



Memorandum

Date: 07.11.14 **RE:** Plans and Programs Committee
July 15, 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 *all*

Subject: **ACTION** – Recommend Approval 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. At the June meeting, the Transportation Authority Board adopted six of the 21 5YPPs. We are recommending approval of fourteen 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 action in September. 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 Plans and Programs Committee meeting to answer questions about the proposed projects. **We are seeking a recommendation to approve fourteen 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 recommendation to approve fourteen 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. They do so by providing a large infusion of sales tax to help fund the first 5 years of SFTP implementation. 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 matching funds for two neighborhood-scale capital projects intended to be delivered in the same period; freeway performance management and transit core capacity needs. These initiatives and related recommendations have been incorporated into the 5YPPs.

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 implementation of efforts such as the Transportation Authority-led Transportation Demand Management Partnership Project and the Balboa Park 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 (FYs) 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 fourteen 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 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 Citizens Advisory Committee (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 commissioners 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 two presentations to this memo, which distill the 5YPP recommendations into a more user-friendly format: Enclosure A provides an overview of the Prop K Expenditure Plan, Strategic Plan and 5YPP documents. Enclosure B provides for each 5YPP: a sample list of previously completed and underway Prop K projects; a summary of the projects proposed for the next 5 years; and as appropriate, highlights of policy recommendations, project delivery trends or other relevant context.

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, to the Plans and Programs Committee in September. This will allow additional time to update the schedule for the Geary Bus Rapid Transit project and other related project updates within the category. We also anticipate bringing the NTIP guidelines to the Plans and Programs Committee as a separate agenda item in September.

The recommended action includes concurrent amendment of the 2013 Strategic Plan Baseline to incorporate the programming and cash flows in the subject 5YPPs.

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

ALTERNATIVES

1. Recommend approval of fourteen 2014 Prop K 5YPPs, as presented.
2. Recommend approval of fourteen 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 June 25, 2014 meeting, and unanimously adopted a motion of support for the staff recommendation. There are minor revisions to a few 5YPPs subsequent to the CAC meeting, though the list of proposed projects remains the same. The revisions primarily respond to last minute adjustments requested by sponsors and some pending information from the SFMTA regarding the backlog for implementation of areawide traffic calming projects. The CAC also requested and we have subsequently received clarification of the scope for SFMTA’s Columbus Pedestrian Improvements Project. We will highlight the changes during our presentation to the Plans and Programs Committee on July 15.

FINANCIAL IMPACTS

There is no impact on the Transportation Authority's adopted FY 2014/15 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 have 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 2019/20 - 2033/34). 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.

As an overall comparator, the total amount of programming in all 21 5YPPs (making assumptions about the remaining 5YPP) for the 2014 5YPP period is about \$585 million, a 47% increase over the \$399 million in the 2009 5YPPs. We are in the process of analyzing this information now that all of the 5YPPs are nearly complete. Much of the increase, though, can be attributed to the Muni Vehicles category which is advancing significant amounts of Prop K to support replacement of Muni's entire rubber-tire fleet by the end of the next 5 years.

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

Recommend approval of fourteen 2014 Prop K 5YPPs.

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 |

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|-------------|---|
| BOLD | Indicates 5YPP approved at June Board meeting. |
| | 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.