



Memorandum

AGENDA ITEM 3

DATE: July 27, 2021

TO: Transportation Authority Board: Commissioners Mandelman (Chair), Chan, Haney, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani, and Walton

FROM: Tilly Chang – Executive Director

SUBJECT: 07/27/21 Board Meeting: Executive Director’s Report – **INFORMATION**

REGIONAL, STATE AND FEDERAL ISSUES

Federal Earmarks - Senator Padilla Submits Request for West Side Bridges Seismic Retrofit

Project: We are pleased to announce that Senator Padilla has requested a \$10 million earmark request for the West Side Bridges Seismic Retrofit Project on Yerba Buena Island. While it is still unclear whether the final federal transportation bill will include earmarks, we thank the Senator for supporting our request. This important safety project, is shovel-ready and just needs full funding to advance to construction. The project will seismically retrofit eight existing structurally deficient bridge structures along Treasure Island Road on the west side of Yerba Buena Island, providing a critical connection between Yerba Buena Island, Treasure Island, and the San Francisco-Oakland Bay Bridge. The project also will allow for the development of a transit-priority ramp and provide for class II bicycle lanes that are a component of a future multi-use pathway that will connect the existing pathway on the East Span of the San Francisco-Oakland Bay Bridge to the new Treasure Island ferry terminal with service to San Francisco.

Clean California - Governor Approves \$1.1 Billion to Clean and Beautify California’s Roads:

As part of his Fiscal Year 2021/22 budget, Governor Newsom announced a new Clean California program which will provide, over three years, \$1.1 billion for litter collection, community engagement, and beautification. A total of \$287 million is set aside for cities, counties, tribes, and transit agencies to clean local streets and public spaces. Of the remaining funds, \$418 million will go to litter abatement over three years, \$287 million will go to state beautification over two years, \$33 million will go to public education over two years, and \$62 million will go to project design, construction, local support, and engagement. We understand that Caltrans is currently developing guidelines for the new programs, which will focus investments in underserved communities. With respect to the local program, we expect workshops in the Fall and a call for proposals in early 2022. We will continue to engage with Caltrans on the design of the programs, work with Board members and San Francisco project sponsors to identify candidate projects for these funds. It’s not often that there are funds available for this purpose, so we are excited to have this opportunity provided by the state.

Transportation Authority Co-Hosts Link 21 Outreach: I was pleased to join Director Tumlin of the San Francisco Municipal Transportation Authority (SFMTA) on June 28th together with BART and Capitol Corridor team members co-host a public outreach event for Link21, the long-range transportation program designed to improve the passenger rail network in



northern California. The outreach event was designed to inform participants about Link21, take feedback and discuss next steps. For San Francisco, Link21 means:

- Direct trips between San Francisco and Sacramento by fast and frequent train service (BART or standard gauge)
- Sustainable, zero emission transportation that improves air quality
- Less crowded trains and more travel options
- Potential for extended service hours

More information is available on the project website at <https://link21program.org/en>

101 Mobility Action Plan Complete: Over the past two years, we worked with regional partners – Caltrans, the Metropolitan Transportation Commission (MTC), SamTrans, Valley Transportation Authority (VTA), San Mateo County Transportation Authority, and Transform – to deliver the 101 Mobility Action Plan. The Plan identifies a comprehensive set of transportation demand management actions to complement and enhance the benefits of planned investments on the US-101 and I-280 corridors such as High Occupancy Vehicle (HOV) managed lanes and enhanced transit service, in addition to identifying specific equity actions to guide implementation. We shared the 101 Mobility Action Plan with the Bay Area County Transportation Agency (BACTA) Connected Mobility Subcommittee on June 30, 2021, and will bring the plan to the Board this Fall.

More information about the Plan can be found on the project website:
<https://www.101mobilityactionplan.com>

Caltrain Governance - San Francisco Responds to San Mateo Letter: We worked last week with the Mayor's Office, SFMTA, and Board of Supervisors President Walton, who also serves on the Joint Powers Board that governs Caltrain, to respond to a letter sent last month to San Francisco and to the VTA from the San Mateo County Transit District, regarding reimbursement of San Mateo's contribution to right-of-way acquisition at the time of Caltrain's formation. Our response clarified that San Francisco has paid all but \$200,000 of its \$2 million obligation, as part of a total \$53.3 million agreed to in 2008 to be provided by San Francisco, VTA, and MTC. We are also continuing to engage with Caltrain staff and San Francisco representatives to the Caltrain Board in support of this year's Caltrain governance review process. Upcoming milestones for this work include more detailed analysis of the costs and benefits of three organizational options and re-convening of a special Caltrain Board meeting regarding governance on August 20.

LOCAL ISSUES

Transportation Authority Presents to Swiss Government - Major Transportation Trends in San Francisco: I was pleased to present an overview of the major transportation trends in San Francisco to the head of Switzerland's Federal Department of the Environment, Transport, Energy and Communication. Our June 24 presentation to Minister Simonetta Sommaruga included discussions of the San Francisco Transportation Plan, the city's new mobility ecosystem and autonomous vehicles. The Swiss delegation appreciated the presentation and said San Francisco's experiences would inform their thinking, particularly around future new mobility trends.



Prop AA Vehicle Registration Fee - 2022 Strategic Plan Update and Call for Projects this Fall:

We are now in the final fiscal year of the current five-year Prop AA funding cycle, so in the fall we will begin the process of updating the Prop AA Strategic Plan, including releasing a call for projects to program the next five years of revenue with approximately \$5 million available each year. Projects must be eligible for funding in one of Prop AA's three categories - Street Repair and Reconstruction, Pedestrian Safety, or Transit Reliability and Mobility Improvements. To support quick project delivery, Prop AA can only fund design and construction phases and is focused primarily on neighborhood-scale projects. We anticipate bringing proposed policies and prioritization criteria to the Board in October and we would release the call for projects thereafter.

PROJECT DELIVERY

Potrero Yard Modernization Project - Procurement Advances: The Potrero Yard Modernization Project will replace the SFMTA's obsolete Potrero trolleybus facility with a modern transit facility, together with a housing component with a minimum of 50% share of affordable units. The SFMTA and San Francisco Project Works project team is currently working with three private sector teams that were short-listed to respond to a Request for Proposals (RFP) released in April 2021. The RFP process will select a private partner with whom to jointly develop the design and construction of the project. The project team held a bilingual virtual community meeting on July 13 to facilitate interaction between community members and the RFP respondents. Responses to the RFP will be due to the City this fall. We are participating as a member of the evaluation panel for the RFP and are also providing oversight of this Prop K-funded phase of project development work. More information on the project is available at www.sfmta.com/PotreroYard.

The Van Ness Project Civil Grand Jury Report Released - Report Provides Recommendations to Improve Project Delivery: On June 28, the San Francisco Civil Grand Jury released "Van Ness Avenue: What Lies Beneath", its report focused on the causes of delays in the Van Ness Project. Among the causes cited in the report are: impacts of key design decisions were not explored adequately, contracting process did not value technical expertise sufficiently, and preconstruction deliverables were not established and evaluated appropriately. The report provided recommendations related to 'de-risking' underground, better as-builts from both private and public utilities, industry standard best practices for the Construction Manager/General Contractor (CM/GC) project delivery method, additional potholing, and construction improvements. Later on today's agenda, we are also requesting Prop K funds to undertake a Capital Project Delivery Review and Best Practices Study at Chair Mandelman's request.

SFMTA Completes the First Segment of the L-Taraval Transit Enhancements Project On Time and On Budget, Applies Lessons Learned to the Remaining Segment:

SFMTA began construction of Segment A in September 2019 and finished the project in July 2021 on schedule and within budget. Segment A constructed improvements on Taraval from Sunset to 46th Avenue and on 46th Avenue from Taraval to the Zoo. Project enhancements include overhead contact system replacement, track replacement, transit bulbs and boarding islands, high-level accessible transit platforms, pedestrian curb bulbs, curb ramps, turn restrictions, and transit signal priority. The Transportation Authority has allocated over \$20 million in Prop K sales tax and Prop AA vehicle registration fee funds toward the \$71 million Segment B



portion of the project, which will construct improvements from West Portal to Sunset Boulevard. Applying lessons learned from previous projects, SFMTA adjusted the schedule for Segment B to allow additional time to work with residents and businesses to reduce the impacts of construction on the community.

MANAGEMENT AND ADMINISTRATION

Racial Equity Working Group - Making Progress on Racial Equity Action Plan: Our staff Racial Equity Working Group has been making progress on strategies identified in the organization's Racial Equity Action Plan, which we shared with the Board last January. As part of this effort, we appreciate the Board's approval of the updated Administrative Code which codified Community Advisory Committee as the new name for the Citizens Advisory Committee. We have also made several updates to the hiring process. For instance, working group members developed a database of equity interview questions as a resource to hiring managers. In addition, we have started implementing an optional demographic survey for candidates to take for us to have a better understanding of the diversity in our employee recruitment efforts. Finally, we have updated our governing policy documents and operational procedures with references and guidelines for the use of gender-neutral pronouns.

Financial Outlook - Transportation Authority Credit Rating Affirmed: I am very pleased to announce that earlier this month Fitch Ratings affirmed the Transportation Authority's implied sales tax revenue bonds with a rating of AAA and a stable financial outlook. The affirmation reflects the agency's very strong resilience despite the roughly 30% decline in sales tax revenue that we experienced due to the COVID-19 pandemic. Fitch expects sales tax revenues growth to recover to its historical trend of growth between inflation and U.S. GDP.

COVID Impacts - May Sales Tax Receipts Higher than Previous Month, On Track to Meet Budgeted Revenue Projections: I'm pleased to share that our May sales tax receipts of \$8.3 million came in 24% higher than April 2021 revenues of \$6.6 million. Although May 2021 are still about 15% lower than pre-pandemic revenues, Fiscal Year 2020/2021 sales tax revenues received to date are 3% higher than the amended Fiscal Year 2020/21 budget pro-rated for 11 months. We continue to closely monitor revenue streams and are optimistic that sales tax revenues will rise with the increasing vaccination rates and reopening of the economy.

COVID Impacts - TNC Tax Revenues Slowly Increasing as City Re-Opens: The TNC Tax (Prop D) also continues to be significantly impacted by the pandemic, although revenue has been slowly increasing since January 2021. Revenues for May came in just over \$400,000 (the Transportation Authority's share of TNC Tax revenues), a 23% increase over April revenues. We have received revenues through May totaling \$2.6 million, which is on track with our amended FY21 budget estimates.

Staff Participation in Northern California 2021 Small Business Matchmaker Event: On July 20, Transportation Authority staff joined with 50 public agencies and prime contractors at the Procurement Technical Assistance Center's (PTAC) NorCal small business event to participate in virtual one-on-one meetings with small business owners interested in working with public agencies and large prime contractors. Our staff held 16 one-on-one meetings with small business owners to provide information about upcoming contracting opportunities and how to do business with the Transportation Authority. The PTAC's mission is to advance entrepreneurship and economic growth through procurement technical assistance for all



businesses in Northern California particularly underserved businesses such as women, minority, LGBTQ+, and veteran-owned businesses.

Moving On - Thank You and Congratulations to Hugh Louch, Deputy Director for Planning:

We are sad to announce that our Deputy Director for Planning, Hugh Louch, will be departing from the Transportation Authority in mid-August. In the short time we've had with Hugh, he has contributed greatly to our agency including advancing the ConnectSF (Transit Corridor Study and Streets and Freeway Study) and San Francisco Transportation Plan work programs, leading various equity initiatives including helping spearhead our staff Racial Equity Working Group, and overseeing multiple Neighborhood Transportation Improvement Program (NTIP) and other planning studies such as the Upper Great Highway Evaluation, District 4 Mobility Study, District 5 Octavia Improvement Study, 101 Mobility Action Plan, School Transportation Study, Treasure Island Autonomous Vehicle Shuttle Pilot and more. We wish him well in his next endeavors.