



Memorandum

Date: 09.10.14 **RE:** Plans and Programs Committee
September 16, 2014

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

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

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Approval of the Delegated Allocation Authority Policy and the Fiscal Year 2014/15 Prop K List of Projects Eligible for Delegated Allocation Authority

Summary

Our adopted Fiscal Year 2014/15 work program includes several tasks to support our ongoing Prop K Customer Service and Efficiency Initiative. One of these tasks was the development of a new Prop K Delegated Allocation Authority Policy (Attachment 1), which is designed to expedite allocation of funds while preserving transparency and accountability. If approved, this new pilot policy would be incorporated into the 2014 Prop K Strategic Plan policies and would expire in January 2016 unless extended by the Transportation Authority Board. Under this proposal, each year the Board will approve a list of projects that meet certain criteria and make them eligible for allocation of Prop K funds through Executive Director approval, bypassing the traditional Citizen Advisory Committee, Plans and Programs Committee, and Board approval cycle. One of the core eligibility requirements is that the project is included as a named project in a Board-adopted Prop K 5-Year Prioritization Program. Monthly, we will share lists of projects funded under this policy with the Board and will post the allocation request forms on our website. We will also produce an annual report evaluating the policy and reporting on progress of the projects. For Fiscal Year 2014/15, we have screened all of the unallocated Fiscal Year 2014/15 Prop K 5YPP projects (105 in all) against the eligibility criteria (Attachment 1, Section 2). We have identified 25 projects, representing a maximum of \$5,302,409 as potentially eligible for allocation through delegated authority. Seven more projects would have been eligible, but the Board has already allocated funds for these projects. The Plans and Programs Committee may recommend removing one or more projects from the list that the Committee feels would benefit the increased review and additional public input opportunities made available by going through the Board cycle. Approval of the list is contingent upon approval of the pilot policy. **We are seeking a recommendation to approve the Delegated Allocation Authority Policy and the Fiscal Year 2014/15 Prop K List of Projects Eligible for Delegated Allocation Authority.**

BACKGROUND

Our adopted Fiscal Year (FY) 2014/15 Annual Budget and Work Program includes several tasks intended to support our ongoing Prop K Customer Service and Efficiency Initiative. The goal of this initiative is to improve efficiencies and offer more user-friendly features that reduce administrative burdens while reinforcing transparency and accountability objectives for these voter-approved funds. One of our FY 2014/15 work program tasks was development of a Prop K Delegated Allocation Authority Policy. If approved, the attached pilot policy would be incorporated into the 2014 Prop K Strategic Plan. The intent of the policy is to support efficient project delivery while preserving transparency and accountability.

Under the delegated allocation authority policy proposal, each year the Transportation Authority Board (Board) will adopt a list of projects that meet certain criteria and make them eligible for allocation of

Prop K funds through Executive Director approval, bypassing the traditional Citizens Advisory Committee (CAC), Plans and Programs Committee, and Board approval cycle. One of the core eligibility requirements is that the project is included as a named project in a Board-adopted Prop K 5-Year Prioritization Program (5YPP). We anticipate that this new policy will shorten the allocation timeline by four to six weeks and will allow for allocations to occur during the Board's summer recess each August.

As detailed in the draft policy, we are proposing to pilot the delegated allocation authority policy for about a year, during which time Transportation Authority staff would seek feedback from the Board, CAC, project sponsors, the public and other stakeholders to evaluate whether the policy should be modified, extended or discontinued. The policy would sunset at the end of January 2016, unless the Board acts to extend it.

The purpose of this memorandum is to present the Delegated Allocation Authority Policy and the Draft Fiscal Year 2014/15 Prop K List of Projects Eligible for Delegated Allocation Authority and to seek a recommendation of approval.

DISCUSSION

In order to be considered as candidates for delegated allocation authority, projects must meet the eligibility criteria detailed in Attachment 1, Section 2 (Staff Development of Draft Project List). The criteria address consistency with the relevant 5YPPs (e.g., must be a named project in an adopted 5YPP), project readiness, level of public review/engagement and support, etc. To be considered for delegated allocation authority, a project must also fit into one of the following six categories:

- Funding for paratransit operations and the following annual activities: curb ramps, tree planting and maintenance, sidewalk repair, and the traffic calming local application-based program. These annual activities implement the same improvement or a very narrow range of improvements at many locations citywide, have a clear prioritization process, and are typically delivered within one year.
- Neighborhood Transportation Improvement Program planning grants that have the relevant Board member(s)' support. Any additional Prop K funds beyond the \$100,000 planning grant allotment to each Commissioner must also meet the selection criteria for delegated allocation authority.
- Funding for street repair and cleaning equipment; equipment for installation and upgrade of traffic signs and signals; signal controllers; conduit for follow the paving projects; bicycle facility maintenance; and bicycle parking.
- Projects the Board has previously approved for other non-Prop K funds and that require Prop K for local match/full funding, as stated in their approved funding plans. Specifically, this applies to projects to which the Transportation Authority has programmed OneBayArea Grant, Transportation Fund for Clean Air and Lifeline funds and to projects that have received Prop AA allocations.
- Funding for the requested phase(s) is less than \$75,000 and the request is not for a general planning effort (e.g. not-project specific) or policy study that would benefit from more transparency and public input by going through the Board cycle.
- Funding from WalkFirst 5YPP placeholders. Allocation of funds for these projects would be conditioned upon prior approval of the specific projects (e.g. with scope, schedule, cost and

funding sufficiently well-defined) by the Transportation Authority's Vision Zero Committee.

We screened all of the unallocated FY 2014/15 Prop K 5YPP projects (105 in all) against the eligibility criteria and identified a total of 25 projects and a maximum of \$5,302,409 as potentially eligible for allocation through delegated authority. Seven more projects would have been eligible, but the Board has already allocated FY 2014/15 funds for these projects. A list of these projects, which we have vetted with project sponsors, is included in Attachment 2.

As part of the review and approval process, the CAC, Plans and Programs Committee, and Board may recommend removing one or more projects from the list that these bodies feel would benefit the increased review and additional public input opportunities made available by going through the Board cycle for allocation of funds. Sponsors with projects remaining on the approved list will be able to prepare allocation requests and submit them on a rolling basis during this Fiscal Year for review and approval by the Transportation Authority's Executive Director.

In addition to needing to comply with standard Prop K reporting and oversight requirements, on a monthly basis, Transportation Authority staff will share a list of allocations made under the delegated allocation authority policy with the CAC, Plans and Programs Committee, and Board. The allocation requests will be available for review on the Transportation Authority's website and in hard copy, upon request. On an annual basis, Transportation Authority staff will prepare a report on the performance of the policy, including, but not limited to a summary of the number of allocations, Prop K and total dollar value of funded phases, and the project delivery status of projects allocated under this policy.

CAC Discussion: The CAC had a lengthy and robust discussion regarding the proposed policy, with several members concerned about the loss of transparency and public input opportunities, as well as a diminished role for CAC oversight. Questions were raised about the duration of the pilot policy, the six categories of potentially eligible project types, and how the success of the pilot would be evaluated. Other members were willing to test the policy via a pilot. Ultimately, the CAC adopted a motion of support for the pilot policy, conditioned upon staff returning in October with a matrix showing how staff would evaluate the pilot to help determine whether it was a success.

Based on the CAC discussion, we are still working on additional metrics beyond those already noted, but recognize that there is not a clear quantitative metric that will indicate whether the pilot is a success or not. In addition to the metrics proposed for the annual performance report (noted above), we would likely add a survey of the Board, CAC members, and project sponsors to solicit their perception of the pilot in terms of its impact on project delivery, ability of the public to provide input, and/or project oversight.

We are seeking a recommendation for the approval of the Delegated Allocation Authority Policy and the Fiscal Year 2014/15 Prop K List of Projects Eligible for Delegated Allocation Authority.

ALTERNATIVES

1. Recommend approval of the Delegated Allocation Authority Policy and the Fiscal Year 2014/15 Prop K List of Projects Eligible for Delegated Allocation Authority.
2. Recommend approval of the Delegated Allocation Authority Policy and the Fiscal Year 2014/15 Prop K List of Projects Eligible for Delegated Allocation Authority, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC was briefed on this item at its September 3, 2014 meeting, and after considerable discussion, adopted a motion of support for the staff recommendation to adopt the pilot policy, contingent on staff returning to the CAC at a later date with the pilot policy's evaluation metrics. Three CAC members voted in opposition to the item and expressed concern that the CAC's oversight role was being compromised. The CAC also adopted a motion of support to approve the staff recommended Fiscal Year 2014/15 project list, as presented.

FINANCIAL IMPACTS

Approval of the recommended action would make 25 projects eligible for delegated allocation authority in Fiscal Year (FY) 2014/15 for a maximum allocation of \$5,302,409 in Prop K dollars and a maximum FY 2014/15 reimbursement (cash flow distribution) of \$2,964,769 based on the currently adopted 5YPPs. Sufficient funds are included in the adopted Fiscal Year 2014/15 budget to accommodate the maximum allocations and cash flow schedules described above. Actual allocations would be authorized by the Executive Director following approval of a complete Allocation Request Form submitted by the project sponsor. The final allocation amount and Fiscal Year Cash Flow Distribution Schedules would be as established in the approved Allocation Request Form and may be less than or equal to the maximums described above based on the project information provided when the allocation request is submitted. Sufficient funds will be included in future agency budgets to cover the recommended cash flow distribution for those respective fiscal years.

RECOMMENDATION

Recommend approval of the Delegated Allocation Authority Policy and the Fiscal Year 2014/15 Prop K List of Projects Eligible for Delegated Allocation Authority.

Attachments (2):

1. Draft Prop K Delegated Allocation Authority Policy
2. Draft Fiscal Year 2014/15 Prop K List of Projects Eligible for Delegated Allocation Authority

Attachment 1.
Draft Prop K Delegated Allocation Authority Policy

SUMMARY

To support efficient project delivery, the 2014 Strategic Plan includes a pilot of this new Delegated Allocation Authority Policy, which is designed to expedite allocation of funds while preserving transparency and accountability. This new policy will shorten the allocation timeline by 4 to 6 weeks and will allow for allocations to occur during the Board's summer recess each August.

Under this proposal, each year the Transportation Authority Board (Board) will review a list of projects that meet certain criteria and make them eligible for allocation of Prop K funds through Executive Director approval, bypassing the traditional CAC, Plans and Programs Committee, and Board approval cycle. The CAC, Plans and Programs Committee and Board may selectively remove projects from the initial list before it is adopted. One of the eligibility requirements is that the project be included as a named project in a Board-adopted Prop K 5-Year Prioritization Program (5YPPs). Based on the proposed criteria, 25 of 105 projects programmed, but not yet allocated in FY 2014/15 in the 5YPPs would meet all of the eligibility criteria.

On a monthly basis, Transportation Authority staff will share a list of allocations made under the delegated allocation authority policy with the CAC, Plans and Programs Committee, and Board. The allocation requests will be available for review on the Transportation Authority's website and in hard copy, upon request. On an annual basis, Transportation Authority staff will prepare a report on the performance of the policy, including, but not limited to a summary of the number of allocations, Prop K and total dollar value of funded phases, and the project delivery status of projects allocated under this policy.

The delegated allocation authority policy will be piloted for about a year during which time Transportation Authority staff will seek feedback from the Board, CAC, project sponsors, the public and other stakeholders to evaluate whether the policy should be modified, extended or discontinued. The policy will sunset at the end of January 2016 unless the Board acts to extend it.

PURPOSE

To expedite allocation of Prop K local transportation sales tax funds to support timely project delivery while maintaining transparency and accountability of these voter-approved funds.

PROCESS

The process used to identify projects that are eligible for delegated allocation authority emphasizes inclusion in a Board-adopted 5YPP, recognizing that the 5YPPs were developed via a thorough and transparent process which involved multiple opportunities for input from the Board, CAC, public, project sponsors and other interested stakeholders. The annual process for implementing the policy is described below.

1 | ANNUAL CALL FOR 5YPP AMENDMENTS

Among other requirements, to be eligible for delegated allocation authority, a project must be a named project in a Board-adopted Prop K 5YPP and be sufficiently well-defined in terms of scope, schedule, budget and funding plan. The Board adopted all of the 2014 5YPPs (covering FY 2014/15 to 2018/19) except one in June/July 2014, with the final 5YPP anticipated to be approved in September 2014. Therefore, the 5YPPs are current for the FY 2014/15 pilot implementation of this policy.

In order to support implementation of this policy in future years, the Transportation Authority will offer project sponsors the opportunity to annually amend the 5YPPs between the quadrennial 5YPP updates.¹ The annual process will focus on updating programming for the coming fiscal year so that more projects may be eligible to benefit from delegated allocation authority.

As with all 5YPP amendments, project sponsors must provide the rationale for the amendments (e.g. project is delayed due to paving coordination and needs funds later than anticipated, community input resulted in a scope change), identify what will happen to any projects that are down-scoped, deleted or delayed as part of the amendment, and score the new/revised projects using the Board adopted 5YPP scoring criteria to show how they rank compared to other 5YPP projects. The 5YPP amendment process is also an opportunity to submit a more detailed project information sheet for projects that were originally approved as placeholder with minimal detail in the 5YPP.

The typical schedule would include a call for 5YPP amendments at the start of the calendar year, with approval in the spring. The 5YPP amendments would go the CAC, Plans and Programs Committee, and Board for approval.

2 | STAFF DEVELOPMENT OF DRAFT PROJECT LIST

Each spring, Transportation Authority staff, in consultation with project sponsors, will develop a draft list of candidate projects based on the eligibility criteria described below. The list will be based on the 5YPPs as amended in step 1 above, but can be prepared concurrent with the 5YPP amendments.

In order to be considered as candidates for delegated allocation authority, projects must meet the following eligibility criteria:

- Be a named project within any applicable Board-adopted 5-Year Prioritization Program (5YPP) and does not require a 5YPP or Strategic Plan amendment prior to allocation.
- Be sufficiently defined within the relevant 5YPP(s) (i.e., clear scope of work, cost and funding plan, and a transparent and well-defined prioritization methodology where applicable, e.g. sidewalk repair).
- Be advanced to a state of readiness to enable commencement of the requested phase(s) in the fiscal year for which the delegated allocation authority list is being prepared.
- Have documented public review/engagement and evidence of public support, as appropriate. Projects should not face significant controversy or have remaining strong demands for additional public input.
- Fit into one of the following six categories:
 1. Funding for paratransit operations and the following annual activities: curb ramps, tree planting and maintenance, sidewalk repair, and the traffic calming local application-based program. These annual activities implement the same improvement or a very narrow range of improvements at many locations citywide, have a clear prioritization process, and are typically delivered within one year.
 2. Neighborhood Transportation Improvement Program (NTIP) planning grants that have the relevant Board member(s)' support. Any additional Prop K funds beyond

¹ The 5YPP amendments undertaken for this purpose must be finance-cost neutral and consistent with the Prop K Strategic Plan, which is the financial planning document for the Prop K program.

the \$100,000 planning grant allotment to each Commissioner must also meet the selection criteria for delegated allocation authority.

3. Funding for street repair and cleaning equipment; equipment for installation and upgrade of traffic signs and signals; signal controllers; conduit for follow the paving projects; bicycle facility maintenance; and bicycle parking.
4. Projects the Board has previously approved for other non-Prop K funds and that require Prop K for local match/full funding, as stated in their approved funding plans. Specifically, this applies to projects to which the Transportation Authority has programmed OneBayArea Grant, Transportation Fund for Clean Air and Lifeline funds and to projects that have received Prop AA allocations.
5. Funding for the requested phase(s) is less than \$75,000 and the request is not for a general planning effort (e.g. not-project specific) or policy study that would benefit from more transparency and public input by going through the Board cycle.
6. Funding from WalkFirst 5YPP placeholders. Allocation of funds for these projects would be conditioned upon prior approval of the specific projects (e.g. with scope, schedule, cost and funding sufficiently well-defined) by the Transportation Authority's Vision Zero Subcommittee.

3 | BOARD APPROVAL OF PROJECT LIST

Concurrent with or following approval of the annual 5YPP amendments, Transportation Authority staff will present a list of candidate projects for delegated allocation authority to the CAC and Plans and Programs Committee for review and action. As part of the review and approval process, these bodies may recommend removing one or more projects from the list that they feel would benefit the increased review and additional public input opportunities made available by going through the Board cycle. The project list will be approved in the spring, ideally by April so that sponsors can prepare for allocations for the Fiscal Year starting July 1.

4 | ALLOCATION OF FUNDS

Once a project is included on the approved list, a project sponsor may initiate an allocation request by submitting a completed Prop K Sales Tax Allocation Request Form to the Transportation Authority at propk@sfcta.org. Applications will be accepted on a rolling basis. Transportation Authority staff will review the request and provide comments to the project sponsor within 10 business days. Within 5 days of receiving satisfactory responses to comments, the Transportation Authority's Executive Director or designee will issue a Standard Grant Agreement to the sponsor for the requested Prop K funds. See [Section XXXX²](#) of the Strategic Plan for further details on the allocation process.

To support public input, allocation requests must include:

- Contact information for the project manager;
- A brief summary of past public input processes; and
- A description of how the public can continue to provide input on the project (e.g., list any upcoming outreach activities, describe alternative ways to give input or receive project updates).

² If pilot policy is approved, it will be included in the published Prop K 2014 Strategic Plan with the appropriate Section reference.

As with all Prop K requests, Transportation Authority staff will, in consultation with project sponsors, take into consideration the project delivery status of previously allocated grants and the agency's ability to take on additional work before recommending allocation of funds. Incomplete or unsatisfactory applications may be rejected and/or deferred.

5 | REPORTING AND OVERSIGHT

As for all other Prop K allocations, reporting and oversight shall be consistent with Prop K Strategic Plan policies and Standard Grant Agreement requirements, e.g. sponsors must submit quarterly progress reports through the Transportation Authority's grants Portal. In addition:

- On a monthly basis, staff will share a list of projects allocated via delegated authority with the CAC, Plans and Programs Committee, and Board (e.g. as a consent calendar item) and post it to the Transportation Authority's website, along with the allocation request forms. Hard copies of these materials will be available upon request. Projects will also be viewable on the agency's interactive project map located at www.mystreetsf.com.
- On an annual basis, Transportation Authority staff will prepare a report on the performance of the delegated allocation authority policy, including, but not limited to a summary of the number of allocations, Prop K and total dollar value of funded phases, and the project delivery track record of projects allocated under this policy. This report will be presented to the CAC and Plans and Programs Committee prior to the annual action to approve the list of projects eligible for delegated allocation authority for the coming fiscal year.

PILOT POLICY SUNSET DATE

By January 2016, the Board will consider the performance of the delegated allocation authority policy and decide whether to continue the policy or sunset it. The pilot policy will sunset at the end of January 2016, unless the Board acts to extend it.

Attachment 2.
Draft Fiscal Year 2014/15 Prop K List of Projects Eligible for Delegated Allocation Authority

Expenditure Plan Line Item	Agency	Project Name	Phase(s)	2014/15 Programming	Categories (see policy for full description of each category)					
					Annual Activity	NTIP Planning Grant	Misc. Equipment/Maintenance	Other non-Prop K Funds Approved	Request < \$75K	WalkFirst
26-30	DPW	Great Highway Restoration	PA&ED	\$30,000					x	
31	SFMTA	Follow-the-Paving (New Pavement Markers and Conduits)	CON/PROC	\$150,000			x			
33	SFMTA	Eddy and Ellis Traffic Calming Improvement [NTIP Capital]	CON	\$142,271				x		
37	SFMTA	Bicycle Facility Maintenance	CON	\$150,000			x			
38	SFMTA	Local Track Application-Based Traffic Calming Program	CON	\$364,000	x					
38	SFMTA	Local Track Application-Based Traffic Calming Program	PLAN/CER	\$320,000	x					
38	SFMTA	Local Track Application-Based Traffic Calming Program	PS&E	\$41,000	x				x	
38	SFMTA	Redding Elementary Safe Routes to School	PS&E	\$18,352					x	
38	SFMTA	John Yehall Chin Safe Routes to School	PLAN/CER	\$11,675					x	
38	SFMTA	John Yehall Chin Safe Routes to School	PS&E	\$35,000					x	
39	SFMTA	Bike To Work Day Promotion	CON	\$51,300					x	
39	SFMTA	Bicycle Promotion	PLAN	\$50,000					x	
40	SFMTA	WalkFirst	PLAN/CER	\$125,000						x
40	SFMTA	WalkFirst	PS&E	\$325,000						x

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Expenditure Plan Line Item	Agency	Project Name	Phase(s)	2014/15 Programming	Categories (see policy for full description of each category)					
					Annual Activity	NTIP Planning Grant	Misc. Equipment/Maintenance	Other non-Prop K Funds Approved	Request < \$75K	WalkFirst
40	SFMTA	WalkFirst	CON	\$600,000						x
41	DPW	Curb Ramps	CON	\$725,632	x					
43	Any Eligible	Comprehensive Residential and Employee TDM Program	CON	\$100,000				x		
43	SFCTA	Bayview Mobility Solutions	CON	\$54,225					x	
44	DPW	Broadway Streetscape Improvement Phase IV	CON	\$701,886				x		
44	DPW	Longfellow Elementary School Safe Routes to School	CON	\$61,865				x	x	
44	DPW	ER Taylor Elementary School Safe Routes to School	CON	\$47,140				x	x	
44	SFMTA	Mansell Corridor Improvement	CON	\$558,063				x		
44	Any Eligible	Lombard Street Transit and Pedestrian Treatments [NTIP Planning]	PLAN/CER	\$100,000		x				
44	Any Eligible	Western Addition Community Based Transportation Plan [NTIP Planning]	PLAN/CER	\$240,000		x				
44	Any Eligible	NTIP Planning	PLAN/CER	\$300,000		x				
Eligible Projects - Already Allocated										
23	SFMTA	Paratransit	PROC	\$9,670,000	x					
37	DPW	Public Sidewalk Repair	CON	\$492,200	x					
39	SFMTA	Twin Peaks Connectivity	PLAN/ENV	\$23,000					x	
42	DPW	Tree Planting	CON	\$490,000	x					

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					Categories (see policy for full description of each category)					
Expenditure Plan Line Item	Agency	Project Name	Phase(s)	2014/15 Programming	Annual Activity	NTIP Planning Grant	Misc. Equipment/Maintenance	Other non-Prop K Funds Approved	Request < \$75K	WalkFirst
42	DPW	Tree Maintenance	CON	\$510,000	x					
Eligible Projects - Pending Allocation										
34-35	DPW	Street Repair and Cleaning Equipment	PROC	\$701,034			x			