



Memorandum

Date: 06.10.14 **RE:** Plans and Programs Committee
June 17, 2014

To: Plans and Programs Committee: Commissioners Mar (Chair), Kim (Vice Chair), Breed, Campos, Yee and Avalos (Ex Officio)

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

Through: Tilly Chang – Executive Director *TCC*

Subject: **ACTION** – Recommend Approval of Six 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). 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 five-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. We will present nine of the 21 5YPPs to the Plans and Programs Committee and are recommending six for approval, since three have elements which are not yet finalized. The remaining 5YPPs and the Strategic Plan are anticipated to be presented for action in July. Attachment 1 shows which 5YPPs we are recommending for adoption this month. Project sponsors will be present at the meeting to answer questions about the proposed projects. **We are seeking a recommendation to approve six 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 five-year project list to be funded with information on scope, schedule, cost and funding (including non-Prop K funding); and a project delivery snapshot showing completed and underway projects from the prior 5YPP periods.

The purpose of this memorandum is to present nine 5YPPs to the Plans and Programs Committee and to seek a recommendation to approve six 5YPPs.

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, reflecting the particular context at the time of development. The 2014 updates are benefitting from and serving as the Early Action Program 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, 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.

Development of the 5YPPs is a cooperative effort with Prop K project sponsors and 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 2030 Transportation Task Force.

The 2014 5YPPs cover Fiscal Years (FY) 2014/15 to 2018/19 so allocation requests for FY 2014/15 funds cannot be approved until the corresponding 2014 5YPP is approved by the Board. We are recommending approval of 5YPPs for the following six categories:

- BART Station Access, Safety and Capacity;
- Ferry;
- Street Resurfacing, Rehabilitation and Maintenance;
- Pedestrian and Bicycle Maintenance;
- Curb Ramps; and
- Tree Planting and Maintenance.

This first group includes those categories for which we have received and reviewed all the required information from project sponsors and for which there would still be Prop K funds remaining after FY 2018/19. Categories that wished to advance all remaining Prop K funds into the 2014 5YPP period are dependent on Strategic Plan model runs that incorporate programming and cash flow assumptions from all 21 5YPPs in order to determine the funds available to advance after netting out any associated financing costs. While financing costs are only deducted from the category advancing funds, one way we reduce overall finance costs is by considering cash flow needs for the program as a whole, which is why we need to see the whole set of 5YPPs to establish financing costs.

At the meeting, we will also present portions of the transit vehicles, facilities and guideways 5YPPs. Each of these categories provides a minimum guarantee of funds for Muni, BART and Caltrain, along with some competitive funds. We have the final proposed project lists from the SFMTA and BART, but not yet Caltrain, which is why these are not recommended for approval this month. However, because of the amount of Prop K dollars involved – particularly in the vehicles category – we wanted to share the proposed project lists with the Plans and Programs Committee in June.

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 Plans and Programs Committee 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); and
- Project Information Forms (for more detail on scope, schedule, cost and funding for specific projects).

We encourage Committee 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 that are moving forward this month. As we finalize drafts of the remaining 5YPPs, we will update mystreetsf.com.

We anticipate bringing the remaining 5YPPs and the 2014 Strategic Plan to the CAC in June and the Plans and Programs Committee and Transportation Authority Board for approval in July.

We are seeking a recommendation to approve six 2014 Prop K 5YPPs.

ALTERNATIVES

1. Recommend approval of six 2014 Prop K 5YPPs, as presented.
2. Recommend approval of six 2014 Prop K 5YPPs, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC was briefed on this item at its May 28, 2014 meeting, and unanimously adopted a motion of

support for the staff recommendation. Since the CAC meeting, we have made a minor \$100,000 downward adjustment to the West Portal Avenue and Quintara Street Pavement Renovation project cost in the Street Resurfacing 5YPP to match the pending Prop K allocation request from the Department of Public Works. This request will be considered by the Plans and Programs Committee next month.

FINANCIAL IMPACTS

There is no impact on the Transportation Authority's annual budget associated with the recommendation action. However, the 5YPPs is 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. When all of the 5YPPs and the 2014 Strategic Plan update are adopted in July, we will have a new baseline for forecasting when and how much debt the Transportation Authority may need to issue to support delivery of the projects according to the schedules proposed by the project sponsors. Actual allocation of funds is subject to separate approval action by the Transportation Authority. We will update the projected FY 2014/15 Prop K capital budget expenditures as part of a mid-year budget amendment.

RECOMMENDATION

Recommend approval of six 2014 Prop K 5YPPs.

Attachment:


1. Expenditure Plan Programmatic Categories Requiring a 5YPP

Enclosures (11):

- A. Draft 2014 Prop K BART Station Access, Safety and Capacity 5YPP
- B. Draft 2014 Prop K Ferry 5YPP
- C. Draft 2014 Prop K Vehicles – Muni 5YPP
- D. Draft 2014 Prop K Facilities – BART 5YPP
- E. Draft 2014 Prop K Facilities – Muni 5YPP
- F. Draft 2014 Prop K Guideways – BART 5YPP
- G. Draft 2014 Prop K Guideways – Muni 5YPP
- H. Draft 2014 Prop K Street Resurfacing, Rehabilitation and Maintenance 5YPP
- I. Draft 2014 Prop K Pedestrian and Bicycle Maintenance 5YPP
- J. Draft 2014 Prop K Curb Ramps 5YPP
- K. Draft 2014 Prop K Tree Planting and Maintenance 5YPP
- L. 2014 Prop K Strategic Plan and 5YPP Update: Part 1 - What is the 2014 Update?
- M. 2014 Prop K Strategic Plan and 5YPP Update: Part 2 - Six 5YPPs Recommended for Approval

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

EP No.	Category	Eligible Project Sponsors¹
1	Bus Rapid Transit/Transit Preferential Streets/MUNI Metro Network	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

 Indicates 5YPP included for May CAC and June 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 BART and Muni sections of the Facilities and Guideways 5YPPs, and the Muni section of the Vehicles 5YPP at the May CAC meeting. PCJPB sections will be presented at the June meeting.