

# Adopt 2021 Prop K Strategic Plan and Amend 11 5-Year Prioritization Programs



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Agenda Item 4  
November 9, 2021

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# Prop K Expenditure Plan

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## What does it do?

- Identifies eligible project types
- Identifies eligible project sponsors
- Sets maximum amount of sales tax funding for each program/project
- Allows for financing
- Establishes other administration requirements

**In 2003, nearly 75% of SF votes approved the Prop K Expenditure Plan and extended the existing half-cent sales tax to fund the plan investments.**



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## Prop K Expenditure Plan

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### Other administration requirements include:

- Development of a Strategic Plan, a 30-year financial plan for the sales tax
- Prioritization process for programmatic categories to identify projects to fund (i.e. 5-Year Prioritization Programs or 5YPPS)



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# Prop K Strategic Plan

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The Strategic Plan is the primary tool that guides the implementation of 30-year Expenditure Plan

## Specifically, the Strategic Plan

- Establishes policies for administration of program
- Forecasts sales tax revenue over 30 years
- Assigns Prop K funds to programs and projects by fiscal year
- Forecasts expenditures by fiscal year
- Estimates financing needs

It is typically updated every 5 years along with 5YPP updates



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# 2021 Strategic Plan Mid-Cycle Update

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## Why Now?

- ✓ Respond to the COVID-19 pandemic and its impacts to sales tax revenue
- ✓ Bridge to reauthorization for programs running out of funds
- ✓ Minor, targeted programming refresh to reflect current project priorities and to position projects for discretionary funding



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# 2021 Strategic Plan Update

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## This is not a full update, but a targeted effort to:

- Update our sales tax revenue projections
- “True-up” of revenues, expenditures, and financing costs based on actuals for FYs 2018/19 - 2020/21
- Update cash reimbursement schedules based on updated project delivery schedules, etc.
- Update programming for current priorities
- *Does not include: changes to Strategic Plan policies or full 5YPP updates*



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# 30-Year Revenue Projections (YOEs)



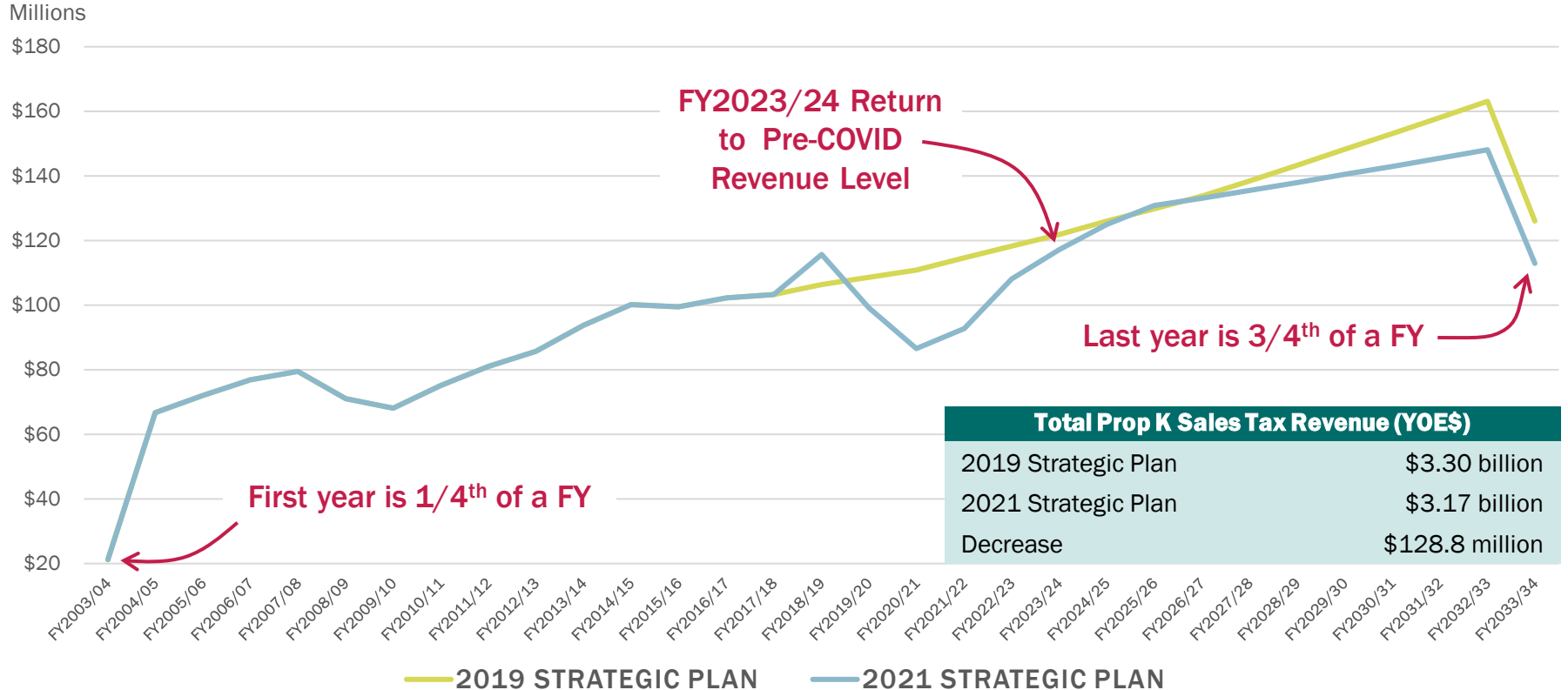
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ITEM	2019 STRATEGIC PLAN	2021 STRATEGIC PLAN
<b>Total Sales Tax Revenues</b>	<b>\$3.3B</b>	<b>\$3.17B</b>
Difference (\$) from 2019 Strategic Plan	-	-\$128.8M
Difference (%) from 2019 Strategic Plan	-	-3.9%
<b>Current 5-Year Period (19/20-23/24) Revenues</b>	<b>\$575M</b>	<b>\$504M</b>
Difference (\$) from 2019 Strategic Plan	-	-\$71M
Difference (%) from 2019 Strategic Plan	-	-12.3%
<b>Average Growth Rate (03/04 - 33/34)</b>	<b>3.3%</b>	<b>3.1%</b>
<b>Return to FY18/19 Level (~\$115M)</b>	-	<b>FY2023/24</b>

# 30-Year Revenue Projections (YOEs\$)



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# 30-Year Revenues and Expenditures Comparison



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REVENUES (IN MILLIONS YOES\$)	2021 STRATEGIC PLAN	2019 STRATEGIC PLAN	CHANGE
Sales Tax Revenue	3,169.9	3,298.7	(128.8)
Investment Income	54.0	45.7	8.3
Exchanges & Loans	184.1	19.6	164.5
Long Term Bond Proceeds	618.4	718.6	(100.2)
<b>TOTAL</b>	<b>4,026.3</b>	<b>4,082.5</b>	<b>(56.2)</b>

EXPENDITURES (IN MILLIONS YOES\$)	2021 STRATEGIC PLAN	2019 STRATEGIC PLAN	CHANGE
Planning, Programming, Project Delivery Oversight, & Admin	188.2	194.4	(6.2)
Exchanges & Loans	183.5	19.0	164.5
Funds Available for Projects	2,520.0	2,540.3	(20.3)
Financing Costs	273.9	322.2	(48.3)
Capital Reserve	242.3	288.0	(45.6)
Long Term Bond Debt Service	618.4	718.6	(100.2)
<b>TOTAL</b>	<b>4,026.3</b>	<b>4,082.5</b>	<b>(56.2)</b>

Note: Amounts may change slightly as we finalize the draft 2021 Strategic Plan.

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# Increased Funding for Projects

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- Paratransit Operations
  - Increase from \$10.1M to \$13.3M annually for next 3 fiscal years, bridging to reauthorization
- Muni Vehicle Mid-life Overhauls
  - Increase from ~\$2M to \$14.3M to support Muni reliability
- Traffic Signal Upgrades Contract 35
  - \$5.35M to fully fund construction phase
- Muni Metro East Expansion
  - \$4.2M to fund construction of interim facility



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## Increased Funding for Projects

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- Application-Based Traffic Calming Program
  - \$900K to support increased demands on the program
- BART Priorities
  - Funding for increased scope, including \$500,000 for Elevator Renovation, \$400,000 for Accessibility Programs, \$1.27M for Tunnel Waterproofing
- Sunset Boulevard Pavement Renovation
  - \$100K to fully fund construction phase



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# Advanced Funding for Projects



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- Downtown Rail Extension
  - \$19.5M for time sensitive project development activities
- New Signals Contract 66
  - \$3.45M to fully fund construction phase
  - Fills funding gap due to lower than anticipated TNC tax revenues

\*Also advanced funds for paratransit. See Increased Funding for Projects slide.



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## Added New Projects

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- Muni Communications Based Train Control
  - \$18.85M to support a ~\$300M effort systemwide to improve transit reliability; complements state funds recently approved by the Board
- Muni Forward projects
  - \$17M for 5 Fulton, 30 Stockton, 14 Downtown Mission
  - \$3.18M for Muni Forward projects; allocation conditioned upon SFMTA providing update on next set of projects
- West Side Rail
  - \$3.5M for SFMTA and TA development of a Geary-19<sup>th</sup> Avenue corridor rail strategy



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# Added New Projects

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- Candlestick Active Mobility & Transit Crossing
  - \$1.26M for environmental phase of eastern segment of Geneva Harney Bus Rapid Transit
- Transit Enhancements
  - \$2.75M for to-be-identified projects; SFMTA, BART, and Caltrain are eligible for these funds
- Mission Geneva Pavement Renovation
  - \$1.1M to complement Prop AA funds to fully fund construction phase
- Junipero Serra Pavement Renovation
  - \$4.4M to fully fund construction phase



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# Thank you



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