft 2019 Strategic Plan for approval at the October 24 CAC meeting. We are targeting completion of the update process by the end of the calendar year 2018 to allow project sponsors to include programmed Prop K funds in their Fiscal Year 2019/20 annual budgets.

FINANCIAL IMPACT

There is no impact on the Transportation Authority's annual budget associated with the recommendation action. However, the 5YPPs are an important financial planning document for the Transportation Authority as the 5YPPs - along with the Strategic Plan that will be presented for approval next month – establish the expected annual sales tax allocations and set maximum annual reimbursements. The 2019 5YPPs and the 2019 Strategic Plan will provide an updated baseline for forecasting when and how much debt the Transportation Authority may need to issue to support delivery of the projects. Actual allocation of funds is subject to separate approval action by the Transportation Authority.

CAC POSITION

The CAC will be briefed on this item at its September 26, 2018 meeting.

SUPPLEMENTAL MATERIALS

Attachment 1 – List of 5YPPs Recommended for Adoption and Lead Agencies for Each 5YPP

Enclosures (10):

- A. Draft 2019 Prop K BART Station Access, Safety and Capacity 5YPP
- B. Draft 2019 Prop K Ferry 5YPP
- C. Draft 2019 Prop K BART Facilities 5YPP
- D. Draft 2019 Prop K BART Guideways 5YPP
- E. Draft 2019 Prop K New Signals and Signs 5YPP
- F. Draft 2019 Prop K Advanced Technology and Information Systems (SFgo) 5YPP
- G. Draft 2019 Prop K Signals and Signs Maintenance and Renovation 5YPP
- H. Draft 2019 Prop K Street Resurfacing, Rehabilitation and Maintenance 5YPP
- I. Draft 2019 Prop K Pedestrian and Bicycle Maintenance 5YPP
- J. Draft 2019 Prop K Tree Planting and Maintenance 5YPP

Attachment 1.
2019 Prop K Strategic Plan/5YPP Update
List of 5YPPs Recommended for Adoption and Lead Agency



Group 1 - To Be Considered at the October 2018 Board meetings

EP No.¹	Category	5YPP Lead Agency²
8	BART Station Access, Safety and Capacity	BART
9*	Ferry	PORT
20B*	Rehabilitate/Upgrade Existing Facilities - BART	BART
22B	Guideways - BART	BART
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	SFPW
37*	Pedestrian and Bicycle Facility Maintenance	SFPW
42	Tree Planting and Maintenance	SFPW

* indicates that a concurrent amendment to the 2014 5YPP is recommended.

Group 2 - To Be Considered at the November 2018 Board meetings

EP No.¹	Category	5YPP Lead Agency²
1	Bus Rapid Transit/Transit Preferential Streets/MUNI Metro Network	SFMTA
7	Caltrain Capital Improvement Program	PCJPB
10-16	Transit Enhancements	SFMTA
17M	New and Renovated Vehicles - Muni	SFMTA
17P	New and Renovated Vehicles - PCJPB	PCJPB
17U	New and Renovated Vehicles - Discretionary	SFCTA
20M	Rehabilitate/Upgrade Existing Facilities - Muni	SFMTA
20P	Rehabilitate/Upgrade Existing Facilities - PCJPB	PCJPB
20U	Rehabilitate/Upgrade Existing Facilities - Discretionary	SFCTA
22M	Guideways - Muni	SFMTA
22P	Guideways - PCJPB	PCJPB
22U	Guideways - Discretionary	SFCTA
26-30	New and Upgraded Streets	SFCTA
38	Traffic Calming	SFMTA
39	Bicycle Circulation/Safety	SFMTA
40	Pedestrian Circulation/Safety	SFMTA
41	Curb Ramps	SFPW
43	Transportation Demand Management/Parking Management	SFCTA
44	Transportation/Land Use Coordination	SFCTA

*Categories marked with an asterisk require a concurrent amendment to the 2014 5YPP with the adoption of the 2019 5YPP.

¹ EP No. stands for Expenditure Plan category number.

Attachment 1.
2019 Prop K Strategic Plan/5YPP Update
List of 5YPPs Recommended for Adoption and Lead Agency



² The lead agency role is a coordinator or convener role among eligible project sponsors for that category and other interested agencies and stakeholders. It does not confer veto power. Agency acronyms include: BART (Bay Area Rapid Transit District), SFPW (Department of Public Works), PCJPB (Peninsula Corridor Joint Powers Board or Caltrain), PORT (Port of San Francisco), SFCTA (San Francisco County Transportation Authority), and SFMTA (San Francisco Municipal Transportation Agency).