



## Memorandum

### AGENDA ITEM 13

**DATE:** April 29, 2021

**TO:** Transportation Authority Board

**FROM:** Cynthia Fong - Deputy Director for Finance and Administration

**SUBJECT:** 05/11/21 Board Meeting: Preliminary Fiscal Year 2021/22 Budget and Work Program

<b>RECOMMENDATION</b> <input checked="" type="checkbox"/> Information <input type="checkbox"/> Action	<input type="checkbox"/> Fund Allocation
None. This is an information item.	<input type="checkbox"/> Fund Programming
<b>SUMMARY</b>	<input type="checkbox"/> Policy/Legislation
The purpose of this memorandum is to present the preliminary Fiscal Year (FY) 2021/22 annual budget and work program and seek input. The proposed budget and work program will come back to the Board for adoption in June.	<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: _____

### BACKGROUND

Pursuant to State statutes (California Public Utilities Code, Sections 131000 et seq.), we must adopt an annual budget by June 30 of each year. As called for in our Fiscal Policy (Resolution 18-07) and Administrative Code (Ordinance 17-01), the Board shall set both the overall budget parameters for administrative and capital expenditures, the spending limits on certain line items, and adopt the budget prior to June 30 of each year.

### DISCUSSION

The preliminary FY 2021/22 Work Program includes 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 program (Prop AA); administering the Prop D Traffic Congestion Mitigation Tax program



(TNC Tax); and operating as the Treasure Island Mobility Management Agency (TIMMA) for San Francisco. Our work program reflects 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.

Attachment 1 contains a description of our preliminary work program for FY 2021/22. Attachment 2 displays the preliminary budget in a format described in our Fiscal Policy. The division of revenues and expenditures into the Sales Tax program, CMA program, TFCA program, Prop AA program, TIMMA program, and TNC Tax program in Attachment 2 reflects our six distinct responsibilities and mandates. Attachment 3 shows a comparison of revenues and expenditures to the prior year's actual and amended budgeted numbers. Attachment 4 shows a more detailed version of the proposed budget. Attachment 5 shows our Board adopted agency structure and job positions. Attachment 6 provides additional descriptions and analysis of line items in the budget.

We have segregated our TIMMA function as a separate legal and financial entity effective July 1, 2017. The TIMMA FY 2021/22 Budget and Work Program will be presented as a separate item to the TIMMA Committee and TIMMA Board at its respective June meetings.

**Revenues.** Total revenues are projected to be \$126.3 million and are budgeted to decrease by an estimated \$148,593 from the FY 2020/21 Amended Budget, or 0.1%. Sales tax revenues, net of interest earnings, are projected to be \$92.9 million or 73.6% of revenues. This is an increase of \$11.9 million compared to the budgeted sales tax revenues for FY 2020/21, reflecting a moderate economic recovery as San Francisco continues to slowly reopen various sectors. Program revenues are projected to be \$23.7 million or 18.8% of revenues. This is a decrease of \$9.3 million compared to the budgeted program revenues for FY 2020/21, which is largely due to decreased activities for the Southgate Road Realignment Improvements Project, or Phase 2 of the Interstate 80/Yerba Buena Island (YBI) Improvement Project, and YBI West Side Bridges.

**Expenditures.** Total expenditures are projected to be about \$226.0 million. Of this amount, capital project costs, most of which are awarded as grants to agencies like the San Francisco Municipal Transportation Agency (SFMTA), are \$191.4 million. Capital projects costs are 84.7% of total projected expenditures, with another 5.5% of expenditures budgeted for administrative operating costs, and 9.8% for debt service and interest costs. Capital expenditures in FY 2021/22 of \$191.4 million are budgeted to increase by \$13.8 million, or 7.8%, from the FY 2020/21 amended budget, which is primarily due to the increase in Prop K capital expenditures.

Debt service costs of \$22.2 million are for costs related to the assumed fees and interests for the expected drawdown from the Revolving Credit Loan Agreement, anticipated bond principal and interest payments for our Sales Tax Revenue Bond, and other costs associated with debt. During the first quarter of the fiscal year, we anticipate bringing a new Revolving Credit Loan Agreement to the Board for approval, up to \$200 million, to support the Transportation Authority's interim borrowing program. Our debt program has allowed us more flexibility and has enabled us to cost effectively accelerate delivery of the Prop K program that we could do on a pay-go basis.



**Other Financing Sources/Uses.** The Other Financing Sources/Uses section of Attachment 6 - Line Item Detail for the FY 2021/22 preliminary budget includes anticipated drawdown from the Revolving Credit Loan Agreement. The estimated level of sales tax capital expenditures for FY 2021/22 may trigger the need to drawdown up to \$100 million from the Revolving Credit Loan Agreement. We will continue to monitor capital spending closely during the upcoming year by reviewing approved cash flow schedules for allocations, actual reimbursements, and progress reports in tandem with ongoing conversations with project sponsors, particularly our largest grant recipient, the SFMTA. This line item also includes inter-fund transfers among the sales tax, CMA, and TIMMA funds. These transfers represent the required local match to federal grants such as the Surface Transportation Program and Advanced Transportation and Congestion Management Technologies Deployment. Also represented are appropriations of Prop K to projects such as the US 101/I-280 Managed Lanes and Express Bus and the I-280/Ocean Avenue South Bound Off-Ramp Realignment projects.

**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 \$73.5 million in total fund balances, as a result of the anticipated Revolving Credit Loan Agreement drawdown.

**Next Steps.** The final proposed FY 2021/22 Annual Budget and Work Program will be presented to the Citizens Advisory Committee at its May 26 meeting and the Board at its June 8 and 22 meetings. A public hearing will precede consideration of the FY 2021/22 Annual Budget and Work Program at the June 8 Board meeting.

## **FINANCIAL IMPACT**

As described above.

## **CAC POSITION**

None. This is an information item. The preliminary budget and work program were presented to the CAC at its April 28 meeting with the final returning to the CAC at its May 26 meeting as noted above.

## **SUPPLEMENTAL MATERIALS**

- Attachment 1 - Preliminary Work Program
- Attachment 2 - Preliminary Budget
- Attachment 3 - Preliminary Budget - Comparison of Revenues and Expenditures
- Attachment 4 - Preliminary Budget - Line Item Detail
- Attachment 5 - Agency Structure
- Attachment 6 - Line Item Descriptions

## **Attachment 1**

### **Preliminary Fiscal Year 2021/2022 Annual Work Program**

The Transportation Authority's Fiscal Year (FY) 2021/22 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 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 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.

The agency's work program activities address the Transportation Authority's designated mandates and functional roles. These include: 1) serving as the Prop K transportation sales tax administrator; 2) serving as the Congestion Management Agency (CMA) for San Francisco; 3) acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program; 4) administering the \$10 Prop AA vehicle registration fee; and 5) administering the Prop D Traffic Congestion Mitigation Tax (TNC Tax) program. The Transportation Authority is also operating as the Treasure Island Mobility Management Agency (TIMMA). The TIMMA FY 2021/22 Work Program will be presented to the TIMMA Board as a separate item and is not reflected below.

Our work program reflects 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.

## **PLAN**

Long-range, countywide transportation planning and CMA-related policy, planning, and coordination are at the core of the agency's planning functions. In FY 2021/22, we will continue to implement recommendations from the existing San Francisco Transportation Plan (SFTP, 2017), while completing the next update (SFTP, 2021) through the San Francisco Long-range Transportation Planning Program, also known as ConnectSF, our multi-agency partnership with the San Francisco Municipal Transportation Agency (SFMTA), the San Francisco Planning Department (SF Planning), and others. This year, we are conducting a major update of the SFTP in concert with the adoption of Plan Bay Area 2050, to set a future transportation policy and investment blueprint for the city that coordinates with regional plans. We will also continue to further corridor, neighborhood, and community-based transportation plans under our lead, while supporting efforts led by partner agencies. We will undertake new planning efforts meant to inform and respond to emerging trends and policy areas. This strategic area of focus for our planning work includes research and active congestion management as the economy emerges from shelter-in-place toward recovery. Most of the FY 2021/22 activities listed below are multi-divisional efforts, often led by the Planning or Capital Projects divisions in close coordination with Technology, Data, and Analysis and the Policy and Programming divisions. Proposed activities include:

### **Active Congestion Management**

- **COVID-Era Congestion Tracker and COVID-19 Recovery Scenario Analysis.** The shelter-in-place (SIP) orders issued in mid-March 2020 rapidly changed traffic patterns, resulting in less congestion and significantly lower transit ridership. Since last spring, congestion has slowly increased, but roadway travel speeds remain above pre-pandemic levels, and transit ridership continues to be at historically low levels. We anticipate that these patterns will change

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significantly in the coming months, as increased vaccination rates lead to easing of travel restrictions and increased economic activity, which combined with reduced levels of transit service provision may lead to a sharp increase in congestion. The Transportation Authority will continue with frequent updates to the COVID-Era Congestion Tracker (<https://covid-congestion.sfcta.org/>), 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 partner agencies like the SFMTA and other users to view speed data for the city overall, or for particular segments, and to compare current speeds to pre-COVID conditions. This year we expect to expand the Congestion Tracker to include more streets across more of the city. In addition, we will continue to use the Transportation Authority's San Francisco Chained Activity Modeling Process (known as SF-CHAMP) activity-based travel demand model to analyze a wide range of recovery scenarios that look at the impacts of telecommuting, transit service provision, public willingness to ride transit, and other factors on travel demand and system performance.

- **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; to conduct outreach to shape alternative scenarios; and technical screening of policy options. We will extend the study schedule, as directed by the Chair in response to stakeholder feedback, through the end of calendar year 2021. Remaining study tasks include the detailed evaluation work and working with the PAC, community organizations, and the public to review program design options, benefits, and impacts of a potential congestion pricing program in San Francisco.

#### SFTP Implementation and Board Support

- **Neighborhood Transportation Improvement Program (NTIP) Cycle 2 (Fiscal Years 2019/20-2023/24).** We will identify and advance new projects through Cycle 2 of the sales tax-funded NTIP, and monitor implementation of previously funded NTIP projects. 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. Scoping of new NTIP planning and capital efforts, including advancing recommendations from recently completed plans, will be done in coordination with Transportation Authority Board members and SFMTA's NTIP Coordinator. We will continue to lead NTIP projects in three City supervisorial districts: Districts 4 (D4 Mobility Study), 5 (D5 Circulation and Access Study), and 9 (Alemany Realignment Study), and we anticipate supporting the next phase of D1 NTIP work on JFK and Golden Gate Park Access including Equity studies (D10 request).
- **San Francisco School Access Plan.** Caltrans awarded a Caltrans Sustainable Planning Grant to the Transportation Authority to develop a School Access Plan. Building on our prior work on the Child Transportation Study, this plan will develop near and medium-term school transportation solutions for medium- to long-distance K-5 school trips, focusing on improving equity for vulnerable students and families, including students with Individualized Education Plans, students experiencing homelessness, foster youth, and low-income youth. This study started slowly in the prior fiscal year reflecting the lack of in-person schooling. As schools reopen in FY 2021/22, we anticipate making substantial progress on this study, with study completion expected in FY 2022/23.

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#### Long Range, Countywide, and Inter-Jurisdictional Planning

- **SFTP 2050 and ConnectSF.** We plan to present the SFTP 2050 to the Board for approval by the end of calendar year 2021, building on the Streets and Freeways Study, the Transit Corridors Study, and other ConnectSF work, as well as other plans and studies conducted by the Transportation Authority and others. We are planning outreach this summer to review potential tradeoffs among major investments and policy choices. The SFTP will result in a fiscally constrained transportation investment and policy blueprint for San Francisco through the year 2050. The plan will identify the policy and transportation investment options that help San Francisco advance towards our ambitious equity, greenhouse gas, safety, and other goals, given current and future funding sources. The 2017 SFTP and the SFTP update work completed to date have informed San Francisco's input into Plan Bay Area 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 will be a key element of our work program in FY 2021/22 (see Fund section for additional details).
- **Managed Lane and Express Bus System Planning and Policy Support.** We continue to work on planning and regional coordination for the San Francisco freeway system, including conducting an equity study of managed lanes in the US 101/I-280 corridor. The project is evaluating an HOV lane to improve transit speed and reliability. The equity study of the US 101/I-280 corridor will include outreach on improvement concepts identified in prior studies and will identify a full program to address congestion in this corridor, including transit service, local improvements, and potential lane changes to the freeway system. We are also continuing to coordinate with regional agencies on the Express Lane Strategic Plan and U.S. 101 corridor plans with San Mateo and Santa Clara counties, given the need to address growing congestion in the corridor, and to help prioritize Muni bus service.
- **Support Statewide and Regional Planning Efforts.** We will 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 and High-Speed Rail Business Plan coordination; California Transportation Commission (CTC)/California Air Resources Board (CARB) joint efforts on climate policy; State of California Public Utilities Commission (CPUC) data rulemaking and regulations for TNCs (including SB 1376 Access for All regulations); and the Metropolitan Transportation Commission's (MTC's) Blue Ribbon Transit Recovery Task Force. We will also continue to coordinate with BART and other partner agencies to advance Link21, the study of a potential second Transbay rail crossing, and associated connection to the west side.
- **SFTP Modal Planning Follow-on Studies.** Looking ahead, we anticipate working in collaboration with Board members, partner agencies and the community on the following, which will also be dependent upon securing funding through future appropriations or discretionary grants:
  - West side transit planning/subway feasibility study
  - Active transportation connectivity, street reconfiguration, and safety improvements on Brotherhood and Alemany (D11)
  - D4 Mobility Study implementation of recommendations such as a community shuttle

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- Local waterfront ferry (D10, 6, 3, 2)
- Shifting truck access to industrial areas in the southeast away from Third Street (D10)
- SE Caltrain station follow on to SF Planning study
- Citywide shuttle planning to help fill gaps in the future City transit network
- Potential Fare Free Muni Pilot Evaluation

### Transportation Forecasting, Data and Analysis

- **Travel Forecasting and Analysis for Transportation Authority Studies.** We will provide modeling and data analysis to support efforts such as SFTP and ConnectSF, including the Streets and Freeways Study and the Transit Corridors Study; Downtown Rail Extension; US 101/280 Managed Lanes and Express Bus Study; Treasure Island Mobility Management Program; and Downtown Congestion Pricing Study.
- **Congestion Management Program Update.** Every two years, we prepare and update to the San Francisco Congestion Management Program (CMP), which documents changes in multi-modal transportation system performance including roadway speeds, transit reliability, and bicycle and pedestrian counts. We will lead CMP data collection efforts in spring 2021, and the CMP update will be completed in fall 2021.
- **Modeling Service Bureau.** We 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.** We will advance research to quantify the effectiveness of the TDM strategies included in San Francisco's Transportation Sustainability Program (TSP) in reducing VMT and single-occupancy vehicle trips.
- **New Mobility Rulemaking.** We will continue to work with SFMTA to provide San Francisco's input to state and federal rulemaking opportunities, particularly related to CPUC's regulation of TNCs including data sharing; CPUC implementation of the TNC "Access for All" legislation; and CARB implementation of the TNC "Clean Miles" legislation. We will also continue to work on federal autonomous vehicle policies through transportation reauthorization and other legislative efforts.
- **Model Enhancements.** We are limiting our model development efforts to focus on understanding current essential travel patterns, as well as patterns that result from re-opening the City's economy. These efforts include tracking congestion and transit ridership trends and representing the evolving transit service levels in the region during recovery.

### FUND

The Transportation Authority 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 including acting as the administrator for Prop AA, the Traffic Congestion Mitigation Tax (Prop D or TNC Tax), the TFCA county program, and serving as CMA for San Francisco. We serve as a funding and financing strategist for San Francisco projects; advocate for discretionary funds and

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legislative changes to advance San Francisco project priorities; provide support to enable sponsor agencies to comply with timely-use-of-funds and other grant requirements; and seek to secure new revenues for transportation-related projects and programs. The work program activities highlighted below are typically led by the Policy and Programming Division with support from all agency divisions. Notable efforts planned for FY 2021/22 include:

**Fund Programming and Allocations.** We will continue to administer the Prop K sales tax, Prop AA vehicle registration fee, TFCA, and TNC Tax programs through which the agency directly allocates or prioritizes projects for grant funding; monitor and provide project delivery support and oversight for the Lifeline Transportation Program, One Bay Area Grant, and State Transportation Improvement Program in our role as CMA. We will continue to provide technical, strategic, and advocacy support for a host of other fund programs, such as revenues distributed under Senate Bill 1 (see below), California's Cap-and-Trade and Active Transportation Programs, and federal competitive grant programs. Notable efforts for FY 2021/22 include conducting a Prop AA call for projects for the Strategic Plan and 5-Year Prioritization Programs update covering FY 22/23 through FY 26/27, with Board adoption of the update by the end of FY 21/22; and allocating the second year of TNC Tax funds for the SFMTA's Quick-Build Program by the end of the calendar year.

**Senate Bill 1.** In FY 2020/21, we were pleased to see major Bay Area and local San Francisco projects receive grant funds from the Solutions for Congested Corridors program (BART Core Capacity), Local Partnership Program (LPP) competitive funds (Mission Geneva Safety), and State Highway Operations and Preservation Program's Complete Streets Reservation (Vision Zero Ramp Intersection). This coming FY, we will work internally and with San Francisco project sponsors to identify strong candidates for the next funding cycles of these SB 1 programs. After seeking Board approval of project priorities for the Transportation Authority's share of LPP formula funds (anticipated in June 2021 for a portion of the funds, with the remainder in fall 2021), we will seek approval from the California Transportation Commission (CTC) and support allocation requests for projects recommended to receive FY 2021/22 programming. We will continue to support regional requests for funding, provide input to CTC on revisions to program guidelines, and engage our Board and MTC Commissioners, including seeking guidance on prioritizing funds.

**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), through their completion in the fall of 2021. These efforts involve close coordination with San Francisco agencies, the Mayor's office, our representatives on the Association of Bay Area Governments and MTC, and with Bay Area County Transportation Agencies (CTAs), regional transit agencies, and other community stakeholders.

**New Revenue Options.** We continue to track Regional Measure 3 status (in litigation) and are coordinating with SFMTA on needs and opportunities for a potential local transportation measures in upcoming election cycles, including reauthorization of the Prop K sales tax (see below), a regional transportation measure (eyeing 2024 potentially), and new opportunities at the federal and state levels including but not limited to a new federal surface transportation bill, a federal infrastructure bill and new state funding for climate and safety projects.

**Prop K Strategic Plan Update.** We will finish the Strategic Plan update started in FY 2020/21 that was initiated given the pandemic-induced decline in sales tax revenues. We have already done a lot of the foundational work with sponsors to true up revenues and expenditures to reflect actuals

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since the 2019 Strategic Plan was adopted and adjusted anticipated reimbursement schedules for grants with the largest remaining balances. The next steps involve incorporating new short- and long-term revenue projections into the Strategic Plan financial model. Given that the revenue forecast will be lower than in the current Strategic Plan, we will work with project sponsors to counterbalance the decline as much as possible by updating project reimbursement schedules for existing allocations and programmed but unallocated funds, while also working to keep project pipelines moving until a New Expenditure Plan is approved (see entry below). We anticipate completing the Strategic Plan update this fall.

**New Transportation Sales Tax Expenditure Plan.** Following Board direction, we will continue work on reauthorization of the Prop K half-cent transportation sales tax, which provides the opportunity to update the Prop K Expenditure Plan to reflect new priorities that are not eligible under the 2003 Expenditure Plan, to incorporate recommendations from ConnectSF and SFTP work, and to replenish funds for categories running out of funds by extending the FY 2033/34 end date of the Expenditure Plan. We will continue public engagement, expanding our toolkit of engagement methods as SIP orders ease up, while maintaining a strong focus on equity. Subject to Board approval of the Expenditure Plan Advisory Committee (EPAC) structure, we plan to convene the EPAC in July with regular meetings through the end of the calendar year to develop and recommend a new Expenditure Plan to the Transportation Authority Board. We will work with San Francisco project sponsors, including regional transit operators, to provide input to and support the work of the EPAC. Our current schedule targets placing a measure on the ballot in June 2022, though the schedule is flexible should the Board decide to bring the ballot measure to the November 2022 election instead.

**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 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. This year our efforts will include advocacy and coordination on the Biden Administration's American Jobs Plan proposal and subsequent legislation that Congress authors, as we continue to advocate and provide input on the Invest Act/Reauthorization bill and other federal policies that support San Francisco projects and strategies (e.g. emerging technology regulations, new safety and equity legislation, transportation pricing authorization).

**Funding and Financing Strategy Opportunities.** We will continue to 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 Rail Extension, and Better Market Street. We will help position San Francisco's projects and programs to receive funding from reauthorization of the federal transportation bill, infrastructure bill funding opportunities, and any additional federal COVID relief funds. We serve as a funding resource for all San Francisco project sponsors (e.g. brokering fund exchanges). At the regional level, in summer 2021, MTC will be kicking off the program development for the One Bay Area Grant (OBAG) program cycle 3 to inform the regional distribution of future federal Surface Transportation Block Grant and Congestion Mitigation and Air Quality Improvement funding. In our role as a CTA and advisors to our MTC Commissioners, we will provide input to the program

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development process, to support equitable distribution of funds across the region, including for San Francisco local and regional priorities included in PBA 2050.

**Capital Financing Program Management.** Led by the Finance and Administration Division in close collaboration with the Policy and Programming Division, and with the support of our financial advisors, we will continue to provide effective and efficient management of our debt program, including the revolver credit agreement, to enable flexibility and accelerated delivery of sales-tax funded capital projects compared to what is supportable on a pay-go basis - at the lowest possible cost to the public. During the first quarter of the fiscal year, we anticipate bringing a new Revolving Credit Loan Agreement to the Board for approval, up to \$200 million, to support the Transportation Authority's interim borrowing program.

**Prop K Customer Service and Efficiency Improvements.** This ongoing multi-division initiative will continue to improve our processes to make them more user-friendly and efficient for both internal and external customers, while maintaining a high level of transparency and accountability appropriate for administration of voter-approved revenue measures. The initiative includes evaluating the potential to create a master grant number that agencies charge to for projects that draw funds from multiple expenditure plan categories rather than having to track multiple grant numbers. It also includes maintaining and enhancing [mystreetsf.sfcta.org](http://mystreetsf.sfcta.org), our interactive project map, and the Portal, our web-based grants management database used by our staff and project sponsors. Our key areas of focus will be making refinements to project promotion tools, and enhancements to grant administration resources including cash flow amendments through the Portal and identifying projects ripe for closeout.

## DELIVER

Supporting 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 oversight of Prop K sales tax major capital investments, such as SFMTA's Central Subway, Van Ness Bus BRT, and facility upgrade projects; the Downtown Rail Extension (DTX) and Pennsylvania Alignment Studies; and Caltrain Modernization, including electrification as well as railyards planning coordination and oversight (for which we will seek funding). We also serve as the lead agency for the delivery of certain capital 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 2021/22 include the following:

### Transportation Authority - Lead Construction:

- **I-80/YBI East Bound Off Ramp/Southgate Road Realignment Project.** We will continue working with Caltrans, the Bay Area Toll Authority (BATA), Treasure Island Development Authority (TIDA), and the U.S. Coast Guard to advance construction of the new facility. The project broke ground in June 2020 and is on schedule and within budget for partial completion by the end of FY 2022.
- **YBI West Side Bridges.** We will continue working on securing full funding (if not done in FY 2020/21), executing funding agreements, and completing final engineering in preparation for award of the construction contract. We are also coordinating with bicycle/pedestrian path plans adjacent to the West Side bridges project. See YBI Bike/Ped Path below.

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**Transportation Authority - Lead Project Development:**

- **US 101/I-280 Managed Lanes and Express Bus Project.** The Transportation Authority will continue advancement of environmental approvals for the northbound I-280 carpool lanes between 18th and 3rd Street (Phase 1) as well as preliminary engineering and traffic analysis for the southbound lanes on I-280 and US 101 to the San Mateo County line. The companion equity study and related regional express lane policy work is described above under the Plan section.
- **I-280/Ocean Avenue South Bound Off-Ramp Realignment.** We will continue to advance I-280 Interchange modifications at Balboa Park including the start of design work for the southbound off ramp at Ocean Avenue and early planning for the connected northbound off ramp to Geneva Avenue. This is dependent upon securing Prop K funds to be reprogrammed from US 101/I-280 Managed Lanes and Express Bus Project, for which we plan to seek Board approval in fourth quarter of FY 2020/21.
- **YBI Bike/Ped Path.** We will keep working with our partners, BATA, TIDA, SFMTA, and interested stakeholders (San Francisco and East Bay bicycle coalitions) to fund and advance the preliminary engineering, environmental and design phases of the YBI multi-use path connecting the western side of the island from the SFOBB East Span YBI viewing area down to the future Treasure Island Ferry Terminal and providing an ultimate connection point to the planned BATA-led SFOBB West Span Skyway Path.
- **Quint Street.** We will continue to work with San Francisco Public Works and Office of Real Estate to acquire the right of way for the re-aligned Quint Street, if not already achieved by the end of June 2021. This acquisition will allow us to begin the design phase of the project, subject to funding availability.
- **Presidio Parkway.** We will continue development of an informational Case Study showcasing the Public Private Partnership delivery of Phase 2 in comparison to traditional delivery of Phase 1. The study explores the unique situation of a single project being delivered using two methods of procurement.

**Transportation Authority - Project Delivery Support:**

- **Caltrain Early Investment Program and California High-Speed Rail Program.** We coordinate with the California High-Speed Rail Authority and city agencies on high-speed rail issues affecting the City; and we work with Caltrain, MTC, the Mayor's Office, and Peninsula and regional stakeholders to monitor and support delivery of the Caltrain Early Investment Program, including the electrification project. This year we will 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. We are also supporting policy discussions as requested for Caltrain funding and governance.
- **Caltrain Downtown Rail Extension (DTX) and Salesforce Transit Center.** We will continue moving forward with DTX project development efforts as part of the Executive Steering Committee (ESC), inclusive of regional partners per the SF-Peninsula rail program Memorandum of Understanding (MOU). This includes the Executive Director serving on the ESC and on the TJPA Board as an alternate. We will work closely with our MOU partners to

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advance critical phasing opportunities analysis, long range rail network planning, and funding plan development, and coordinating our efforts with BART/Capitol Corridor as they lead the Link21 planning efforts for a second transbay rail crossing.

- **Caltrain Railyards, Pennsylvania Extension, and 22<sup>nd</sup> Street ADA and Station Location Studies.** We will continue to support coordination at the Caltrain northern terminus railyards site at 4<sup>th</sup>/5<sup>th</sup> and King streets through enhanced oversight (subject to Board approval of an appropriation anticipated first quarter FY 2021/2022), as well as lead preliminary engineering to inform the environmental phase for the Pennsylvania Avenue Extension (PAX) project. We are also partnering with Caltrain and SF Planning on ADA and station location/improvement studies for the 22<sup>nd</sup> Street Station and potential new southeast/Bayview station. Subject to Board approval, we anticipate taking the results of the Planning Department's screening and evaluation study and advancing them into the planning and design phases.
- **Geary and Van Ness Avenue BRTs.** We will continue to oversee SFMTA construction efforts including environmental compliance for Geary Phase I and Van Ness BRT projects. We will also keep working closely with SFMTA to review Geary BRT Phase II project plans and coordination with TCS recommendations for the west side subway.
- **Better Market Street.** We will continue to conduct oversight on city agencies' project delivery plans to minimize disruption to businesses during construction and reduce cost. We will also make further efforts to strengthen the project's funding plans both for the near-term improvements as well as the long-term vision for the corridor.
- **Central Subway.** We will continue to provide project management oversight and scope/cost/schedule and funding assessment and strategy, including participation in critical Configuration Management Board efforts.
- **Capital Projects Delivery Reform.** Lead and coordinate project delivery reform best practices (lessons learned) analysis, including workshops with City and regional agencies and industry experts leading to development of specific recommendation options. We anticipate scoping and seeking an appropriation for this work in first quarter FY 2021/22.

## TRANSPARENCY AND ACCOUNTABILITY

This section of the work program highlights ongoing agency operational activities and administrative processes to ensure transparency and accountability in the use of taxpayer funds. This work includes ongoing efforts lead by the Finance and Administration Division (e.g., accounting, human resources, procurement support), by the Technology, Data and Analysis Division (e.g., information technology and systems integration support), and by the Executive Office (e.g., Board operations and support, budgeting, and communications) as listed below:

**Board Operations and Support.** Staff Board meetings including standing and ad hoc committees.

**Communications and Community Relations.** Execute the agency's communications strategy with the general public, our Board, various interest groups, and other government agencies. This is accomplished through various means, including fostering media and community relations; developing strategic communications plans for projects and policy initiatives; disseminating agency news and updates through 'The Messenger' electronic newsletter; social media and other web-based communications; supporting public outreach; and helping coordinate events to promote the agency's work. Communications staff has listed the following growth goals for various platforms:

## Attachment 1

### Preliminary Fiscal Year 2021/2022 Annual Work Program

- Instagram: Grow following by 50%
- Twitter: Grow following by 17%
- Facebook: Grow following by 15%
- Messenger: Grow subscriber list by 2.5%
- LinkedIn: Grow following by 20%
- Website: Increase unique website hits by 5%

Communications staff will continue participating in training to advance outreach skills. This year, we plan to continue to:

- Continue refining outreach and communications techniques to adapt to SIP restrictions and the ongoing pandemic, with a focus on racial equity and seeking to engage Communities of Concern.
- Rollout agency Outreach Guidelines to agency staff to codify best practices when preparing for and executing agency outreach.
- Support agency experts in thought leadership roles and speaking engagements
- Support project delivery events (groundbreakings, ribbon cuttings), including anticipated Van Ness BRT opening and Tunnel Tops opening

**Audits.** Prepare, procure, and manage fiscal compliance and management audits.

**Budget, Reports, and Financial Statements.** Develop and administer Transportation Authority budget funds, including performance monitoring, internal program, and project tracking. Monitor internal controls and prepare reports and financial statements.

**Accounting and Grants Management.** Maintain payroll functions, general ledger, and accounting system, including paying, receiving, and recording functions. Manage grants and prepare invoices for reimbursement.

**Debt Oversight and Compliance.** Monitor financial and debt performance, prepare annual disclosures, and complete required compliance activities.

**Systems Integration.** Enhance and maintain the enterprise resource planning system (business management and accounting software), and other financial systems to improve accounting functions, automate processes, general ledger reconciliations, and financial reporting, as well as enabling improved data sharing with the Portal. This year, we are planning to perform a major upgrade to our enterprise resource planning system due to the end of mainstream support from the existing software developer.

**Contract Support.** Oversee the procurement process for professional consultant contracts, prepare contracts, and manage compliance for contracts and associated Memoranda of Agreements and Understandings.

**Racial Equity Action Plan.** Work through the Racial Equity Working Group to advance the Racial Equity Action Plan created in the prior fiscal year. The current phase of the plan identifies over 80 actions for implementation over a 3-year period. This year we anticipate making progress in several areas, including enhancing our hiring and recruiting processes and tracking success in this area, documenting procedures for advancement, and many others. The current plan focuses on internal agency operations and we anticipate that the Office of Racial Equity will initiate a second phase of work that is focused on public-facing activities. We have begun to incorporate racial equity into work

## Attachment 1

### Preliminary Fiscal Year 2021/2022 Annual Work Program

products including our ConnectSF/SFTP and Downtown Congestion Pricing studies, our work on reauthorization of the Prop K expenditure plan, and others. We look forward to future guidance to develop plans, projects, and programs. We will provide quarterly updates to the Citizens Advisory Committee and Board on our progress on this plan.

**Disadvantaged Business Enterprise (DBE) and Local Business Enterprise (LBE).** Administer our own DBE and LBE program, review and update policy for any new state and federal requirements, conduct outreach and review applications, and award certifications to qualifying businesses. Continue to participate in the multi-agency consortium of Bay Area transportation agencies with a common goal to assist small, disadvantaged, and local firms doing business with Bay Area transit and transportation agencies.

**Policies.** Maintain and update Administrative Code, Rules of Order, fiscal, debt, procurement, investment, travel, and other policies.

**Human Resources.** Administer recruitment, personnel, and benefits management and office procedures. We conduct or provide training for staff. We advance agency workplace excellence initiatives through staff working groups, training, and other means. This year, we continue to focus on racial equity training and the implementation of the agency racial equity action plan.

**Office Management and Administrative Support.** Maintain facilities and provide procurement of goods and services and administration of services contracts. Staff front desk reception duties. Provide assistance to the Clerk of the Transportation Authority as required with preparation of agenda packets and minutes, updates to our website, and clerking meetings.

**Legal Issues.** Manage routine legal issues, claims, and public records requests.

**Information Technology.** Provide internal development and support; maintain existing technology systems including phone and data networks; develop new collaboration tools to further enhance efficiency and technological capabilities; and expand contact management capabilities.



**Preliminary Budget Annual 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	<b>Budget Annual Fiscal Year 2021/22</b>
<b>Revenues:</b>							
Sales Tax Revenues	\$ 92,879,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,879,800
Vehicle Registration Fee	-	-	-	4,834,049	-	-	4,834,049
Traffic Congestion Mitigation Tax	-	-	-	-	-	4,199,300	4,199,300
Interest Income	607,168	-	724	631	-	25,147	633,670
Program Revenues	-	20,345,877	672,708	-	2,656,232	-	23,674,817
Other Revenues	46,500	-	-	-	-	-	46,500
<b>Total Revenues</b>	<b>93,533,468</b>	<b>20,345,877</b>	<b>673,432</b>	<b>4,834,680</b>	<b>2,656,232</b>	<b>4,224,447</b>	<b>126,268,136</b>
<b>Expenditures</b>							
Capital Project Costs	150,674,687	22,422,367	1,385,939	11,162,165	1,790,963	4,005,686	191,441,807
Administrative Operating Costs	6,318,683	4,539,375	40,429	241,778	1,064,721	120,205	12,325,191
Debt Service Costs	22,192,850	-	-	-	-	-	22,192,850
<b>Total Expenditures</b>	<b>179,186,220</b>	<b>26,961,742</b>	<b>1,426,368</b>	<b>11,403,943</b>	<b>2,855,684</b>	<b>4,125,891</b>	<b>225,959,848</b>
<b>Other Financing Sources (Uses):</b>	<b>93,184,683</b>	<b>6,615,865</b>	<b>-</b>	<b>-</b>	<b>199,452</b>	<b>-</b>	<b>100,000,000</b>
<b>Net change in Fund Balance</b>	<b>\$ 7,531,931</b>	<b>\$ -</b>	<b>\$ (752,936)</b>	<b>\$ (6,569,263)</b>	<b>\$ -</b>	<b>\$ 98,556</b>	<b>\$ 308,288</b>
Budgetary Fund Balance, as of July 1	\$ 50,354,157	\$ -	\$ 1,003,204	\$ 15,490,329	\$ -	\$ 6,362,903	\$ 73,210,593
Budgetary Fund Balance, as of June 30	\$ 57,886,088	\$ -	\$ 250,268	\$ 8,921,066	\$ -	\$ 6,461,459	\$ 73,518,881



**San Francisco  
County Transportation  
Authority**

**Attachment 3  
Preliminary Fiscal Year 2021/22 Budget Annual  
Comparison of Revenues and Expenditures**

Category	Fiscal Year 2019/20 Actual	Fiscal Year 2020/21 Amended Budget	Preliminary Fiscal Year 2021/22 Budget Annual	Variance from Fiscal Year 2020/21 Amended Budget	% Variance
Sales Tax Revenues	\$ 99,268,709	\$ 81,028,216	\$ 92,879,800	\$ 11,851,584	14.6%
Vehicle Registration Fee	4,016,473	5,035,345	4,834,049	(201,296)	-4.0%
Traffic Congestion Mitigation Tax	-	6,683,182	4,199,300	(2,483,882)	-37.2%
Interest Income	2,782,633	692,060	633,670	(58,390)	-8.4%
Program Revenues					
Federal	6,559,443	24,725,310	8,629,623	(16,095,687)	-65.1%
State	117,621	2,475,524	3,587,961	1,112,437	44.9%
Regional and other	3,935,297	5,731,852	11,457,233	5,725,381	99.9%
Other Revenues	43,631	45,240	46,500	1,260	2.8%
<b>Total Revenues</b>	<b>116,723,807</b>	<b>126,416,729</b>	<b>126,268,136</b>	<b>(148,593)</b>	<b>-0.1%</b>
Capital Project Costs	92,514,661	177,603,846	191,441,807	13,837,961	7.8%
Administrative Operating Costs					
Personnel expenditures	6,613,922	8,607,126	9,226,939	619,813	7.2%
Non-Personnel expenditures	2,671,878	2,907,429	3,098,252	190,823	6.6%
Debt Service Costs	21,772,994	21,868,117	22,192,850	324,733	1.5%
<b>Total Expenditures</b>	<b>123,573,455</b>	<b>210,986,518</b>	<b>225,959,848</b>	<b>14,973,330</b>	<b>7.1%</b>
<b>Other Financing Sources (Uses)</b>	<b>-</b>	<b>50,000,000</b>	<b>100,000,000</b>	<b>50,000,000</b>	<b>100.0%</b>
<b>Net change in Fund Balance</b>	<b>\$ (6,849,648)</b>	<b>\$ (34,569,789)</b>	<b>\$ 308,288</b>	<b>\$ 34,878,077</b>	<b>-100.9%</b>
<b>Budgetary Fund Balance, as of July 1</b>	<b>\$ 114,630,030</b>	<b>\$ 107,780,382</b>	<b>\$ 73,210,593</b>		
<b>Budgetary Fund Balance, as of June 30</b>	<b>\$ 107,780,382</b>	<b>\$ 73,210,593</b>	<b>\$ 73,518,881</b>		



	Preliminary Budget Annual by Fund						Preliminary Fiscal Year 2021/22 Budget Annual
	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	
<b>Revenues:</b>							
Sales Tax Revenues	\$ 92,879,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,879,800
Vehicle Registration Fee	-	-	-	4,834,049	-	-	4,834,049
Traffic Congestion Mitigation Tax	-	-	-	-	-	4,199,300	4,199,300
Interest Income	607,168	-	724	631	-	25,147	633,670
<b>Program Revenues</b>							
Federal							
Advanced Transportation and Congestion Management Technologies Deployment	-	-	-	-	1,106,232	-	1,106,232
Ferry Boat Discretionary Funds - Treasure Island Ferry Terminal	-	-	-	-	50,000	-	50,000
Highway Bridge Program - I-80/Yerba Buena Island (YBI) Interchange Improvement	-	5,907,214	-	-	-	-	5,907,214
Highway Bridge Program - YBI Bridge Structures	-	285,116	-	-	-	-	285,116
Priority Conservation Area Program - YBI Multi-Use Pathway	-	249,061	-	-	-	-	249,061
Surface Transportation Program 3% Revenue and Augmentation	-	1,032,000	-	-	-	-	1,032,000
State							
Affordable Housing and Sustainable Communities - I/80 YBI Interchange Improvement Project		2,980,245					2,980,245
Planning, Programming & Monitoring SB45 Funds	-	419,170	-	-	-	-	419,170
Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	-	57,350	-	-	-	-	57,350
Seismic Retrofit Proposition 1B - YBI Bridge Structures	-	20,875	-	-	-	-	20,875
Sustainable Communities - School Access Plan	-	110,321	-	-	-	-	110,321
Regional and other							
BATA - I-80/YBI Interchange Improvement	-	8,963,740	-	-	-	-	8,963,740
SFMTA - School Access Plan	-	17,662	-	-	-	-	17,662
SF Planning - Alemany Interchange Improvement Study	-	1,809	-	-	-	-	1,809
SF Planning - Housing Element	-	10,000	-	-	-	-	10,000
SF Planning - Transportation Demand Management Program	-	40,000	-	-	-	-	40,000
SFMTA - Travel Demand Modeling Assistance	-	75,000	-	-	-	-	75,000
TIDA - Treasure Island Mobility Management Agency	-	-	-	-	1,500,000	-	1,500,000
TIDA - YBI Interchange Improvement & Bridge Structures	-	176,314	-	-	-	-	176,314
Vehicle Registration Fee Revenues (TFCA)	-	-	672,708	-	-	-	672,708
<b>Other Revenues</b>							
Sublease of Office Space	46,500	-	-	-	-	-	46,500
<b>Total Revenues</b>	<b>\$ 93,533,468</b>	<b>\$ 20,345,877</b>	<b>\$ 673,432</b>	<b>\$ 4,834,680</b>	<b>\$ 2,656,232</b>	<b>\$ 4,224,447</b>	<b>\$ 126,268,136</b>



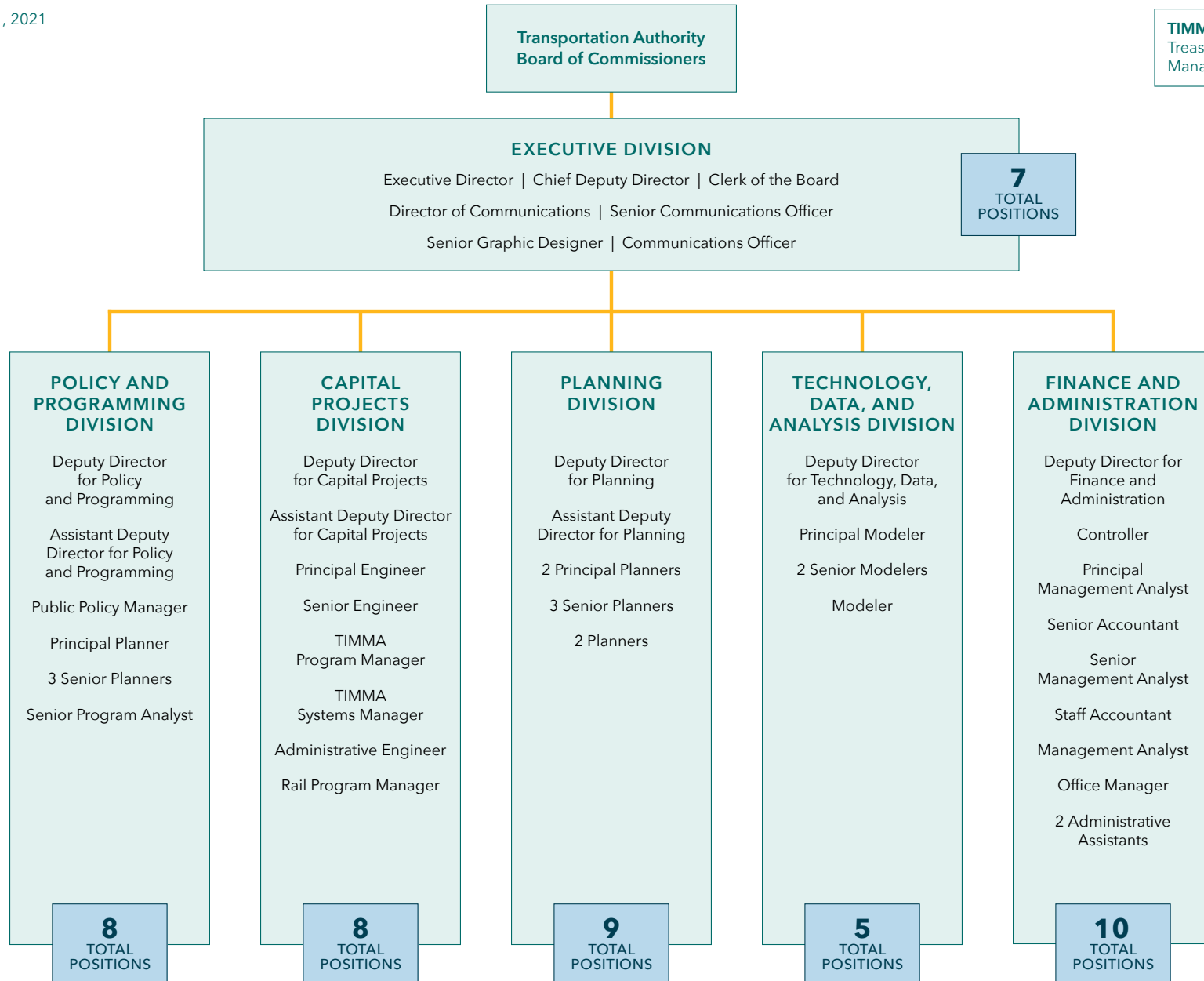
	Preliminary Budget Annual by Fund						Preliminary Fiscal Year 2021/22 Budget Annual
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
<b>Expenditures:</b>							
Capital Project Costs							
Individual Project Grants, Programs & Initiatives	\$ 150,000,000	\$ -	\$ 1,385,939	\$ 11,162,165	\$ -	\$ 4,005,686	\$ 166,553,790
Technical Professional Services	674,687	22,422,367	-	-	1,790,963	-	24,888,017
Administrative Operating Costs							
Personnel Expenditures							
Salaries	2,076,802	3,094,746	27,563	164,834	687,565	75,133	6,126,643
Fringe Benefits	969,453	1,444,629	12,866	76,944	320,956	35,072	2,859,920
Pay for Performance	240,376	-	-	-	-	-	240,376
Non-personnel Expenditures							
Administrative Operations	2,867,052	-	-	-	50,000	10,000	2,927,052
Equipment, Furniture & Fixtures	105,000	-	-	-	-	-	105,000
Commissioner-Related Expenses	60,000	-	-	-	6,200	-	66,200
Debt Service Costs							
Fiscal Charges	135,000	-	-	-	-	-	135,000
Interest Expenses	8,347,850	-	-	-	-	-	8,347,850
Bond Principal Payment	13,710,000	-	-	-	-	-	13,710,000
<b>Total Expenditures</b>	<b>\$ 179,186,220</b>	<b>\$ 26,961,742</b>	<b>\$ 1,426,368</b>	<b>\$ 11,403,943</b>	<b>\$ 2,855,684</b>	<b>\$ 4,125,891</b>	<b>\$ 225,959,848</b>
<b>Other Financing Sources (Uses):</b>							
Transfers in - Prop K Match to Grant Funding	-	6,615,865	-	-	199,452	-	6,815,317
Transfers out - Prop K Match to Grant Funding	(6,815,317)	-	-	-	-	-	(6,815,317)
Draw on Revolving Credit Agreement	100,000,000	-	-	-	-	-	100,000,000
<b>Total Other Financing Sources (Uses)</b>	<b>93,184,683</b>	<b>6,615,865</b>	<b>-</b>	<b>-</b>	<b>199,452</b>	<b>-</b>	<b>100,000,000</b>
<b>Net change in Fund Balance</b>	<b>\$ 7,531,931</b>	<b>\$ -</b>	<b>\$ (752,936)</b>	<b>\$ (6,569,263)</b>	<b>\$ -</b>	<b>\$ 98,556</b>	<b>\$ 308,288</b>
Budgetary Fund Balance, as of July 1	\$ 50,354,157	\$ -	\$ 1,003,204	\$ 15,490,329	\$ -	\$ 6,362,903	\$ 73,210,593
<b>Budgetary Fund Balance, as of June 30</b>	<b>\$ 57,886,088</b>	<b>\$ -</b>	<b>\$ 250,268</b>	<b>\$ 8,921,066</b>	<b>\$ -</b>	<b>\$ 6,461,459</b>	<b>\$ 73,518,881</b>
Fund Reserved for Program and Operating Contingency	\$ 9,287,980	\$ -	\$ 67,271	\$ 483,405	\$ -	\$ 419,930	\$ 10,258,586

# Agency Structure 47 STAFF POSITIONS



**San Francisco  
County Transportation  
Authority**

Revised April 21, 2021

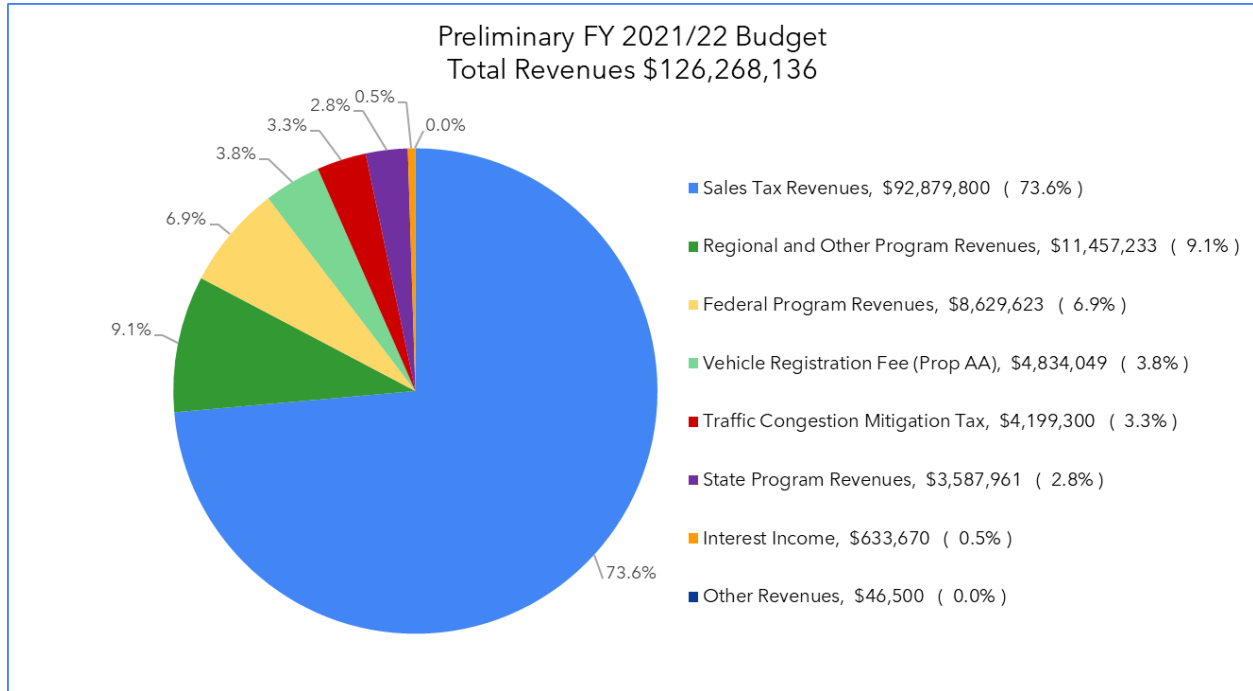


## Attachment 6

### Line Item Descriptions

**TOTAL PROJECTED REVENUES..... \$126,268,136**

The following chart shows the composition of revenues for the preliminary FY 2021/22 budget.



**Prop K Sales Tax Revenues: .....\$92,879,800**

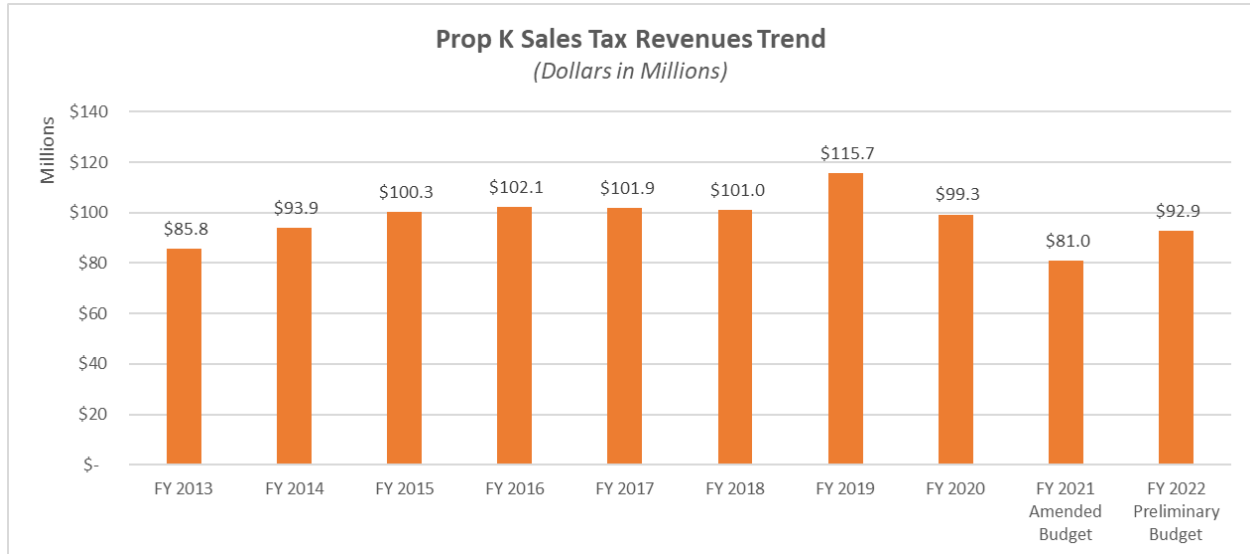
On November 4, 2003, San Francisco voters approved Proposition K (Prop K), the imposition of retail transactions and use tax of one-half of 1% in the City and County of San Francisco and the funding of the Prop K Expenditure Plan. The 30-year expenditure plan extends through March 31, 2034 and prioritizes \$2.35 billion (in 2003 dollars) and leverages another \$9 billion in federal, state, and local funds for transportation improvements. The expenditure plan restricts expenditures to four major categories: 1) Transit; 2) Streets and Traffic Safety; 3) Paratransit services for seniors and disabled people; and 4) Transportation System Management/Strategic Initiatives.

As we anticipate a gradual recovery from the impact of COVID-19, and in coordination with the City's Controller's Office, we project FY 2021/22 sales tax revenues to increase compared to the amended budget revenues for FY 2020/21 by 14.6% or \$11.9 million. With the increase in vaccination rates and decline in infection rates, hospitalization rates, and mortality rates, we expect to see sales tax revenues begin to rebound in the latter part of FY 2020/21. In addition, as San Francisco continues to slowly reopen various sectors, the projected increase to sales tax revenues reflects a moderate economic recovery. However, because our sales tax revenues are highly reliant upon tourism and the day-time population influx of commuters, both of which remain low, San Francisco will likely take longer to recover than most regions in the state. We will continue to closely monitor San Francisco's health orders and reopening plan and will continue to provide monthly updates of our sales tax revenue collections. The sales tax revenue projection is net of the California Department of Tax and Fee Administration's charges for the collection of the tax and excludes interest earnings budgeted in Interest Income.

## Attachment 6

### Line Item Descriptions

The chart below reflects the eight-year historical and two-year budgeted receipts for Prop K sales tax revenues.



### Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Revenues...\$4,834,049

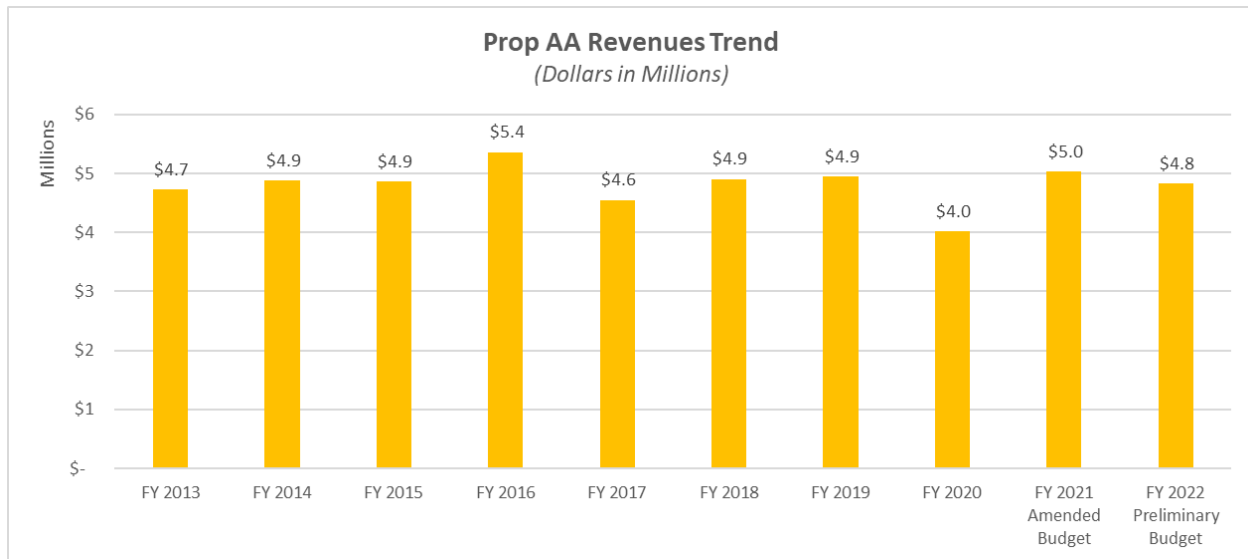
The Transportation Authority serves as the administrator of Proposition AA or Prop AA, a \$10 annual vehicle registration fee on motor vehicles registered in the City and County of San Francisco, which was passed by San Francisco voters on November 2, 2010. The 30-year expenditure plan continues until May 1, 2041 and prioritizes funds that are restricted to three major categories: 1) Street Repair and Construction, 2) Pedestrian Safety, and 3) Transit Reliability and Mobility Improvements.

Based on FY 2020/21 revenues to date, we project FY 2021/22 Prop AA revenues to decrease compared to the budgeted revenues for FY 2020/21 by 4.0% or \$201,296. This decrease is due to two months of FY 2019/20 revenues that were collected in October 2020, which increased and recorded as FY 2020/21 revenue. However, we are expecting to rebound to pre-pandemic level in FY 2021/22. This amount is net of the Department of Motor Vehicles' charges for the collection of these fees.

The chart below reflects the eight-year historical and two-year budgeted receipts for Prop AA revenues.

## Attachment 6

### Line Item Descriptions



**Traffic Congestion Mitigation Tax (TNC Tax) Revenues:..... \$4,199,300**

In November 2019, San Francisco voters approved measure Proposition D, also known as the TNC Tax enabling the City to impose a 1.5% business tax on shared rides and 3.25% business tax on private rides for fares originating in San Francisco and charged by commercial ride-share and driverless-vehicle companies until November 5, 2045. The Transportation Authority receives 50% of the revenues for capital projects that promote users' safety in the public right-of-way in support of the City's Vision Zero policy. The San Francisco Municipal Transportation Agency (SFMTA) receives the other 50% of revenues. The City began collecting TNC Tax revenues on January 1, 2020.

We anticipate TNC Tax revenues will decrease by 37.2% to \$4.1 million. This estimate is consistent with the FY 2020/21 budget amendment, which reflected 12 months of revenue at \$4.1 million plus \$2.5 million of additional revenue covering January through June 2020 that was received in October 2020. Based on continuous discussions and coordination with the City Controller's Office and the SFMTA, we anticipate a gradual recovery from the impact of COVID-19 over the next couple fiscal years and are aligning with the City's Controller's Office estimates for economic recovery.

**Interest Income:..... \$633,670**

Most of our investable assets are deposited in the City's Treasury Pool. The deposits in the Pooled Investment Fund for FY 2021/22 are assumed to earn approximately 0.6%, which is lower than the average income earned over the past year. The level of our deposits held in the pool during the year depends on the Prop K capital project reimbursement requests. Our cash balance consists largely of allocated Prop K funds, which are invested until invoices are received and sponsors are reimbursed. The FY 2021/22 budget for interest income shows a \$58 thousand or 8.4%, decrease as compared to FY 2020/21 which is mainly due to the decline in interest rates resulting from the impact of COVID-19 and the decrease in the bank balance thus less interest earned on the deposits due to the anticipated capital expenditures for project sponsors' projects and programs in FY 2021/22.

**Congestion Management Agency (CMA) Programs Federal, State and Regional Grant Revenues:.....\$20,345,877**

## **Attachment 6**

### **Line Item Descriptions**

The Transportation Authority is designated under state law as the CMA for the City. Responsibilities resulting from this designation include developing a Congestion Management Program, which provides evidence of the integration of land use, transportation programming, and air quality goals; preparing a long-range countywide transportation plan to guide the City's future transportation investment decisions; monitoring and measuring traffic congestion levels in the City; measuring the performance of all modes of transportation; and developing a computerized travel demand forecasting model and supporting databases. As the CMA, the Transportation Authority is responsible for establishing the City's priorities for state and federal transportation funds and works with the Metropolitan Transportation Commission (MTC) to program those funds to San Francisco projects.

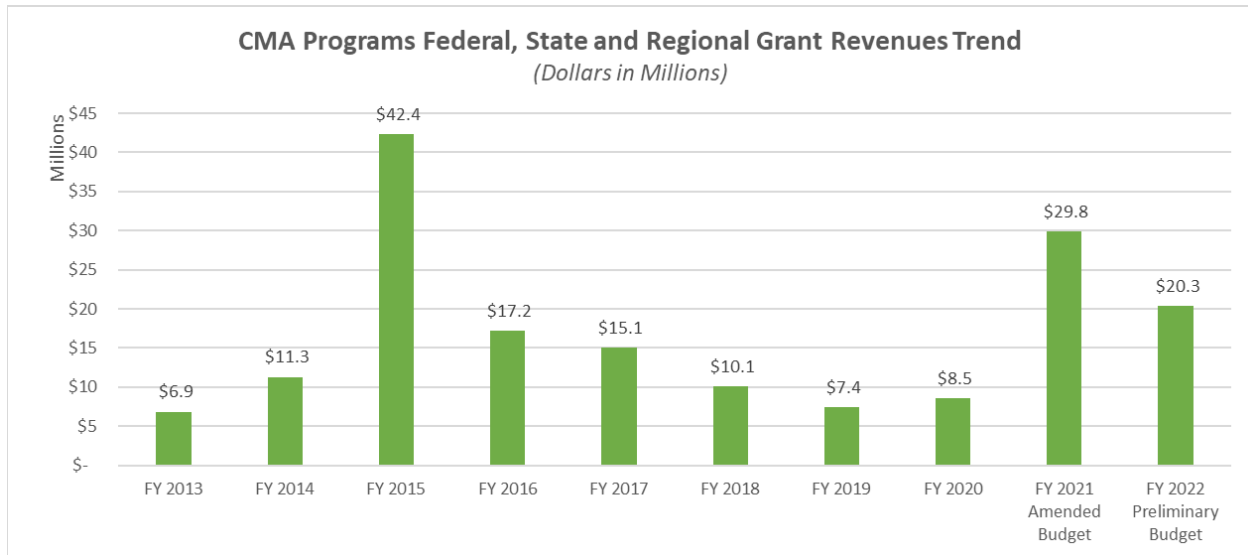
The CMA program revenues for FY 2021/22 will be used to cover ongoing staffing and professional/technical service contracts required to implement the CMA programs and projects, as well as for large projects undertaken in our role as CMA. CMA revenues are comprised of federal, state, and regional funds received from the agencies such as the MTC and the California Department of Transportation (Caltrans). Some of these grants are project-specific, such as those for the Southgate Road Realignment Improvements Project, or Phase 2 of the Interstate 80/Yerba Buena Island (YBI) Improvement Project, and YBI West Side Bridges (collectively known as YBI Project), YBI Multi-Use Pathway and the School Access Plan. Other funding sources, such as federal Surface Transportation Program funds and state Planning, Programming and Monitoring funds, can be used to fund a number of eligible planning, programming, model development, and project delivery support activities, including the San Francisco Transportation Plan (SFTP) update, the Congestion Management Program, and the Downtown Congestion Pricing Study. Regional CMA program revenues include City agency contributions for projects such as School Access Plan and travel demand model services provided to City agencies in support of various projects.

The FY 2021/22 budget includes \$11.1 million from federal and state funding, a \$15.4 million decrease as compared to FY 2020/21, largely due to expected depletion and decreased use of federal and state funding for the YBI Project (construction phase activities for the I-80/YBI East Bound Off Ramp/Southgate Road Realignment project and design phase activities for the YBI West Side Bridges project). The budget also includes \$9.3 million from regional funding, a \$5.9 million increase as compared to FY 2019/20 largely due to increased use of regional funding for the YBI Project.

The chart below reflects the eight-year historical and two-year budgeted receipts for CMA program revenues.

## Attachment 6

### Line Item Descriptions



#### **Transportation Fund for Clean Air (TFCA) Program Regional Revenues:..... \$672,708**

On June 15, 2002, the Transportation Authority was designated to act as the overall program manager for the local guarantee (40%) share of transportation funds available through the TFCA program. The TFCA Vehicle Registration Fee revenues (excluding interest earnings in the Interest Income section above) are derived from a \$4 surcharge on vehicles registered in the nine Bay Area counties and must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. FY 2021/22 TFCA revenues are expected to decrease compared to the new revenues included in FY 2020/21 by 10.8% or \$81,772. Budgeted revenues are based on a funding estimate for calendar year 2020 provided by the Bay Area Air Quality Management District, which administers these revenues, and reflects the impact of the COVID-19 on vehicle registrations.

#### **Treasure Island Mobility Management Agency (TIMMA) Program Revenues:..... \$2,656,232**

We are working jointly with the Treasure Island Development Authority (TIDA) on the development of the YBI Project. TIDA requested that we, in our capacity as CMA, lead the effort to prepare and obtain approval for all required technical documentation for the project because of our expertise in funding and interacting with Caltrans on design aspects of the project.

The Treasure Island Transportation Management Act of 2008 (Assembly Bill 981) authorizes the creation or designation of a Treasure Island-specific transportation management agency. On April 1, 2014, the City's Board of Supervisors approved a resolution designating the Transportation Authority as the TIMMA to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/YBI Development Project. In September 2014, Governor Brown signed Assembly Bill 141, establishing TIMMA as a legal entity distinct from the Transportation Authority to separate TIMMA's functions from the Transportation Authority's other functions. The eleven members of the Transportation Authority Board act as the Board of Commissioners for TIMMA. TIMMA is also a blended special revenue fund component unit under the Transportation Authority. Any costs not reimbursed by federal, state or regional funds will be reimbursed by TIDA.

The TIMMA FY 2021/22 revenues will be presented as a separate item to the TIMMA Committee and TIMMA Board at its respective June meetings.

**Attachment 6**

Line Item Descriptions

**Other Revenues: ..... \$46,500**

Other revenues budgeted in FY 2021/22 include revenues from the sublease of our office space.

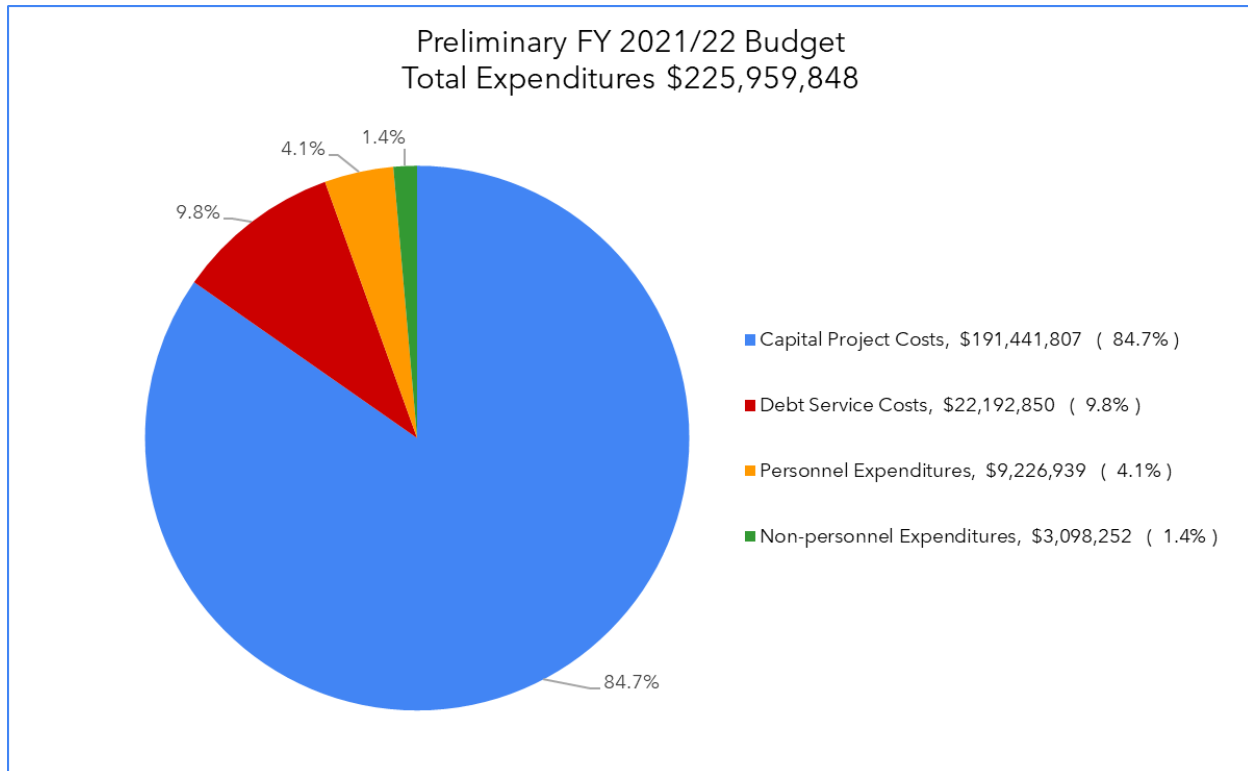
## Attachment 6

### Line Item Descriptions

**TOTAL PROJECTED EXPENDITURES..... \$225,959,848**

Total Expenditures projected for the budget year are comprised of Capital Expenditures of \$191.4 million, Administrative Operating Expenditures of \$12.3 million, and Debt Service Expenditures of \$22.2 million.

The following chart shows the composition of expenditures for the preliminary FY 2021/22 budget.



**CAPITAL EXPENDITURES..... \$191,441,807**

Capital expenditures in FY 2021/22 are budgeted to increase from the FY 2020/21 amended budget by an estimated 7.8%, or \$13.8 million, which is primarily due to anticipated higher capital expenditures for the Prop K program overall, most of which are awarded as grants to agencies like the SFMTA. Expenditures by Program Fund are detailed below.

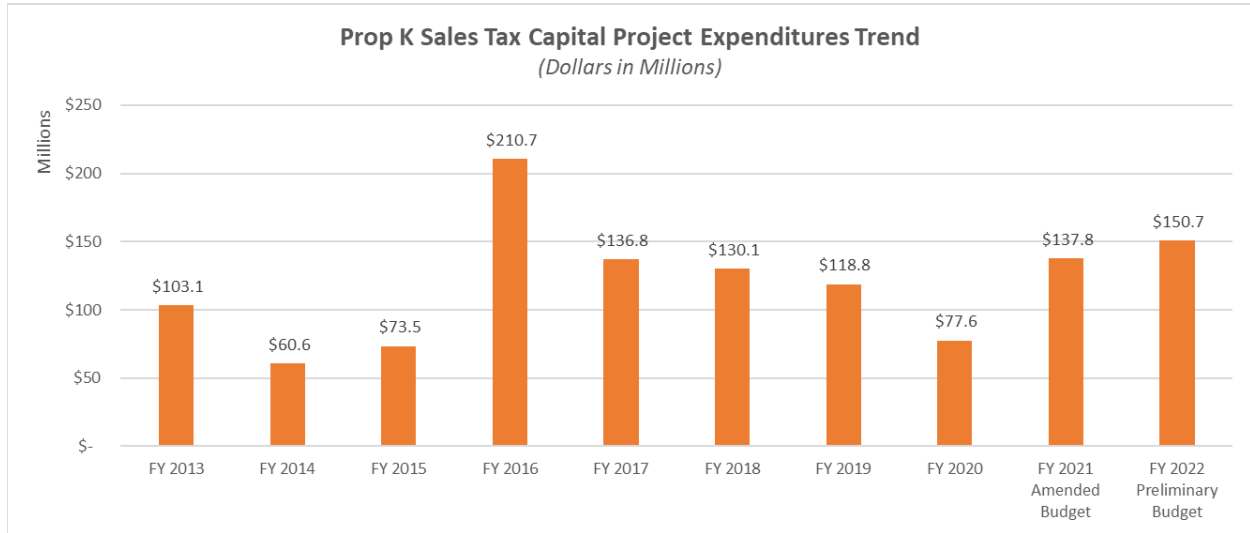
**Sales Tax Program Expenditures:..... \$150,674,687**

The estimate of sales tax capital expenditures reflects the recent coordination with project sponsors for the 2021 Prop K Strategic Plan Update which involves updating project reimbursement schedules for the existing allocations with large remaining balances as well as programmed but unallocated funds. Some of the main drivers of Prop K capital expenditures for FY 2021/22 are Siemens Light Rail Vehicle (LRV) procurement (\$22 million), paratransit (\$10.6 million), Motor Coach procurement (\$8.1 million), Muni maintenance facility projects (\$7.7 million), Downtown Rail Extension (\$6.6 million), Van Ness Bus Rapid Transit (\$6 million), Caltrain state of good repair projects (\$5.9 million), Caltrain Electrification including vehicles (\$5.3 million), John Yehall Chin and 6th Street traffic calming projects (\$4.4 million), and Breda LRV overhauls (\$3.75 million).

## Attachment 6

### Line Item Descriptions

The chart below reflects the eight-year historical and two-year budgeted Prop K sales tax program capital expenditures.

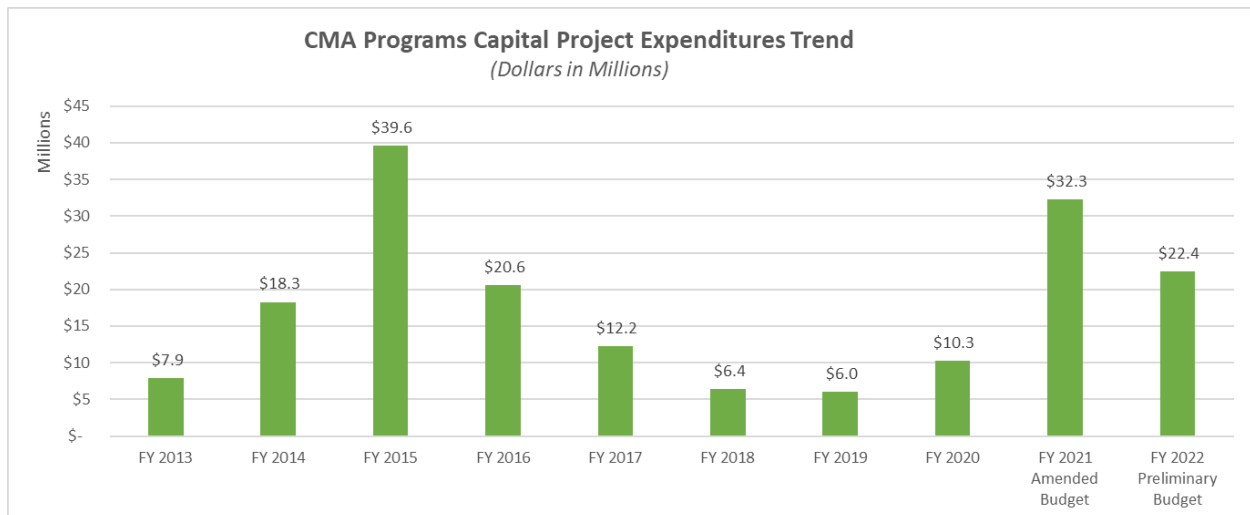


**CMA Programs Expenditures:..... \$22,422,367**

This line item includes technical consulting services such as planning, programming, engineering, design, environmental, or programming services, which are needed in order to fulfill our CMA responsibilities under state law. Included are various planning efforts and projects such as Downtown Congestion Pricing Study and the SFTP. Also included is the YBI Project, which is supported by federal, state, and regional funding.

Expenditures in FY 2021/22 are budgeted to decrease by 31%, or \$9.9 million, as compared to FY 2020/21 budget amendment. This decrease is primarily due to decreased activities for the YBI projects in which there is a decrease of \$13.1 million in capital expenditures and increased activities of \$2.5 million for the US 101/I-280 Managed Lanes and Express Bus and the I-280/Ocean Avenue South Bound Off-Ramp Realignment projects.

The chart below reflects the eight-year historical and two-year budgeted CMA programs capital project expenditures.



## Attachment 6

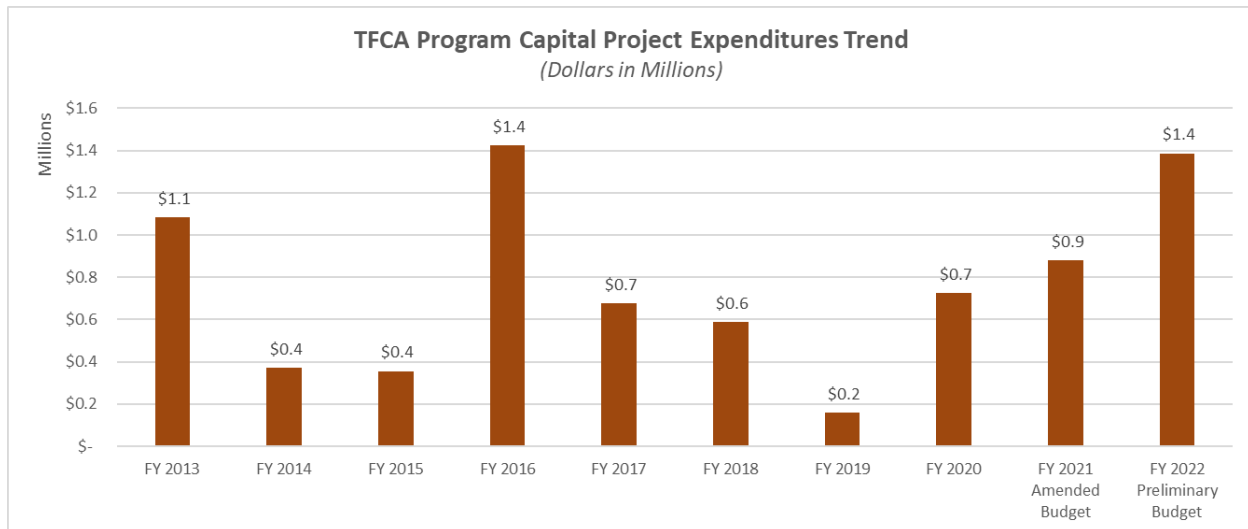
### Line Item Descriptions

**TFCA Program Expenditures:..... \$1,385,939**

This line item covers projects to be delivered with TFCA funds, a regional program administered by the Bay Area Air Quality Management District, with the Transportation Authority serving as the County Program Manager for San Francisco. These monies must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. The TFCA capital expenditures program includes new FY 2021/22 projects, anticipated to be approved by the Board in June 2021, carryover prior year projects with multi-year schedules and other projects that were not completed as anticipated in FY 2020/21.

This year's budget is higher than the FY 2020/21 amended budget of \$878,256 due to slower than anticipated expenditures for two electric vehicle charger projects that are expected to seek full grant reimbursements early in FY 2021/22 after the chargers are installed, and Bay Area Rapid Transit's Early Bird Express project which has been providing shuttle service but its invoicing has been delayed into FY 2021/22.

The chart below reflects the eight-year historical and two-year budgeted TFCA capital project expenditures.



### **Vehicle Registration Fee for Transportation Improvements Program (Prop AA)**

**Expenditures: .....\$11,162,165**

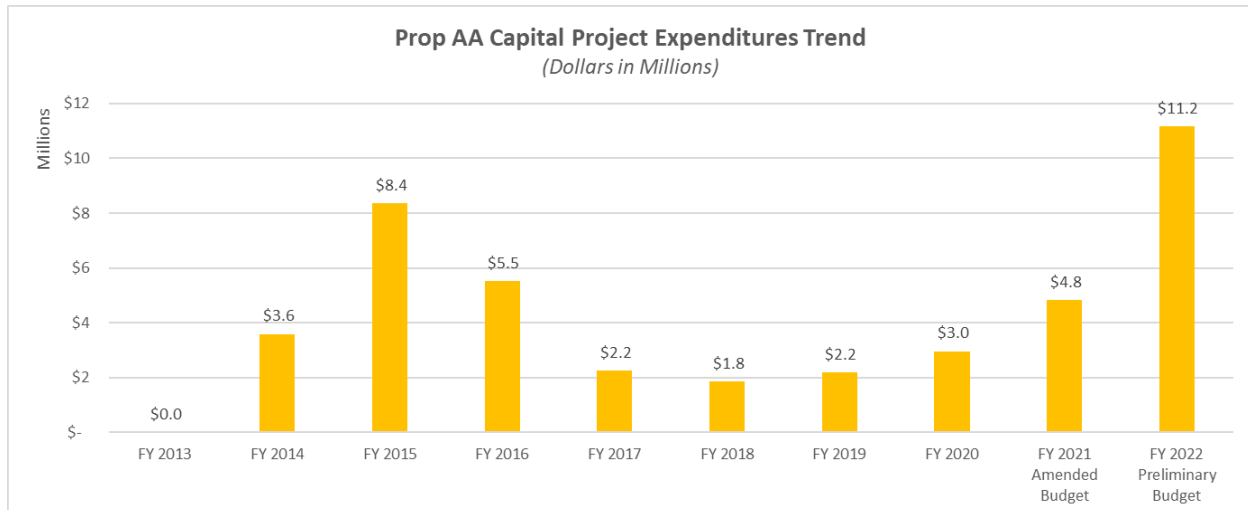
This line item includes projects that will be delivered under the voter-approved Prop AA Expenditure Plan. Consistent with the Prop AA Expenditure Plan, the revenues will be used for design and construction of local road repairs, pedestrian safety improvements, transit reliability improvements, and travel demand management projects. The Prop AA capital expenditures include FY 2021/22 projects programmed in the Prop AA Strategic Plan as amended in June 2020, carryover prior-year projects with multi-year schedules, and projects that were not completed as anticipated by the end of FY 2020/21. The largest capital project expenditures include San Francisco Public Works Western Addition Pedestrian Lighting project, Geary Boulevard Pavement Renovation project, Richmond Residential Streets Pavement Renovation project, 23rd Street, Dolores Street, York Street, and Hampshire Street Pavement Renovation project, and SFMTA's L-Taraval Transit Enhancements (Segment B) project, which together account for more than 65% of the FY 2021/22 budget amount.

## Attachment 6

### Line Item Descriptions

For FY 2021/22, we expect expenditures to increase by \$6.3 million, as compared to the FY 2020/21 amended budget of \$4.8 million. This increase is primarily due to several projects that are expected to begin construction in FY 2021/22 and projects that are behind schedule but expected to make significant progress in the coming year, especially the Geary Boulevard Pavement Renovation project.

The chart below reflects the eight-year historical and two-year budgeted Prop AA capital project expenditures.



#### **Traffic Congestion Mitigation Tax Program (TNC Tax) Expenditures:.....\$4,005,686**

The Board adopted the TNC Tax Program Guidelines in Fall 2020, allocated \$2.5 million in available collections, and programmed the next \$5.0 million in collections to the SFMTA's Vision Zero Quick-Build Program. We anticipate allocating FY 2021/22 funds this fall.

Capital Project Costs for the TNC Tax Program are expected to increase to \$4.0 million. This increase is due to the SFMTA's Vision Zero Quick-Build Program being slower to incur costs against the TNC Tax in the previous year than anticipated at the time of allocation. The project is on schedule and has been moving forward using SFMTA's Prop B General Fund. We also expect costs for the future allocation to the Quick-Build Program that were anticipated in Fall 2021.

#### **TIMMA Program Expenditures:.....\$1,790,963**

The TIMMA FY 2021/22 expenditures will be presented as a separate item to the TIMMA Committee and TIMMA Board at its respective June meetings.

#### **ADMINISTRATIVE OPERATING EXPENDITURES..... \$12,325,191**

Administrative operating expenditures in FY 2021/22 are budgeted to increase from the FY 2020/21 amended budget by an estimated \$810,636 or 7.0%. Operating expenditures include personnel, administrative, Commissioner-related, and equipment, furniture and fixtures expenditures.

#### **Personnel:..... \$9,226,939**

Personnel costs are budgeted at a higher level by 7.2% as compared to the FY 2020/21 amended budget, reflecting a budget of 42 full-time equivalents. The increase in personnel costs is primarily due to the delay of hiring vacant positions such as the Senior Engineer and Transportation Planner in the FY 2020/21 amended budget as part of response to COVID-19. In addition, we anticipate hiring a TIMMA

## Attachment 6

### Line Item Descriptions

Program Manager, which would be funded by the TIMMA, to advance its FY 2021/22 work program. The increase in fringe cost reflects the corresponding increase in personnel costs. Capacity for merit increases is also included in the pay-for-performance and salary categories; however, there is no assurance of any annual pay increase. Employees are not entitled to cost of living increases. All salary adjustments are determined by the Executive Director based on merit only.

**Non-Personnel:..... \$3,098,252**

This line item includes typical operating expenditures for office rent, telecommunications, postage, materials and office supplies, printing and reproduction equipment and services, and other administrative support requirements for all of our activities, along with all administrative support contracts, whether for City-supplied services, such as the City Attorney legal services and the Department of Technology cablecast services, or for competitively procured services (such as auditing, legislative advocacy, outside computer system support, etc.). Also included are funds for ongoing maintenance and operation of office equipment, computer hardware, licensing requirements for computer software, an allowance for replacement furniture and fixtures, Commissioner meeting fees, and compensation for Commissioners' direct furniture, equipment and materials expenditures related to Transportation Authority activity.

Non-personnel expenditures in FY 2021/22 are budgeted to increase from the FY 2020/21 amended budget by an estimated 6.6%, which is primarily due to the anticipated upgrade to our existing enterprise resource planning system, as well as slight increases in travel, training, and equipment, furniture and fixture costs as we gradually recover from the COVID-19 pandemic and reopening of our physical office.

**DEBT SERVICE COSTS..... \$22,192,850**

During the first quarter of the fiscal year, we will execute a new Revolving Credit Loan Agreement, up to \$200 million, to support the Transportation Authority's interim borrowing program. Our existing Revolving Credit Loan Agreement with State Street and U.S. Bank National Association terminates in June 2021. The Revolving Credit Loan Agreement will be available to draw upon for Prop K capital project costs and 2017 Sales Tax Revenue Bonds. This line item assumes fees and interests related to the expected drawdown from the Revolving Credit Loan Agreement noted in the Other Financing Sources/Uses section, anticipated bond principal and interest payments, and other costs associated with our debt program. Debt service expenditures in FY 2021/22 are comparable to the prior year.

**OTHER FINANCING SOURCES/USES.....\$100,000,000**

The Other Financing Sources/Uses section of the Line Item Detail for the FY 2021/22 budget includes anticipated drawdowns from the Revolving Credit Loan Agreement. The estimated level of sales tax capital expenditures for FY 2021/22 may trigger the need to drawdown up to \$100 million from the Revolving Credit Loan Agreement. We will continue to monitor capital spending closely during the upcoming year through a combination of cash flow needs for allocation reimbursements, progress reports and conversations with project sponsors, particularly our largest grant recipient, the SFMTA.

This line item also includes inter-fund transfers of \$6.8 million among the sales tax, CMA, and TIMMA funds. These transfers represent the required local match to federal grants such as the Surface Transportation Program and Advanced Transportation and Congestion Management Technologies Deployment. Also represented are appropriations of Prop K to projects such as the US 101/I-280

**Attachment 6**  
**Line Item Descriptions**

Managed Lanes and Express Bus and the I-280/Ocean Avenue South Bound Off-Ramp Realignment projects.

**BUDGETARY FUND BALANCE FOR CONTINGENCIES..... \$10,258,586**

Our Fiscal Policy directs that we shall allocate not less than 5% and up to 15% of estimated annual sales tax revenues as a hedge against an emergency occurring during the budgeted fiscal year. In the current economic climate, a budgeted fund balance of \$9.3 million, or 10% of annual projected sales tax revenues, is set aside as a program and operating contingency reserve. We have also set aside \$67,271 or about 10% as a program and operating contingency reserve respectively for the TFCA Program; \$483,405 or about 10% as a program and operating contingency reserve respectively for the Prop AA Program; and \$419,930 or about 10% as a program and operating contingency reserve respectively for the TNC Tax Program.