



Memorandum

AGENDA ITEM 5

DATE: May 28, 2020
TO: Transportation Authority Board
FROM: Cynthia Fong - Deputy Director for Finance and Administration
SUBJECT: 6/9/20 Board Meeting: Proposed Provisional Three-Month Fiscal Year 2020/21 Budget and Work Program

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Adopt the proposed provisional three-month Fiscal Year (FY) 2020/21 Budget and Work Program.</p> <p>SUMMARY</p> <p>On February 25, 2020, San Francisco declared a state of emergency in response to the global spread of the novel coronavirus, COVID-19, and on March 16, 2020, Mayor Breed directed all residents to shelter in place. In light of the resulting unprecedented level of economic uncertainty, the significant impact of COVID-19 necessitates postponing the adoption of the full annual Budget and Work Program until September, similar to the schedule that Mayor Breed has set for the City’s budget. In the interim, to provide for our continued operations, it will be necessary to adopt a provisional three-month FY 2020/21 Budget and Work Program until the time at which the full 12-month budget for FY 2020/21 Budget and Work Program is adopted. The recommended action requires that the Board approve a one-time waiver to certain provisions in the Administrative Code and Fiscal Policy, which require the adoption of the budget by June 30 of the prior fiscal year. The proposed provisional three-month FY 2020/21 Work Program and Budget are shown in Attachments 1 and 2, respectively.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input checked="" type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
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BACKGROUND

On January 30, 2020, the World Health Organization declared the outbreak of the novel coronavirus, COVID-19, to be a public health emergency of international concern and on March 11, 2020 declared a worldwide pandemic. On February 25, 2020, San Francisco declared a state of emergency in response to the global spread of COVID-19, and on March 16, 2020, Mayor Breed directed all residents to shelter in place. On March 4, 2020, Governor Gavin Newsom declared a state of emergency in the State of California as a result of COVID-19 and on March 19, 2020, signed Executive Order N-33-20 mandating all persons statewide to stay at home except as needed to maintain continuity of operations of the critical infrastructure sectors. These COVID-19 events have significantly affected our economy and agency revenues.

In light of the resulting unprecedented level of economic uncertainty, the significant impact of COVID-19 necessitates postponing the adoption of the full annual Budget and Work Program until September, similar to the schedule that Mayor Breed has set for the City's budget. In the interim, to provide for the necessary continuation of services and payment of expenditures, it will be necessary to adopt a provisional three-month FY 2020/21 Budget until the time at which the full 12-month budget for FY 2020/21 Budget is adopted.

Section 2(b) of our Administrative Code and Section III.C of our Fiscal Policy contain provisions requiring the adoption of the annual budget by June 30 of the prior fiscal year. If the Transportation Authority is unable to adopt a final budget by June 30, it must adopt a resolution to continue services and payment of expenses, including debt service. To enable the approach outlined above to seek Board approval of a provisional three-month budget, the resolution includes approval of a waiver of the Administrative Code provision requiring adoption of the annual budget by June 30.

DISCUSSION

Work Program. The proposed provisional three-month FY 2020/21 Work Program detailed in Attachment 1 includes core activities in four major functional areas: 1) Plan, 2) Fund, 3) Deliver and 4) Transparency and Accountability. These categories of activities are organized to efficiently address our designated mandates, including administering the Prop K Sales Tax program, functioning as the Congestion Management Agency (CMA) for San Francisco, acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program, administering the \$10 Prop AA vehicle registration fee (Prop AA), operating as the Treasure Island Mobility Management Agency (TIMMA) for San Francisco, and administering the new Traffic Congestion Mitigation Tax (Prop D, November 2019).

The proposed 3-month Work Program continues all of our core functions and provides highlights of new or modified work program items in light of the financial impacts and changing priorities associated with the COVID-19 pandemic.



We have conducted a broad review of our work program and the proposed budget reflects some shifts in priorities.

A few work efforts are being paused or deferred including our New Mobility Pilot Framework, Lombard Crooked Street Project, and SF-Champ model development. At the same time, some new COVID-related work items and priorities are arising, such as funding the San Francisco Department on the Environment's (SFE) Emergency Ride Home program, coordination of advocacy efforts for the federal CARES Act and Metropolitan Transportation Commission's Blue Ribbon Task Force, as well as congestion management efforts such as our COVID-19 Congestion Tracker and the upcoming San Francisco Transportation Re-opening Working Group, convened by Chair Peskin and San Francisco Municipal Transportation Agency (SFMTA) Director Tumlin. Some Commissioners are also seeking support for studies related to emerging questions as we re-open the economy.

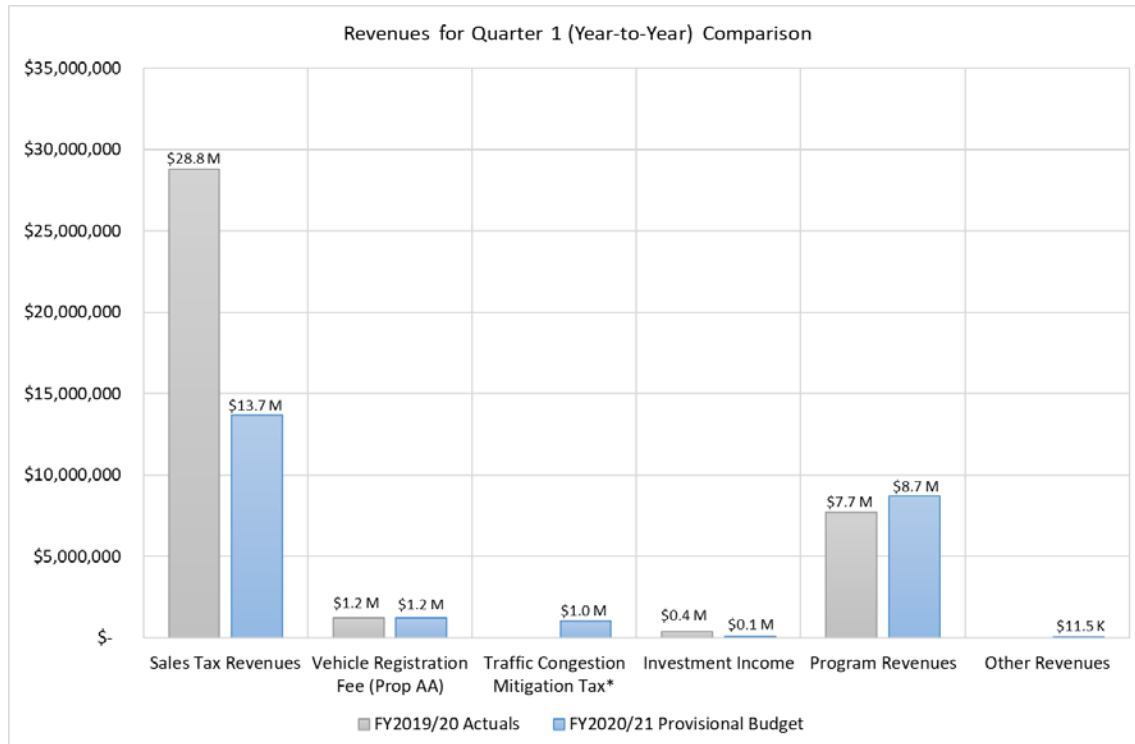
We have been authorized by Chair Peskin to update our Prop K Strategic Plan in light of reduced revenue projections resulting from COVID-19 to ensure we are making the best use of revenues available for new allocations while still meeting current project obligations. We have also been authorized by Chair Peskin to explore Prop K reauthorization which entails re-setting the Expenditure Plan categories and extending the duration of the Expenditure Plan beyond its FY 2033/34 end date. We will evaluate seeking reauthorization in 2023, the 20th year of the Prop K program, or potentially earlier. The reauthorization of the Expenditure Plan will be heavily informed by the San Francisco Transportation Plan (SFTP) update, which is planned for 2021, to correspond with the MTC's adoption of Plan Bay Area.

We will also continue to seek grants and position San Francisco projects for potential stimulus funding opportunities.

Budget. Attachment 2 displays the proposed provisional three-month budget in aggregate line item format per our Fiscal Policy. The division of revenues and expenditures into the Sales Tax program, CMA program, TFCA program, Prop AA program, TIMMA program, and Traffic Congestion Mitigation Tax program in Attachment 2 reflects our six distinct responsibilities and mandates. We have segregated our TIMMA function as a separate legal and financial entity effective July 1, 2017. The TIMMA provisional three-month FY 2020/21 Budget and Work Program will be presented as a separate item to the TIMMA Committee and TIMMA Board at their respective June meetings.

Revenues. Total revenues for the provisional budget period are projected to be \$24.7 million. The majority of anticipated revenues will come from Sales Tax Revenues at \$13.7 million, or 55.3% of total projected revenues; Program Revenues at \$8.7 million, or 35.1% of total projected revenues; and Vehicle Registration Fee at \$1.2 million, or 5.0% total projected revenues.

The following chart shows a comparison of revenues for the proposed provisional three-month FY 2020/21 budget with first quarter actual revenues collected in FY 2019/20.



*Traffic Congestion Mitigation Tax (Prop D, November 2019) collection started January 1, 2020.

Below we provide further detail for each revenue source:

Sales Tax Revenues - Sales tax revenues have declined significantly since the start of stay-at-home orders in March 2020. Due to anticipated further lowered revenues based on the impact of COVID-19, we are projecting \$13.7 million of sales tax revenues for the first three months of FY 2020/21 (July to September), a decrease by approximately 47.5% as compared to the same period last year.

Prop AA Revenues - We serve as the administrator of Prop AA, a \$10 annual vehicle registration fee on motor vehicles registered in the City and County of San Francisco. We are projecting \$1.2 million of Prop AA revenues for the first three months of FY 2020/21. This is a similar level of revenues as compared to the same period last year.

Traffic Congestion Mitigation Tax Revenues - We began collecting Traffic Congestion Mitigation Tax revenues in January 1, 2020. Based on continuous discussions and coordination with the City’s Controller’s Office and the SFMTA, we are projecting \$1.0 million of Traffic Congestion Mitigation Tax revenues for the first three months of FY 2020/21, a decrease by approximately 20.8% as compared to actual revenues received from January to March 2020.

Investment Income - Our projections assume a lower average daily cash balances in the first quarter of the fiscal year due to a decrease in revenue projections for Sales Tax revenues and



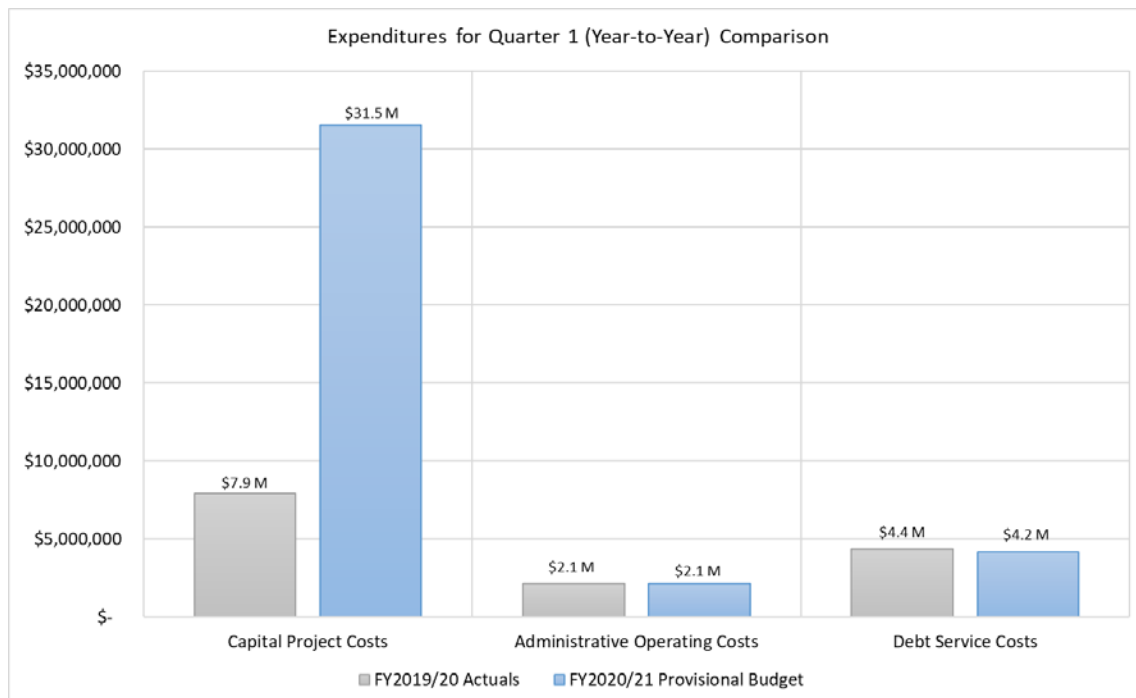
Traffic Congestion Mitigation Tax revenues. As a result, we are projecting \$100,621 of investment income for the first three months of FY 2020/21.

Program Revenues - We are projecting \$8.7 million of Program Revenues for the CMA program, TFCA program and TIMMA program for the first three months of FY 2020/21. These revenues are comprised of federal, state and regional grant revenues to support various projects led by the Transportation Authority. This estimate includes \$3.9 million for the Southgate Road Realignment Project, Phase 2 of the I-80/Yerba Buena Island (YBI) Interchange Improvement Project, that was shifted from the final FY 2019/20 budget as construction activities will commence two months later than anticipated due to the COVID-related schedule impacts.

Other Revenues - Other revenues budgeted in the first three months of FY 2020/21 include revenues from the sublease of our office space, and are estimated at a similar level of revenues as compared to the same period last year.

Expenditures. Total expenditures are projected to be about \$37.8 million for the provisional budget period. Capital projects costs are 83.4% of total projected expenditures, with another 5.6% of expenditures budgeted for administrative operating costs, and 11.0% for debt service and interest costs.

The following chart shows the comparison of expenditures for the proposed provisional three-month FY 2020/21 budget with first quarter actual expenditures in FY 2019/20.





Although sales tax revenues are reduced, our proposed budgeted expenditures reflect the availability of previously secured appropriations and grants, for both sponsor agencies and ourselves. Below we have provided further detail for each expenditure category:

Capital Project Costs - We are projecting to expend \$31.5 million in capital project costs during the first three months of FY 2020/21 across multiple programs. The largest component of these expenditures is sales tax reimbursements to sponsoring agencies like the SFMTA. Some of the main drivers of Prop K Capital Expenditures (and our sales tax revenue bond) are the SFMTA vehicle procurements for motor coaches, trolley coaches, and light rail vehicles. CMA program expenditures include various planning efforts and projects such as the Downtown Congestion Pricing Study.

Also included are the YBI Bridge Structures and YBI Southgate Road Realignment Improvement projects, which are supported by federal, state, and regional funding. Some of the largest Prop AA capital project expenditures include the Haight Street Resurfacing and Pedestrian Lighting project, the Muni Metro Station Enhancements project, and the Brannan Street Pavement Renovation project. TFCA capital project expenditures include the Emergency Ride Home program allocated to the SFE to provide reimbursable taxi rides home for essential workers due to COVID-19.

Administrative Operating Costs - Operating expenditures include personnel expenditures, administrative expenditures, Commissioner-related expenditures, equipment, furniture and fixtures. Due to the anticipated decline of sales tax revenues for the first three months of the fiscal year, we have taken the following steps to reduce administrative operating expenditures in order to off-set anticipated rising essential costs:

- delaying the hiring of four staff vacancies, (but are continuing underway recruitments and filling essential positions);
- curtailed equipment and non-essential purchases and contracting; and
- suspended travel and training as well as some administrative initiatives.

Debt Service Costs - This line item assumes anticipated interest payments and other costs associated with our debt program. We are projecting \$4.2 million of debt service costs, which is at a similar level of expenditures as compared to the same period last year.

Other Financing Sources/Uses. This line item also includes inter-fund transfers among the sales tax and CMA funds. These transfers represent the required local match to federal grants such as the Surface Transportation Program. Also represented are appropriations of Prop K sales tax to projects such as the Downtown Congestion Pricing Study and the Streets and Freeways Study.

Fund Balance. The budgetary fund balance is generally defined at the difference between assets and liabilities, and the ending balance is based on previous year's audited fund



balance plus the current year's budget amendment and the budgeted year's activity. There is a positive amount of \$19.9 million in total fund balances.

Next Steps. We will continue to monitor revenue streams and coordinate closely with the City and sister agencies to assess short, medium, and long-term financial impacts stemming from the pandemic. While we expect our sales tax and other revenues to be significantly affected going forward, our strong financial position ensures that we can continue to support sponsors' cash needs for the remainder of 2020 and into 2021. Thereafter, we anticipate drawing down from our Revolving Credit Loan and will include a projection of these figures in our proposed FY 2020/21 Annual Budget.

The full 12-month preliminary FY 2020/21 Annual Budget and Work Program will be presented for information to the Citizens Advisory Committee (CAC) and Board in July. The final proposed FY 2020/21 Annual Budget and Work Program will be presented to the CAC and Board for action in September. A public hearing will precede consideration of the FY 2020/21 Annual Budget and Work Program at the September 15th Board meeting.

FINANCIAL IMPACT

As described above.

CAC POSITION

Due to the time sensitive nature of this item, we are bringing this item directly to the Transportation Authority Board. The full 12-month FY 2020/21 Budget and Work Program will be presented to the CAC in July as an information item and in September for action, as mentioned above.

SUPPLEMENTAL MATERIALS

- Attachment 1 - Proposed Provisional Three-Month Work Program
- Attachment 2 - Proposed Provisional Three-Month Budget

Attachment 1

Proposed Provisional Three-Month Fiscal Year 2020/2021 Annual Work Program

The Transportation Authority's provisional three-month Fiscal Year (FY) 2020/21 Work Program includes activities in five divisions overseen by the Executive Director: 1) Policy and Programming, 2) Capital Projects, 3) Planning, 4) Technology, Data and Analysis, and 5) Finance and Administration. The Executive Director's office is responsible for directing the agency in keeping with the annual Board-adopted goals, for the development of the annual budget and work program, and for the efficient and effective management of staff and other resources. Further, the Executive Director's office is responsible for regular and effective communications with the Board, the Mayor's Office, San Francisco's elected representatives at the state and federal levels and the public, as well as for coordination and partnering with other city, regional, state and federal agencies.

In the first quarter of Fiscal Year (FY) 2020/21, our work program reflects the continuation of core activities and essential projects and programs in the multi-disciplinary and collaborative nature of our roles in planning, funding and delivering transportation projects and programs across the city, while ensuring transparency and accountability in the use of taxpayer funds. The agency's work program activities address the Transportation Authority's designated mandates and functional roles. These include: serving as the Prop K transportation sales tax administrator and Congestion Management Agency (CMA) for San Francisco, acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program and administering the \$10 Prop AA vehicle registration fee and Prop D Traffic Congestion Mitigation Tax program. The Transportation Authority is also operating as the Treasure Island Mobility Management Agency (TIMMA). The TIMMA provisional 3-month FY 2020/21 Work Program will be presented to the TIMMA Board as a separate item and is not reflected below.

PLAN

Long-range, countywide transportation planning and CMA-related policy, planning and coordination are at the core of the agency's planning functions. In the first quarter of FY 2020/21, we will continue to implement recommendations from the existing San Francisco Transportation Plan (SFTP, 2017), while advancing the next update (SFTP, 2021) through the San Francisco Long-range Transportation Planning Program, also known as ConnectSF, as part of our multi-agency partnership with the San Francisco Municipal Transportation Agency (SFMTA), the San Francisco Planning Department (SF Planning), and others. Most of the FY 2020/21 activities listed below are multi-divisional efforts, often led by the Planning or Capital Projects Division in close coordination with Technology, Data and Analysis and the Policy and Programming Divisions. Proposed activities include:

Active Congestion Management:

- **San Francisco Transportation Re-Opening Working Group.** We will actively support this working group which will be co-chaired by Transportation Authority Chair Peskin and SFMTA Director Tumlin. The workgroup, which is anticipated to meet weekly for the next several months, will facilitate interdepartmental and interagency collaboration to further develop and vet the city's approach to transportation in support of San Francisco's re-opening. Many of our ongoing and new work program

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efforts such as our COVID-19 Congestion Tracker, the Downtown Congestion Pricing Study, and our coordination and advocacy related to the regional Blue Ribbon Transit Recovery Task Force, will be highly relevant to this effort.

- **COVID-19 Congestion Tracker.** The recent shelter-in-place (SIP) orders have rapidly changed traffic patterns and congestion. Overnight, San Francisco went from experiencing some of the worst congestion in the country to being virtually congestion-free. Recently, as the economy begins to recover, we have seen traffic and congestion levels rising. The Transportation Authority's COVID-Era Congestion Tracker (covid-congestion.sfcta.org) is an interactive map of critical roadways in San Francisco that provides decision-makers with the ability to monitor weekly changes in roadway congestion in order to identify emerging congestion "hot spots" and identify appropriate management strategies. The congestion tracker also allows users to view speed data for the city overall or for particular segments, and to compare current speeds to pre-COVID conditions. We will continue to update the tracker, analyze the data, and use this as an input as we evaluate different scenarios for the re-opening of San Francisco.
- **Downtown Congestion Pricing Study.** We have worked with the Policy Advisory Committee (PAC) and other stakeholders to set key goals and objectives, including advancing equity while reducing congestion, transit delays, traffic collisions, air pollution, and greenhouse gas emissions, and established alternative configurations for screening. The Study's scope and budget are proposed to be increased at the current Board Meeting to expand outreach and communications per the PAC's input; and owing to this extra outreach and SIP, the study schedule has been extended by one quarter with findings anticipated to be presented in spring 2021.

SFTP Implementation and Board Support:

- **Neighborhood Transportation Improvement Program (NTIP) Cycle 2.** Identify and advance new projects through the Cycle 2 of the sales tax-funded NTIP and monitor implementation of projects funded through Cycles 1 and 2. Funds for Cycle 2 include \$100,000 in planning funds for each district and \$600,000 in local match funds for each district to advance NTIP projects toward implementation. We will continue to work closely on identification and scoping of new NTIP planning and capital efforts, including advancing recommendations from recently completed plans, in coordination with Board members and the SFMTA's NTIP Coordinator, and will monitor and support new NTIP efforts led by other agencies. We are also continuing to lead NTIP projects in 5 districts: Districts 3, 4, 5, 9 and 10.

Long Range, Countywide, and Inter-Jurisdictional Planning:

- **SFTP 2050 and ConnectSF:** With our partners SFMTA and SF Planning we completed a round of outreach earlier this year and have advanced the Streets and Freeway Study and the Transit Corridors Study. We are planning outreach in fall 2020 to

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further advance these studies, which along with other planning and policy efforts, will identify projects and policies for inclusion in the SFTP update. The SFTP will result in a fiscally constrained transportation investment and policy blueprint for San Francisco through the year 2050. The SFTP informs San Francisco's input into the next update of Plan Bay Area, PBA 2050. Both plans are slated for adoption in 2021. The SFTP will also be central to reauthorization of the Prop K sales tax wherein we can reset Expenditure Plan categories and extend the Expenditure Plan end date past FY 2033/34 - which we will begin evaluating this year (see Fund section for additional details).

- **Express Lane System Planning and Policy Support.** Although environmental review is paused, we continue to work on conceptual planning and equity studies for the San Francisco freeway system (including 101/280, mainline 101, 280 West and the San Francisco-Oakland Bay Bridge (SFOBB) corridor) as a way to inform related Plan Bay Area and ConnectSF Streets and Freeways policy and planning work. This will also allow us to continue to coordinate with regional agencies on Express Lane Strategic Plan and US101 corridor plans with San Mateo and Santa Clara counties.
- **Emerging Mobility Services & Technologies.** We have paused this work, which had been slated for mid-2019 delivery, due to staff turnover and a shift in COVID-related priorities as well as to focus on providing input to state rulemaking processes.
- **Transportation Network Companies (TNC) Impact Studies.** Following our work on TNCs and congestion, we continue to work with California Air Resources Board (CARB) to set emissions reduction targets for the sector. By mid-year, we anticipate releasing reports on the effects of TNCs on transit ridership and by year end the report on TNCs and equity.
- **Support Statewide and Regional Planning Efforts.** Continue to support studies and planning efforts at the state and regional levels including the California High-Speed Rail Authority's Business Plan and Environmental Impact Report, Caltrain Business Plan coordination, CTC/CARB joint efforts on climate policy, State of California Public Utilities Commission(CPUC) data rulemaking and regulations for TNCs, and the Metropolitan Transportation Commission's (MTC's) Blue Ribbon Transit Recovery Task Force and Express Lane white papers. Coordinate with BART and others to scope and advance the study of a potential second Transbay rail crossing, and associated connection to west side.

Transportation Forecasting, Data and Analysis:

- **Travel Forecasting and Analysis for Transportation Authority Studies.** Provide modeling, data analysis, to support efforts such as SFTP and ConnectSF, including the Streets and Freeways Study and the Transit Corridors Study, District 4 and District 5 Neighborhood studies, Third Street-15 Bus Study, Treasure Island Mobility Management Program, Downtown Congestion Pricing Study, 22nd Street Station Location Study and Downtown Rail Extension.

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- **Modeling Service Bureau.** Provide modeling, data analysis, and technical advice to city agencies and consultants in support of many projects and studies. Expected service bureau support this year for partner agencies and external parties is to be determined.
- **Transportation Sustainability Program Evaluation Study.** Advance research on effective strategies for Travel Demand Management by major employers and institutions.
- **New Mobility Rulemaking:** We continue to work with SFMTA to provide San Francisco's input to state and Federal rulemaking opportunities, particularly related to CPUC TNC policies (ADA, data), CARB emissions targets for TNCs and Federal autonomous vehicle policies through transportation reauthorization and other legislative efforts.
- **Model Enhancements:** We are limiting our model development efforts so that we can focus on helping to understand current essential travel patterns, as well as those that result from re-opening the economy. These efforts include tracking congestion trends and represent the new transit service levels in the region during SIP.

FUND

The agency was initially established to serve as the administrator of the Prop B half-cent transportation sales tax (superseded by the Prop K transportation sales tax in 2003). This remains one of the agency's core functions, which has been complemented and expanded upon by several other roles which have subsequently been taken on including acting as the administrator for Prop AA, the Traffic Congestion Mitigation Tax (Prop D), the TFCA county program, and serving as CMA for San Francisco. We serve as a funding and financing strategist for San Francisco projects; we advocate for discretionary funds and legislative changes to advance San Francisco project priorities; provide support to enable sponsors to comply with timely-use-of-funds and other grant requirements; and seek to secure new sources of revenues for transportation-related projects and programs.

Fund Programming and Allocations: Administer the Prop K sales tax, Prop AA vehicle registration fee, TFCA, and Prop D programs through which the agency directly allocates or prioritizes projects for grant funding; monitor and provide project delivery support and oversight for the San Francisco Lifeline Transportation Program, One Bay Area Grant (OBAG), and State Transportation Improvement Program (STIP) in our role as CMA. Provide technical, strategic and advocacy support for a host of other fund programs, such as revenues distributed under Senate Bill 1 (see below), the State's Cap-and-Trade and Active Transportation Programs, and federal competitive grant programs. Notable efforts planned for the first quarter of FY 2020/21 include asking the Board to adopt FY 20/21 **TFCA** program of projects in July; conducting a **Prop AA** mid-cycle call for projects; and continuing to engage with the Board and key stakeholders such as the SFMTA, Department of Public Health, the Pedestrian Safety Advisory Committee, and Bicycle Advisory Committee for input on program guidelines for the **Traffic Congestion Mitigation Tax**. We anticipate bringing the

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Traffic Congestion Mitigation Tax guidelines to the Board for information in July and approval in the September time frame, and depending upon revenue levels, programming funds shortly thereafter.

Senate Bill 1: We were pleased to see major Bay Area projects receive grant funds from the Transit and Intercity Rail Capital Program (TIRCP), and continue to support the regional asks for Solutions for Congested Corridors funds (particularly BART Core Capacity), and the Board's approved San Francisco's project priorities for the Local Partnership Program (LPP) competitive funds (applications due end of June). In first quarter of FY 20/21, we plan to identify and seek Board approval of project priorities for LPP formula funds that the agency prioritizes, as well as track pipeline projects for potential Caltrans Complete Streets funding opportunities. We will continue to engage the Board and MTC Commissioners, including seeking guidance on prioritizing funds.

Horizon and Plan Bay Area 2050. As CMA, we will continue to coordinate San Francisco's input to Plan Bay Area 2050 and related transit and housing policy efforts (Regional Housing Needs Allocation, Blue Ribbon Transit Recovery Task Force). These efforts involve close coordination with San Francisco agencies, the Mayor's office, and our ABAG and MTC Commissioners, as well as coordination with Bay Area CMAs, regional transit agencies and other community stakeholders.

New Revenue Options. As we have reported some new revenue measures we were tracking have changed plans and are no longer seeking to be placed on the November 2020 ballot (a regional transportation measure (e.g. FASTER), a Bay Area housing bond). We continue to track Regional Measure 3 status (in litigation) and a potential Caltrain 1/8 sales tax measure, and are coordinating with SFMTA on potential needs and opportunities for a potential transportation measure in the next available election cycle, including Prop K reauthorization (see below).

Prop K Strategic Plan Update and Reauthorization. Just as we did with the first Prop B half-cent transportation sales tax measure, we are anticipating the need to update the Prop K Expenditure Plan categories to reflect new priorities that aren't eligible under the 2003 Expenditure Plan and to replenish funds for categories running out of funds by extending the end date of the Expenditure Plan, currently set for FY 2033/34. In first quarter, we will focus on development of an overall scope of work and approach for the reauthorization effort, which will include consideration of other potential revenue options (local and regional, in particular) and developing a "bridge strategy" to keep projects moving and a project pipeline under development until new funds are available. We will also continue efforts to refine scenarios for short and long-term sales tax revenue projections evaluating the impacts of different trajectories for recovery from the pandemic-induced recession. We will use these forecasts to work with project sponsors on a 2020 Prop K Strategic Plan update that reflects a lower revenue forecast and seeks to counter balance the decline as much as possible by updating project reimbursement schedules for existing allocations and programmed, but unallocated funds. We anticipate completing the Strategic Plan update this fall.

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Legislative Advocacy. We will continue to monitor and take positions on state legislation affecting San Francisco's transportation programs and develop strategies for advancing legislative initiatives beneficial to San Francisco's interests and concerns at the state and federal level. Our advocacy builds off of SFTP recommendations, the agency's adopted legislative program (e.g. includes Vision Zero, new revenue, and project delivery advocacy), and is done in coordination with the Mayor's Office, the Self-Help Counties Coalition, and other city and regional agencies.

Funding and Financing Strategy and Federal Advocacy/Stimulus readiness. Provide funding and financing strategy support for Prop K signature projects, many of which are also included in MTC's Regional Transit Expansion Agreement. Examples include: Caltrain Electrification, the Downtown Extension and Geary Corridor BRT as well as Better Market Street. Position San Francisco's projects and programs and coordinate advocacy efforts for potential stimulus funding opportunities, including the remaining federal CARES funds (eligible for operations) to be distributed to transit operators through MTC this July. Continue to serve as a funding resource for all San Francisco project sponsors, including brokering fund swaps, as needed.

DELIVER

The timely and cost-effective delivery of Transportation Authority-funded transportation projects and programs requires a multi-divisional effort, led primarily by the Capital Projects Division with support from other divisions. As in past years, the agency focuses on providing engineering support and overseeing the delivery of the Prop K sales tax major capital projects, such as the SFMTA's Central Subway, Van Ness Bus Rapid Transit (BRT), and facility upgrade projects; the Downtown Rail Extension; and Caltrain Modernization, including Electrification. The agency is also serving as lead agency for the delivery of certain projects, such as the I-80/Yerba Buena Island (YBI) Interchange Improvement Project, which typically are multi-jurisdictional in nature and often involve significant coordination with Caltrans. Key delivery activities for FY 2020/21 include the following:

Transportation Authority - Lead Construction:

- **I-80/YBI East Bound Off Ramp/Southgate Road Realignment Project.** We have worked with Caltrans, BATA, Treasure Island Development Authority (TIDA), and the U.S. Coast Guard on final approvals and completed contracting so plans are to break ground in June/July.
- **YBI West Side Bridges.** We are continuing work on supplemental environmental review, final engineering and design of the West Side Bridges and preparing for construction. We are also developing bicycle/ped path plans for potential inclusion of this scope into the West Side bridges project. See YBI Bike/Ped Path below.

Transportation Authority - Lead Project Development:

- **I-280/Ocean Ave.** South Bound Off-Ramp Realignment: Advance I-280 Interchange modifications at Balboa Park, obtain approval of the combined Caltrans Project Study

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Report/Project Report and environmental document, prepare funding plan and advance design efforts dependent on funding availability.

- **YBI Bike/Ped Path.** We are working with our partners, BATA, TIDA, SFMTA and interested stakeholders (SF and East Bay bicycle coalitions) to complete the YBI Bike/Ped Study with an emphasis on evaluating a ped/bike connection on the western side of the island from the SFOBB East Span YBI viewing area down to the new (under construction) Treasure Island Ferry Terminal and an ultimate connection point to the planned BATA-led SFOBB West Span Skyway Path.

Transportation Authority - Project Delivery Support:

- **Caltrain Early Investment Program and California High-Speed Rail Program.** Coordinate with the California High-Speed Rail Authority and city agencies on high-speed rail issues affecting the city; work with Caltrain, MTC, the Mayor's Office and other Peninsula and regional stakeholders to monitor and support delivery of the Caltrain Early Investment Program including the Positive Train Control and Electrification projects. Continue to work closely with aforementioned stakeholders to support delivery of the blended Caltrain/High Speed Rail system to the Peninsula corridor that extends to the new Salesforce Transit Center including leading critical Configuration Management Board efforts. Support policy discussions as requested for Caltrain funding and governance.
- **Central Subway.** Project management oversight; scope/cost/schedule and funding assessment and strategy, including participation in critical Configuration Management Board efforts.
- **Transbay Salesforce Transit Center and Downtown Extension.** We continue to perform project management oversight on the transit center (Phase 1) and have now finalized the Memorandum of Understanding with regional partners for the SF Peninsula rail program (Downtown Rail Extension and 4th/King railyards). We are also coordinating with BART/Capitol Corridor as they lead Transbay rail planning efforts for a second crossing.
- **Geary and Van Ness Avenue BRTs.** Oversee SFMTA construction efforts including environmental compliance for Geary Phase I and Van Ness BRT. Work closely with SFMTA to review costs, value engineering and phasing as well as optimization of Geary BRT Phase II project plans.
- **Better Market Street.** Continue to participate in interagency project team meetings, with a current focus on value engineering, project phasing and strengthening funding plans.

TRANSPARENCY AND ACCOUNTABILITY

- **Operations:** We will continue to maintain ongoing agency operational activities and administrative processes to ensure transparency and accountability in the use of

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taxpayer funds. During the first quarter, we'll prepare annual financial statements for FY 19/20, complete three fiscal and compliance audits, finish the implementation of an automated accounts payable system, and provide additional efforts to develop the postponed annual FY20/21 budget.

- **Communications:** We will continue to refine outreach and communications techniques to adapt to SIP rules, with a focus on racial equity and seeking to engage communities of concern. We will also continue to develop outreach to highlight the agency's 30th year anniversary and accomplishments.



Proposed 3-Month Provisional Budget by Fund

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	Proposed Fiscal Year 2020/21 3-Month Provisional Budget
Revenues:							
Sales Tax Revenues	\$ 13,670,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,670,187
Vehicle Registration Fee	-	-	-	1,232,500	-	-	1,232,500
Traffic Congestion Mitigation Tax	-	-	-	-	-	1,029,000	1,029,000
Investment Income	89,054	-	723	800	-	10,044	100,621
Program Revenues	-	8,021,934	188,620	-	460,122	-	8,670,676
Other Revenues	11,495	-	-	-	-	-	11,495
Total Revenues	13,770,736	8,021,934	189,343	1,233,300	460,122	1,039,044	24,714,479
Expenditures							
Capital Project Costs	20,371,080	7,788,261	214,780	2,800,000	361,123	-	31,535,244
Administrative Operating Costs	1,150,782	783,810	7,079	44,245	98,999	30,870	2,115,785
Debt Service Costs	4,180,000	-	-	-	-	-	4,180,000
Total Expenditures	25,701,862	8,572,071	221,859	2,844,245	460,122	30,870	37,831,029
Other Financing Sources (Uses):	(550,137)	550,137	-	-	-	-	-
Net change in Fund Balance	\$ (12,481,263)	\$ -	\$ (32,516)	\$ (1,610,945)	\$ -	\$ 1,008,174	\$ (13,116,550)
Budgetary Fund Balance, as of July 1	\$ 14,315,218	\$ -	\$ 706,250	\$ 14,755,908	\$ -	\$ 3,196,273	\$ 32,973,649
Budgetary Fund Balance, as of September 30	\$ 1,833,955	\$ -	\$ 673,734	\$ 13,144,963	\$ -	\$ 4,204,447	\$ 19,857,099