



Memorandum

AGENDA ITEM 9

DATE: April 25, 2023
TO: Transportation Authority Board
FROM: Cynthia Fong - Deputy Director for Finance and Administration
SUBJECT: 05/09/23 Board Meeting: Preliminary Fiscal Year 2023/24 Budget and Work Program

<p>RECOMMENDATION <input checked="" type="checkbox"/> Information <input type="checkbox"/> Action</p> <p>None. This is an information item.</p> <p>SUMMARY</p> <p>The purpose of this memorandum is to present the preliminary Fiscal Year (FY) 2023/24 annual budget and work program and seek input. The proposed budget and work program will come back to the Board for adoption in June.</p>	<p><input type="checkbox"/> Fund Allocation</p> <p><input type="checkbox"/> Fund Programming</p> <p><input type="checkbox"/> Policy/Legislation</p> <p><input type="checkbox"/> Plan/Study</p> <p><input type="checkbox"/> Capital Project Oversight/Delivery</p> <p><input checked="" type="checkbox"/> Budget/Finance</p> <p><input type="checkbox"/> Contract/Agreement</p> <p><input type="checkbox"/> Other: _____</p>
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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 23-46) and Administrative Code (Ordinance 23-01) (both pending final approval at the April 25, 2023 meeting), the Board shall set 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 2023/24 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 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); and administering the Prop D Traffic Congestion Mitigation Tax program (TNC Tax). The Treasure Island Mobility Management Agency (TIMMA) program will not be presented in this preliminary budget but incorporated into the proposed budget and work program in June 2023. 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 2023/24. 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, and TNC Tax program in Attachment 2 reflects five of six of our distinct responsibilities and mandates, excluding TIMMA. 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 preliminary 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 2023/24 Budget and Work Program will be presented as a separate item to the TIMMA Committee and TIMMA Board at meetings in the May/June timeframe, which we are in the process scheduling.

Revenues. Total revenues are projected to be \$182.0 million and are budgeted to increase by an estimated \$19.6 million from the FY 2022/23 Amended Budget, or 12.1%. Sales tax revenues, net of interest earnings, are projected to be \$112.4 million or 61.6% of revenues. This is an increase of \$1.1 million compared to the budgeted sales tax revenues of \$111.2 million for FY 2022/23 as there will be a slowing in pace of growth in the latter half of FY 2022/23 and leading into FY 2023/24 given the higher interest rates, reduced savings levels, reduced goods consumption, and weakened consumer confidence. The reduction in taxable sales will be partially offset by lingering inflation in the economy for at least the next year. Growth is expected to return to more typical levels within FY 2024/25. TNC tax revenues are projected to be \$10.2 million or 5.6% of revenues. This is an increase of \$2.7 million compared to the budgeted TNC tax revenues of \$7.5 million for FY 2022/23, which is in alignment with the Controller's Office projections. However, revenues continue to be affected by changes in travel demand brought on by the pandemic. Program revenues are projected to be \$53.2 million or 29.2% of revenues. This is an increase of \$15.4 million compared to the budgeted program revenues of \$37.8 million for FY 2022/23, which is largely due to increased federal and state funding for construction



activities for the Yerba Buena Island (YBI) West Side Bridges Project and design work for the YBI Hillcrest Road Improvement Project.

Expenditures. Total expenditures are projected to be about \$258.1 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 \$222.4 million. Capital projects costs are 86.2% of total projected expenditures, with another 4.0% of personnel expenditures and 1.4% of non-personnel expenditures budgeted for administrative operating costs, and 8.4% for debt service and interest costs. Capital project costs in FY 2023/24 are budgeted to increase by \$73.2 million, or 49.1%, from the FY 2022/23 amended budget, which is primarily due to the increases in Sales Tax program capital expenditures related to the primary driver SFMTA's Light Rail Vehicle procurement, followed by Muni Facility projects including 1399 Marin Street and Potrero Yard, L-Taraval Transit Enhancements, Muni Guideways projects, Van Ness Bus Rapid Transit, Paratransit, and Better Market Street as well as CMA program capital expenditures related to construction activities for the YBI West Side Bridges project and design work for the YBI Hillcrest Road Improvements project.

Debt service costs of \$21.7 million are for costs related to the assumed fees and interests for the expected \$75 million drawdown from the Revolving Credit Loan Agreement, anticipated bond principal and interest payments for our 2017 Sales Tax Revenue Bond, and other costs associated with our debt program. We have a \$125 million Revolving Credit Loan Agreement 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 2023/24 preliminary budget includes anticipated drawdown from the Revolving Credit Loan Agreement. We had budgeted for a \$20 million drawdown in our FY 2022/23 amended budget. The estimated level of sales tax capital expenditures for FY 2023/24 may trigger the need to drawdown up to an additional \$75 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 and CMA funds. These transfers represent appropriations of Prop K to projects such as the US 101/I-280 Managed Lanes and Express Bus, I-280 Ocean Avenue South Bound Off-Ramp Realignment, and Travel Demand Management Market Analysis projects.



Fund Balance. The budgetary fund balance is generally defined as 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 \$59.2 million in total fund balances, as a result of the anticipated \$75 million Revolving Credit Loan Agreement drawdown.

Next Steps. The preliminary FY 2023/24 budget will be presented for information to the Board at its May 9 meeting. The final proposed FY 2023/24 Annual Budget and Work Program will be presented to the Community Advisory Committee (CAC) at its May 24 meeting and the Board at its June 13 and 27 meetings. A public hearing will precede consideration of the FY 2023/24 Annual Budget and Work Program at the June 13 Board meeting.

FINANCIAL IMPACT

As described above.

CAC POSITION

None. This is an information item was presented to the CAC at its April 26 meeting. As noted above, the CAC will consider the final proposed budget and work program at its May 24, 2023 meeting.

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 2023/2024 Annual Work Program

The Transportation Authority's Fiscal Year (FY) 2023/24 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 transportation sales tax administrator (this is the inaugural year for Prop L); 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 2023/24 Work Program will be reflected in the Transportation Authority work program, as relevant, after it is presented to the TIMMA Committee.

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 2023/24, we will launch early actions to implement recommendations from the San Francisco Transportation Plan 2050 (SFTP), adopted in December 2022 as the third phase of 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. The SFTP 2050 serves as a future transportation policy and investment blueprint for the city. This year we will use the recommendations from the SFTP 2050 to provide the basis for our input into regional plans such as Plan Bay Area (PBA) 2050 Plus and Transit 2050 Plus, seeking to position San Francisco projects for discretionary funds and to shape regional policy that helps to support San Francisco's goals. 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

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strategic area of focus for our planning work includes research and neighborhood-based active travel demand and congestion management as the economy continues to recover and evolve and we gain a better understanding of the permanency and impacts of pandemic-induced changes such as the increased prevalence of remote work. Most of the FY 2023/24 activities listed below are multi-divisional efforts, often led by the Planning or Capital Projects divisions in close coordination with the Technology, Data, and Analysis and the Policy and Programming divisions. Proposed activities include:

Active Congestion Management

- **COVID-Era Congestion Tracker Expansion and Downtown Travel Trends.** Office vacancy in San Francisco is at the highest levels in years, transit ridership continues to be historically low, and traffic congestion has returned to, and in some areas is worse than, pre-COVID levels. To address the need for more data in an era of persistent uncertainty, the Transportation Authority will expand the COVID-Era Congestion Tracker to incorporate new data sources and report a wider range of metrics. We will continue with monthly 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 changes in roadway congestion in order to identify emerging congestion "hot spots" and identify appropriate management strategies. The Congestion Tracker now covers all major arterials in the city and reports hourly-level statistics from January 2020 to the present day. This year we expect to expand the Congestion Tracker to include additional metrics such as roadway volumes at key cordons, as well as local and regional transit ridership. In addition, we expect to incorporate additional metrics derived from 'Big Data' sources to track trends over time of changes in trip-making. We will also use these data to develop a profile of trends in downtown travel patterns before, during, and after COVID, to help inform strategies for downtown revitalization. We will release an on-line version of the 2023 Congestion Management Program (CMP) that will allow decision-makers and the public to interactively access key system performance metrics. We will complete collection of travel diary data, in collaboration with the Metropolitan Transportation Commission (MTC) and other Bay Area agencies, which will provide detailed information about post-COVID individual and household travel patterns. The survey data will support the SF-CHAMP model development, the CMP, and the Downtown Travel Trends effort.
- **Innovative Travel Demand Management (TDM).** Implement 2021 Climate Action Plan (CAP) recommendations by conducting the Decarbonizing Downtown Goods Movement Study, funded by a Carbon Neutral Cities Alliance Grant. Through a working group of small business and freight sector representatives, this effort will identify a set of pilots or policy measures to reduce emissions associated with deliveries. We will also conduct the TDM Market Analysis, which will recommend corridor-based or neighborhood-based mode shift goals and identify neighborhood-

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or corridor -scale travel markets suited to TDM measures based on variation in land use, demographics, or transportation supply. The TDM Market Analysis will recommend TDM interventions by sub-market and will recommend an evaluation framework and pipeline of follow-on TDM initiatives. We anticipate that this will include scoping of one or more pilots to either lead or support in the areas of mobility services integration and multi-modal payments technology. The TDM Market Analysis will inform an anticipated update of the TDM Strategic Plan which we will develop in collaboration with SFMTA, SF Environment, and the Planning Department. This plan will inform future programming of Prop L TDM funds. Finally, we will seek funding to launch and lead a new collective of Transportation Management Associations (TMAs), a public-private collaboration between private and nonprofit TMAs and the Interagency TDM Working Group. As part of this role, seek funding to launch and operate a one-stop online travel options portal focused on traveler discounts and benefits.

SFTP Implementation and Board Support

- **Neighborhood Transportation Program (NTP) Cycle 3 (Fiscal Years 2023/24-2027/28).** We will identify and advance new projects through Cycle 3 of the Prop L sales tax-funded NTP and monitor implementation of previously funded NTIP projects. Funds for Cycle 3, which will be approved through the Neighborhood Transportation Program 5-Year Prioritization Program (5YPP), will likely include \$100,000 in planning funds and \$600,000 in local match funds for each district to advance NTP projects toward implementation. Scoping of new NTP planning and capital efforts, including advancing recommendations from recently completed or soon to be completed plans, will be done in coordination with Transportation Authority Board members and SFMTA's NTP Coordinator. We will continue to lead NTP projects in four City supervisorial districts District 1 (Richmond Multimodal Transportation Plan), District 2 (Safety Study), District 4 (On-Demand Microtransit Business Plan), and District 6 (Mission Bay School Access Plan). We will work with Commissioners to scope potential NTP planning efforts and/or seek other funding for planning efforts such as District 7 (Lincoln Way Safety and Circulation Study), and District 9 (Mission Community Based Transportation Plan), and we anticipate seeking NTP and/or other funding to advance the medium to long-term recommendations of the D5 NTP, Octavia Circulation Study, regarding providing carpool and regional/local transit priority treatments and the D7 Ocean Avenue Mobility Action Plan.
- **Vision Zero Ramps Phase 3.** Funded by a federal Safe Streets and Roads for All grant, and a recommendation from the Streets and Freeways Study, this conceptual design effort will focus on safety at I-280 and US-101 on and off-ramps in the south and southeast parts of the city. The study will launch in FY 2023/24.

Long Range, Countywide, and Inter-Jurisdictional Planning

- **PBA 2050+ and Transit 2050+.** We will use recommendations from SFTP 2050 (adopted by the Board in December 2022), from the Streets and Freeways Study, the Transit Corridors Study, and other ConnectSF work, as well as other plans and studies led by the Transportation Authority and others as the basis for San Francisco’s input into MTC’s PBA 2050+ and Transit 2050+, which will officially launch in Spring 2023. PBA 2050+ is a focused update of PBA 2050+ that will include updated revenue estimates, targeted updates to major project recommendations, a call for new regional significant projects, and development of a Resilience Projects List focused primarily on sea level rise adaptation projects. Transit 2050+ is intended to develop a customer-focused, fiscally constrained regional transit network vision, building off the region’s Transit Transformation Plan. Transit 2050+ will be developed in parallel with PBA 2050+ and will provide input in the final investment plan known as the Blueprint. This is a fast process expected to be completed by July 2024.
- **PBA 2050 Implementation (Plan).** We will continue to provide input to numerous regional efforts from MTC’s piloting of more equitable toll policies, Transit Oriented Communities policy, the Rail Partnership and Governance Assessment, the Next Generation Bay Area Freeways Study, implementation of the Transit Transformation Plan and advancing Climate Initiatives (e.g. regional bikeshare coordination/e-bike incentives outreach). These efforts involve close coordination with San Francisco agencies, the Mayor’s office, our representatives on the Association of Bay Area Governments (ABAG) and MTC, and with Bay Area County Transportation Agencies (CTAs), regional transit agencies, and other community stakeholders.
- **Geary/19th Ave Subway and Regional Connections Study.** This effort comprises the first phase of work for a rail subway along the Geary and 19th Avenue corridors including regional connections to the east and south, which was identified as a long-term transit expansion priority for San Francisco and the region in the Connect SF Transit Strategy. The first step of a multi-phase planning and development process, the Strategic Case will engage the public to establish the worthiness of the project and help identify key strategy considerations and project risks that will need to be explored in further phases. The Transportation Authority launched this effort in Fall 2022 in coordination with the SFMTA and SF Planning. The findings and recommendations of the Strategic Case will be brought before the Board before the end of FY 2023/24.
- **Bayview Caltrain Station Location Study.** In Fall 2022 we launched a pre-environmental effort to identify a single preferred station location for the Bayview Caltrain Station, in collaboration with the Bayview community. Two potential locations at Evans Avenue and Oakdale Avenue are under consideration. The station location

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study includes broad public outreach and technical analyses as needed to support a final recommendation. We are also continuing to coordinate with SF Planning and Caltrain to scope the environmental phase of work.

- **Managed Lane and Express Bus System Planning and Policy Support.** Building on the Streets and Freeways Study recommendations, we will also continue to develop the US 101/I-280 corridor. We continue to work on planning and regional coordination for the San Francisco freeway system, at pace with other regional and county agencies' activities on this front, as we continue advancement of concepts leading to environmental approvals for the northbound I-280 carpool lanes between 18th and 3rd streets (Phase 1) as well as preliminary engineering and traffic analysis for expanded alternatives analysis of managed lanes options (including carpool and express lanes) for the southbound lanes on I-280 and US 101 to the San Mateo County line (described below under Deliver). We anticipate completing the outreach and environmental processes for Phase 1 this upcoming fiscal year. We are also continuing to coordinate with regional agencies and advocate for San Francisco's priorities on the MTC Express Lane Strategic Plan; the MTC's Next Generation Freeway Study; the Bay Area Infrastructure Financing Authority's I-880 Express Lanes START pilot; Caltrans District 4's Transit Priority Study; and US 101 corridor managed lanes plans with San Mateo and Santa Clara counties, given the need to address growing congestion in the freeway corridors serving San Francisco and to help prioritize Muni and regional bus service.
- **Brotherhood Way Safety and Circulation Plan.** With support from a Caltrans Sustainable Transportation Planning grant, this community-driven planning process will develop concepts and conceptual designs for active transportation improvements that connect new recreational opportunities and housing near Lake Merced to the City's core active transportation network and nearby regional transit along Brotherhood Way in southwest San Francisco. The Brotherhood Way Safety and Circulation Plan is a recommendation from the Streets and Freeways Study. Concepts will reduce modal conflicts in an area with demonstrated safety challenges, address and integrate developer-funded bicycle and pedestrian improvements west of the US 101 interchange and encourage mode shift by improving sustainable transportation options. The study will also engage community stakeholders through a working group appointed by the D7 and D11 offices to consider road realignment and redesign options within this equity priority community.
- **Support Statewide and Regional Policy and 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 (CHSHRA) 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

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rulemaking and regulations for Autonomous Vehicles and Transportation Network Companies (TNC, like Uber and Lyft) and MTC's efforts to implement the Blue Ribbon Transit Recovery Task Force's Transit Transformation Action Plan. We will also continue to coordinate with Bay Area Rapid Transit (BART) and other partner agencies to advance Link21, the study of a potential second Transbay rail crossing, and associated connection to San Francisco.

- **SFTP Modal Planning Follow-on Studies.** Looking ahead, we anticipate working in collaboration with Board members, partners agencies and the community on the following, which will also be dependent upon securing funding through future appropriations or discretionary grants:
 - Community outreach and technical evaluation to adopt a preferred configuration for a near-term multimodal Candlestick Undercrossing, one of the near-term priorities of the 2013 Bi-County Study.
 - A Vision Plan and funding strategy for local waterfront ferry service, in partnership with the Water Emergency Transit Agency (WETA) and Bayshore development areas; (Districts 10, 6, 3, 2).
 - The Bayview Truck Safety and Circulation Plan, which would identify strategies to shift truck access to industrial areas in the southeast away from Third Street and other active transportation routes (District 10).
 - Community outreach and technical evaluation, in partnership with SFMTA and the SF Planning Department, to assess land use and circulation opportunities associated with the Fillmore / Geary Underpass.
 - West Side State Routes - potential Caltrans/local coordination of Ocean Beach Master Plan improvements for state routes Sloat/Skyline Boulevards and intersections with Sunset Boulevard and 19th Avenue (Hwy1).
 - San Francisco traffic management, simulation and/or new mobility pilots with industry, community and/or research partners, and potential data collection initiatives to test/advance Vision Zero strategies, support the Downtown Traffic Study and/or measure TNC and AV impacts.
 - San Francisco AV policy advisory, coordination and monitoring work including tracking on-street conditions, supporting Board of Supervisors Resolution 529-22 and coordination with industry, regulatory and community stakeholders on state and federal regulatory policy. Potential AV pilots or demonstration projects to evaluate technology or management strategies to manage impacts.

Transportation Forecasting, Data and Analysis

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- **Travel Forecasting and Analysis for Transportation Authority Studies.** We will provide modeling and data analysis to support efforts such as The Portal (Downtown Rail Extension); US 101/280 Managed Lanes and Express Bus Study; Bayview Caltrain Station Location Study; Neighborhood Program (NTP) studies; and the Brotherhood Way Safety and Circulation Plan. We will release our next major SF-CHAMP release (version 7) and also share analyses from our comprehensive 2023 Household Travel Diary survey that we are deploying in collaboration with MTC and the Santa Clara Valley Transportation Authority, including comparisons to our 2020 Travel Diary survey effort. The travel diary serves as the basis for our travel demand estimates work, and provides other key information used to support Transportation Authority planning and capital projects, as well as updates to our Congestion Management Plan.
- **Congestion Management Program Update.** Every two years, we prepare an update to the San Francisco Congestion Management Program (CMP), which documents changes in multi-modal transportation system performance including average roadway speeds and reliability, transit reliability, and bicycle and pedestrian counts. We will support the evaluation of several initiatives including Van Ness Bus Rapid Transit (BRT) and High-Occupancy Vehicle (HOV) lanes on Park Presidio (Highway 1). We will lead CMP data collection efforts in spring 2023, and the CMP update will be completed in fall 2023. This year's CMP will establish mid-range performance targets to assess rates of progress towards SFTP 2050 goals. This year's CMP will also identify the next generation of needed land use and transportation area plans based on the latest adopted Housing Element and the SFTP 2050/Connect SF process, to inform the Prop L Development Oriented Transportation program. For the first time, the 2023 CMP update will include a fully interactive online version.
- **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 Transportation Demand Management (TDM) strategies included in San Francisco's Transportation Sustainability Program (TSP) in reducing vehicle miles traveled (VMT) and single-occupancy vehicle trips. Data collection to quantify the effects of TDM parking availability strategies on reducing VMT will be completed in fall of 2023.
- **TNC/AV Rulemaking.** We will continue to work with SFMTA to provide San Francisco's input to state and federal rulemaking opportunities, particularly related to the CPUC's regulation of TNCs including data sharing; and CARB implementation of the TNC "Clean Miles" legislation. We will also continue to work on state and federal

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autonomous vehicle (AV) policies through monitoring of local deployments, providing input on guidelines development and other legislative efforts.

- **Model Enhancements.** We will initiate updates to two components of the SF-CHAMP travel demand forecast model: the visitor model, which was implemented as part of the original model development process and does not reflect changes in visitor lodging, mode choices, and destinations; and the commercial vehicle model which was adapted from the regional model and which does not reflect increased levels of deliveries. In addition, we will analyze and incorporate the latest travel behavior survey data to establish a new “post-COVID” baseline that reflects increased levels of working from home, and changes in mode choices.

FUND

The Transportation Authority was initially established to administer the Prop B half-cent transportation sales tax, superseded by the Prop K transportation sales tax in 2003 and by Prop L in 2023. 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 Prop D TNC Tax program, 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 legislative changes to advance San Francisco 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 and close coordination with all agency divisions. Notable efforts planned for FY 2023/24 include:

Implement Prop L. We will spend the first part of FY 2023/24 working with project sponsors and engaging with the Board and public to develop and seek Board adoption of the first Prop L Strategic Plan and 5-Year Prioritization Programs (5YPPs) that will identify the specific projects to be funded in the next five years for each of the 28 Prop L programs. An approved 5YPP is a prerequisite for allocation of funds. The 5YPPs will be brought to the Board in three rounds, with the Prop L Strategic Plan Baseline (establishes policies, revenue projections, and initial pay-go funding amounts for programs), and a small first group of time sensitive 5YPP approvals and concurrent allocations in July, followed by the remainder of the 5YPPs and the final Strategic Plan in the fall. As part of this process, we will develop guidelines informed by community and sponsor input for new programs like the Equity Priority Transportation Program, Development Oriented Transportation, and Transformative Freeway and Major Street Projects. We will also look to recently completed or soon to be completed plans, (e.g., School Access Plan, NTP plans, etc.) to identify potential projects that could use Prop L matching funds to other grants and/or to advance recommendations to make them competitive for other sources. See Customer Service and Efficiency Improvements section below for additional Prop L work program details.

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Fund Programming and Allocations. We will continue to administer the Prop AA vehicle registration fee, TFCA, and TNC Tax programs through which the agency directly allocates and prioritizes projects for grant funding; and 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 (SB 1) (see below), California's Cap-and-Trade and Active Transportation Programs, and federal competitive grant programs, and we will prepare recommendations for San Francisco's projects for the 2024 Regional Transportation Improvement Program.

Senate Bill 1 (SB 1). This coming fiscal year, we will work with San Francisco project sponsors and MTC to identify strong candidates for the next funding cycles of SB 1 programs including the Local Partnership Program (LPP) Competitive and Formula programs and Solutions for Congested Corridors. After seeking Board approval of project priorities for the Transportation Authority's share of LPP formula funds, we will seek approval from the California Transportation Commission (CTC) and support allocation requests for projects recommended to receive FY 2023/24 programming by April 30, 2026. Applications for the next round of LPP competitive programs are due to CTC in 2024. We will provide input to CTC on revisions to program guidelines, and engage our Board and MTC Commissioners, including seeking guidance on prioritizing funds (e.g., through the MTC's Major Projects Advancement Policy for larger, regionally significant projects).

Regional Measure 3 (RM3) Implementation. We will work with MTC/BATA and San Francisco project sponsors on the roll out of RM3, including working to coordinate the timing of RM3 and Prop L funds to support San Francisco priorities such as BART Core Capacity, the Caltrain Downtown Extension, and Muni Facilities needs; providing input on discretionary RM3 programs such as Regional Express Bus operations funding and Bay Trail/Safe Routes to Transit.

New Revenue Options. We are coordinating with SFMTA on needs and opportunities for potential local transportation measures in upcoming election cycles and are tracking and participating in discussions regarding a potential regional transportation measure or measures exploring upcoming election cycles in 2024 and 2026.

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, and is done in coordination with the Mayor's Office, the Self-Help Counties Coalition, and other city and regional agencies. This year we will continue to focus our efforts on advocacy and coordination on transportation spending in the state budget to provide 'bridge funding' to address the fiscal cliff that transit agencies are facing as well as potential authorization

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for a regional measure(s) that could be part of a more sustainable solution for transit going forward; advocating for state authorization of speed safety cameras, a key Vision Zero strategy; and implementation of the Biden Administration's Infrastructure Investment and Jobs Act, as well as other state and federal policies that support San Francisco transportation projects, policies, and strategies (e.g. Vision Zero; greenhouse gas reduction including via electrification of Muni's fleet and related maintenance facility changes; improving major capital project delivery; securing additional revenues for San Francisco priorities; and emerging technology regulations).

Funding and Financing Strategy Opportunities. We will continue to provide funding and financing strategy support for signature projects in the Prop L Expenditure Plan, many of which are also included in MTC's Regional Transit Expansion Agreement and Major Projects Advancement Policy (MAP). Examples include: Caltrain Electrification, The Portal/(Downtown Rail Extension), and BART Core Capacity. We will help position San Francisco's projects and programs to receive funding from the federal Infrastructure Investment and Jobs Act. We serve as a funding resource for all San Francisco project sponsors (e.g. brokering fund exchanges). At the regional level, in spring 2023, MTC will be kicking off the program development for the regional programs under the One Bay Area Grant framework to distribute future federal Surface Transportation Program and Congestion Mitigation and Air Quality Improvement funding. In our role as a CMA and advisors to our MTC and ABAG representatives, we will provide input to regional program guidelines development and prioritization processes, 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 outstanding sales tax revenues bonds, as well as the revolving credit loan agreement. Our goals are to enable accelerated delivery of Prop L sales tax-funded capital projects compared to what is supportable on a pay-go basis while achieving leveraging goals and minimizing financing costs so more funds remain available for projects. We will continue to engage in a variety of cash management activities including facilitating grant close-out and de-obligation of unneeded funds as well as closely tracking cash balances for the \$392 million in Prop K grants with peak cash flow needs in Fiscal Years 2023/24 and 2024/25, and proactively work with project sponsors to identify upcoming reimbursements so that we can better forecast when we may need to drawdown on the \$125 million revolving credit loan agreement. We will come to the Board for approval to draw down revolving credit loan funds when they are needed.

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

Attachment 1
Preliminary Fiscal Year 2023/2024 Annual Work Program

both internal and external customers, while maintaining a high level of transparency and accountability appropriate for administration of voter-approved revenue measures (Prop L, Prop K, Prop AA, and the TNC Tax). The initiative includes maintaining and enhancing 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 the system to ensure a seamless transition to the new Microsoft Dynamics 365 accounting system. We will also modify the Portal track the distribution of projects located in Equity Priority Communities and/or benefiting disadvantaged populations, which is required under Prop L. We are exploring enhancements to grant administration functionality in the Portal including the potential for creating grant agreements. We will also make enhancements to better track projects for public promotion opportunities at key milestones in project delivery, and evaluate how to best utilize mystreets.sfcta.org, our interactive project map, to showcase all of the projects funded by the Transportation Authority.

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 and Prop L sales tax major capital investments, such as SFMTA's Central Subway, train control, and facility upgrade projects; The Portal (DTX); and Caltrain Modernization, including electrification as well as railyards planning coordination and oversight. We also serve as the lead agency for the delivery of certain capital projects, such as the I-80/Yerba Buena Island (YBI) West Side Bridges Project, which typically are multi-jurisdictional in nature and often involve significant coordination with Caltrans. Key activities supporting project delivery for FY 2023/24 include the following:

Transportation Authority - Lead Construction:

- **I-80/YBI East Bound Off Ramp/Southgate Road Realignment Project.** The Southgate Road Realignment Project is scheduled for a ribbon-cutting ceremony on Saturday, May 6, 2023 and will be open to public traffic thereafter. Work on Torpedo Building renovations and Southgate contract closeout efforts, including the ultimate land transfer between United States Coast Guard and Treasure Island Development Authority (TIDA) will continue in Fiscal Year 2023/24.
- **YBI West Side Bridges.** We recently awarded the construction contract and are on schedule to issue the Notice To Proceed to the contractor joint venture. The project is being delivered using the Construction Management/General Contractor delivery method. The ground-breaking ceremony is scheduled for June 16, 2023 and construction will start in FY 2023/24 subject to completion of the Forest Road Detour

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Preliminary Fiscal Year 2023/2024 Annual Work Program

by the developer. We are also coordinating with bicycle/pedestrian path plans adjacent to the West Side Bridges project. See YBI Multi-Use Path below.

Transportation Authority - Lead Project Development:

- **Pennsylvania Avenue Extension (PAX).** We will initiate the PAX Pre-Environmental Bridging Study in FY 2023/24. Building on our PAX Project Initiation Study completed in FY 2022/23, the Bridging Study will prepare the project technically and organizationally for future environmental review. The study will take approximately 18 months to complete, and will include further technical development of project alternatives, coordination with Caltrain and the California High Speed Rail Authority (CHSRA), and public and stakeholder engagement.
- **US 101/I-280 Managed Lanes and Express Bus Project.** We 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 (Phase 2). The related regional express lane policy work and associated studies to ensure equitable outcomes are referenced in the Plan section above. The companion equity study and related regional express lane policy work is described above under the Plan section above.
- **I-280/Ocean Avenue South Bound Off-Ramp Realignment and Geneva Avenue North Bound Ramp Optimization.** We will continue to advance I-280 Interchange modifications at Balboa Park including conducting geotechnical investigation, survey, and furthering design work for the southbound off-ramp at Ocean Avenue. We are finalizing a feasibility study for the northbound Geneva Avenue off-ramp. As part of the feasibility study, we analyzed traffic circulation and signal timing improvements at off-ramp intersections and are working closely with Caltrans and SFMTA on evaluating recommended schemes.
- **YBI Multi-Use Path.** We await the outcome of our/MTC's Solutions for Congested Corridors application for state funds for this project and will continue to work with our partners, BATA, TIDA, SFPW, SFMTA, and interested stakeholders (San Francisco and East Bay bicycle coalitions) to fund and advance preliminary engineering and environmental phase work for the YBI multi-use path segment connecting the western side of the island from the San Francisco-Oakland Bay Bridge (SFOBB) East Span YBI viewing area down to the Treasure Island Ferry Terminal and providing an ultimate connection point to the planned BATA-led SFOBB West Span Skyway Path. We are coordinating with MTC to obligate Active Transportation Program and LPP-Competitive grant funding for the final design phase of the project.
- **YBI Hillcrest Road Improvement Project.** We are working on the design phase for the roadway improvement project between Forest Road and the I-80 Portal crossing

Attachment 1
Preliminary Fiscal Year 2023/2024 Annual Work Program

on the west side of YBI. The project will add sidewalks and bike paths, up to San Francisco Public Works (SFPW) standards and install safety features. We completed 35% plans and are working closely with TIDA, SFPW, SFMTA and SFPUC. The project will be closely coordinated with the adjacent YBI Multi-Use Path and connect to West Side Bridges (see prior entries for these projects). The project is funded by a \$30 million Infill Infrastructure Grant awarded to TIDA.

- **Quint Street.** We will continue to work with SFPW and the Office of Real Estate to resume negotiations with the property owner in order to acquire the right of way for the re-aligned Quint Street. This acquisition will allow SFPW to begin the design phase of the project, subject to funding availability.
- **Presidio Parkway.** We will complete an informational case study showcasing the Public Private Partnership delivery of Phase 2 in comparison to traditional Design Bid Build 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:

- **Peninsula Corridor Electrification Project.** We will continue our work to provide technical oversight and project development support to the Peninsula Corridor Electrification Project, which will electrify the passenger rail corridor between San Francisco and San Jose to serve a newly electrified Caltrain fleet and serve future California High-Speed Rail service in the blended corridor. We will continue to lead funding partner oversight efforts through the Caltrain Modernization Configuration Management Board and provide advice and support to San Francisco representatives to the Caltrain board. Caltrain Electrification is scheduled to be completed in Fall 2024.
- **California High-Speed Rail Program.** We will continue to partner with the CHSRA and City agencies on high-speed rail issues affecting San Francisco, including project development and funding activities to bring the high-speed rail system from the Central Valley to the Bay Area. In FY 2023/24, the CHSRA will prepare its biennial Business Plan, and we will lead efforts to review this plan, working closely with City agencies. We will also coordinate with CHSRA on projects within the city, including the DTX, PAX, and Railyards.
- **The Portal/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 Transbay Joint Powers Authority (TJPA) Board as an alternate. In FY 2023/24, we will work with TJPA and other DTX partner agencies to prepare a Successor MOU to replace the existing MOU and serve

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Preliminary Fiscal Year 2023/2024 Annual Work Program

the needs of the upcoming procurement and construction phases. We will continue to lead work to develop the project's funding plan, ridership forecast, and other tasks. We will also continue our program oversight as TJPA advances into procurement of the large contracts and initiates delivery of the enabling works and right-of-way programs.

- **Fourth and King Railyards.** We will continue to support planning and project development for the Caltrain Railyards site at Fourth and King streets through our active participation in the Railyards MOU Working Group and the Preliminary Business Case process for the site being led by Caltrain and the site owner. We will support the engagement of City agencies and the coordination of Railyards planning with related projects including PAX, The Portal/DTX, and high-speed rail.
- **22nd Street Station ADA Improvements.** We will support Caltrain in advancing design and engagement for planned upgrades to the 22nd Street Station, as recommended by the recently completed ADA Access Improvement Feasibility Study. We will work with Caltrain to identify a funding strategy for these improvements, including support for grant applications to regional, state, and federal sources. We will coordinate short- and medium-term design improvements with any longer-term changes potentially necessitated by the future implementation of PAX.
- **Muni Metro Modernization Program Development.** We will provide enhanced oversight and planning/program development support to SFMTA in advancing its program of needed investments in the Muni Metro system, including state-of-good-repair and capacity expansion improvements. This includes the SFMTA-led Muni Metro Core Capacity Study, which will develop a program of investment to be put forward for FTA Core Capacity grant funds. We will also support advancement of the Muni Metro Train Control Upgrade Project and the broader 10-year subway renewal program.
- **Potrero Yard Modernization Project.** We will continue to provide enhanced oversight of the SFMTA Potrero Yard Modernization Project, which is planned as a rebuilt transit facility to serve Muni's bus fleet, integrated with a joint development housing component. The project is currently in the pre-construction development phase, which will finalize the design and construction approach to replace the existing Potrero facility, which is more than 100 years old.
- **BART Core Capacity Oversight.** We will provide enhanced oversight, coordinating with MTC and FTA, as needed on this Prop L major transit project.
- **Vision Zero.** We will continue to convene quarterly presentations to the CAC and Board to highlight the work that city agencies are doing to advance the goals of Vision Zero, including updates on project delivery and program evaluation.

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Preliminary Fiscal Year 2023/2024 Annual Work Program

- **Better Market Street.** We will conduct oversight on City agencies' project delivery plans to minimize disruption to businesses during construction and reduce cost, as well as transit and cycling. 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 support SFMTA in the final close-out of the Central Subway project, which is now in revenue service. We will participate in lesson learned sessions convened by SFMTA and the Federal Transit Administration, and support knowledge-sharing of lessons learned with the TJPA-led team that is preparing to deliver the DTX/Portal project, particularly as these lessons pertain to underground construction and contractor management.
- **SF Transportation Capital Projects Delivery Study.** This work is substantially complete and we will finalize and present it at the call of the Chair. Study includes project delivery reform best practices (lessons learned) analysis, including ongoing coordination with City stakeholders and industry experts.

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, budgeting, 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, and communications) as listed below.

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

Communications and Community Relations. Execute the agency's communications and engagement strategy with the public, our Board, various interest groups, our Community, Business, and Labor Roundtables, 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 below growth goals for various platforms (estimates are based in part on past performance trends).

- Instagram: Grow following by 25%
- LinkedIn: Grow following by 15%
- Website: Increase unique website hits by 5%

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Preliminary Fiscal Year 2023/2024 Annual Work Program

- Facebook: Grow following by 3%
- Twitter: Grow following by 2%
- Messenger: Grow subscriber list by 2%

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

- Refine outreach and communications techniques by incorporating the latest engagement techniques for the public, with a focus on racial equity and seeking to engage Equity Priority Communities.
- 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 the anticipated Southgate Road Realignment opening and West Side Bridges construction commencement.

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

Budget, Reports, and Financial Statements. Develop and administer agency 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. Complete migration of the new enterprise resource planning system (business management and accounting software). Enhance and maintain 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.

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. Continue work through the Racial Equity Working Group to advance the Racial Equity Action Plan created in 2020. The plan identifies over 80 actions for implementation over a multi-year period. This year, the Racial Equity Working Group continues to focus on completing elements of its Racial Equity Action Plan related to

Attachment 1
Preliminary Fiscal Year 2023/2024 Annual Work Program

retention, promotion, and professional development. This work involves gathering data and identifying solutions to address any disparities by race/ethnicity and salaries. Identify opportunities to further advancing racial equity on current active projects by developing additional actions focused on outreach and project work.

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.

Office Management and Administrative Support. Assess the suitability of our current office needs as the lease expires in 2025 and exercise the option renewal or relocate. 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 /supporting meetings, including remote public participation.

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 Annual Budget by Fund

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Traffic Congestion Mitigation Tax Program	Preliminary Fiscal Year 2023/24 Annual Budget
Revenues:						
Sales Tax Revenues	\$ 112,357,000	\$ -	\$ -	\$ -	\$ -	\$ 112,357,000
Vehicle Registration Fee	-	-	-	4,645,521	-	4,645,521
Traffic Congestion Mitigation Tax	-	-	-	-	10,221,967	10,221,967
Interest Income	1,230,992	-	1,007	18,491	371,235	1,621,725
Program Revenues	-	52,255,554	942,750	-	-	53,198,304
Total Revenues	113,587,992	52,255,554	943,757	4,664,012	10,593,202	182,044,517
Expenditures						
Capital Project Costs	152,530,594	52,388,032	1,136,411	11,771,309	4,582,733	222,409,079
Administrative Operating Costs	9,792,464	3,611,107	55,535	232,276	306,659	13,998,041
Debt Service Costs	21,730,925	-	-	-	-	21,730,925
Total Expenditures	184,053,983	55,999,139	1,191,946	12,003,585	4,889,392	258,138,045
Other Financing Sources (Uses):	71,256,415	3,743,585	-	-	-	75,000,000
Net change in Fund Balance	\$ 790,424	\$ -	\$ (248,189)	\$ (7,339,573)	\$ 5,703,810	\$ (1,093,528)
Budgetary Fund Balance, as of July 1	\$ 30,631,508	\$ -	\$ 964,954	\$ 15,019,127	\$ 13,671,480	\$ 60,287,069
Budgetary Fund Balance, as of June 30	<u>\$ 31,421,932</u>	<u>\$ -</u>	<u>\$ 716,765</u>	<u>\$ 7,679,554</u>	<u>\$ 19,375,290</u>	<u>\$ 59,193,541</u>

*The Treasure Island Mobility Management Agency (TIMMA) program will be reflected in the Transportation Authority budget, as relevant, after it is presented to the TIMMA Committee



**San Francisco
County Transportation
Authority**

**Attachment 3
Preliminary Fiscal Year 2023/24 Annual Budget
Comparison of Revenues and Expenditures**

Category	Fiscal Year 2021/22 Actual	Fiscal Year 2022/23 Amended Budget	Preliminary Fiscal Year 2023/24 Annual Budget	Variance from Fiscal Year 2022/23 Amended Budget	% Variance
Sales Tax Revenues	\$ 104,818,305	\$ 111,212,000	\$ 112,357,000	\$ 1,145,000	1.0%
Vehicle Registration Fee	4,652,149	4,834,049	4,645,521	(188,528)	-3.9%
Traffic Congestion Mitigation Tax	6,120,263	7,546,000	10,221,967	2,675,967	35.5%
Interest Income	(1,201,096)	1,041,735	1,621,725	579,990	55.7%
Program Revenues					
Federal	7,892,182	26,462,019	36,152,895	9,690,876	36.6%
State	1,059,871	6,808,660	13,008,875	6,200,215	91.1%
Regional and other	4,464,135	4,558,695	4,036,534	(522,161)	-11.5%
Other Revenues	142	-	-	-	0.0%
Total Revenues	127,805,951	162,463,158	182,044,517	19,581,359	12.1%
Capital Project Costs	116,915,724	149,181,837	222,409,079	73,227,242	49.1%
Administrative Operating Costs					
Personnel expenditures	6,366,345	8,450,675	10,304,105	1,853,430	21.9%
Non-Personnel expenditures	1,793,590	3,857,029	3,693,936	(163,093)	-4.2%
Debt Service Costs	22,580,656	21,798,050	21,730,925	(67,125)	-0.3%
Total Expenditures	147,656,315	183,287,591	258,138,045	74,850,454	40.8%
Other Financing Sources (Uses)	-	20,000,000	75,000,000	55,000,000	275.0%
Net change in Fund Balance	\$ (19,850,364)	\$ (824,433)	\$ (1,093,528)	\$ (269,095)	32.6%
Budgetary Fund Balance, as of July 1	\$ 80,961,866	\$ 61,111,502	\$ 60,287,069		
Budgetary Fund Balance, as of June 30	\$ 61,111,502	\$ 60,287,069	\$ 59,193,541		

*The TIMMA program will be reflected in the Transportation Authority budget, as relevant, after it is presented to the TIMMA Committee



Preliminary Annual Budget by Fund

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Traffic Congestion Mitigation Tax Program	Preliminary Fiscal Year 2023/24 Annual Budget
Revenues:						
Sales Tax Revenues	\$ 112,357,000	\$ -	\$ -	\$ -	\$ -	\$ 112,357,000
Vehicle Registration Fee	-	-	-	4,645,521	-	4,645,521
Traffic Congestion Mitigation Tax	-	-	-	-	10,221,967	10,221,967
Interest Income	1,230,992	-	1,007	18,491	371,235	1,621,725
Program Revenues						
Federal						
Highway Bridge Program - Yerba Buena Island (YBI) Westside Bridges	-	20,000,000	-	-	-	20,000,000
Priority Conservation Area Program - YBI Multi-Use Pathway	-	387,381	-	-	-	387,381
Rebuilding American Infrastructure with Sustainability and Equity - YBI Westside Bridges	-	14,103,266	-	-	-	14,103,266
Supplemental Action Plan - Streets and Freeways Strategic Vision Zero Freeway Ramp	-	234,915	-	-	-	234,915
Surface Transportation Program 3% Revenue and Augmentation	-	1,427,333	-	-	-	1,427,333
State						
Planning, Programming & Monitoring SB45 Funds	-	46,000	-	-	-	46,000
Infill Infrastructure Grant Program - Hillcrest Road Improvement Project	-	2,533,789	-	-	-	2,533,789
Senate Bill 1 Local Partnership Program - I-280 SB Ocean Ave Off-Ramp Realignment Project	-	751,504	-	-	-	751,504
Senate Bill 1 Local Partnership Program - YBI Westside Bridges	-	6,322,515	-	-	-	6,322,515
Senate Bill 1 Local Partnership Program - YBI Multi-Use Pathway Project	-	387,381	-	-	-	387,381
Seismic Retrofit Proposition 1B - YBI Westside Bridges	-	2,591,212	-	-	-	2,591,212
Sustainable Communities - Brotherhood Way Safety and Circulation Plan	-	376,474	-	-	-	376,474
Regional and other						
BATA - I-80/YBI Interchange Improvement	-	2,429,282	-	-	-	2,429,282
CNCA - Decarbonizing Downtown Business Deliveries Study	-	35,954	-	-	-	35,954
SFMTA - Travel Demand Modeling Assistance	-	75,000	-	-	-	75,000
TIDA - YBI Westside Bridges	-	553,548	-	-	-	553,548
Vehicle Registration Fee Revenues (TFCA)	-	-	942,750	-	-	942,750
Total Revenues	\$ 113,587,992	\$ 52,255,554	\$ 943,757	\$ 4,664,012	\$ 10,593,202	\$ 182,044,517



Preliminary Annual Budget by Fund

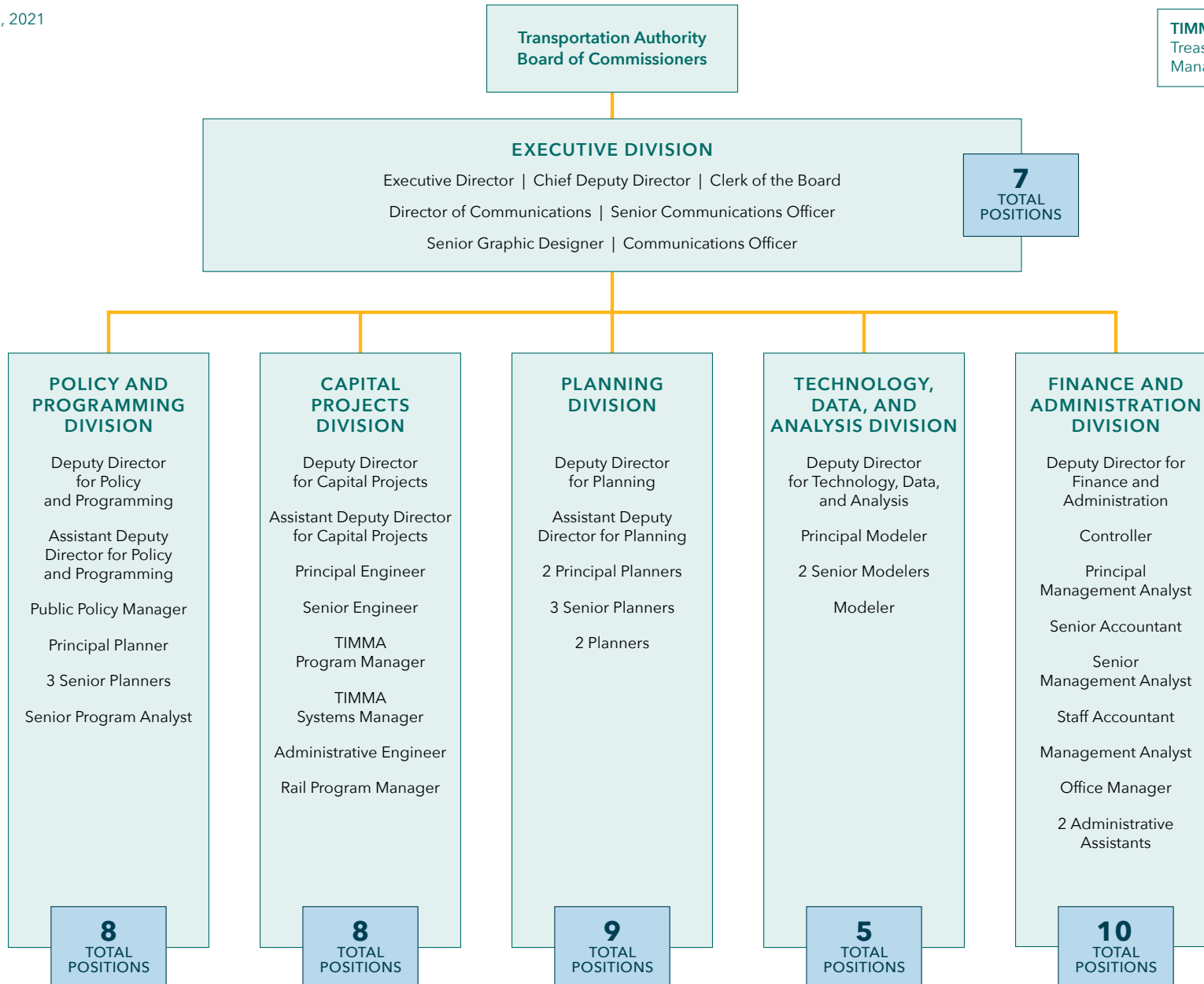
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Traffic Congestion Mitigation Tax Program	Preliminary Fiscal Year 2023/24 Annual Budget
Expenditures:						
Capital Project Costs						
Individual Project Grants, Programs & Initiatives	\$ 150,000,000	\$ -	\$ 1,136,411	\$ 11,771,309	\$ 4,582,733	\$ 167,490,453
Technical Professional Services	2,530,594	52,388,032	-	-	-	54,918,626
Administrative Operating Costs						
Personnel Expenditures						
Salaries	3,896,996	2,415,343	37,197	155,577	205,398	6,710,511
Fringe Benefits	1,921,219	1,190,764	18,338	76,699	101,261	3,308,281
Pay for Performance	285,313	-	-	-	-	285,313
Non-personnel Expenditures						
Administrative Operations	3,407,036	5,000	-	-	-	3,412,036
Equipment, Furniture & Fixtures	221,900	-	-	-	-	221,900
Commissioner-Related Expenses	60,000	-	-	-	-	60,000
Debt Service Costs						
Fiscal Charges	105,000	-	-	-	-	105,000
Interest Expenses	7,080,925	-	-	-	-	7,080,925
Bond Principal Payment	14,545,000	-	-	-	-	14,545,000
Total Expenditures	\$ 184,053,983	\$ 55,999,139	\$ 1,191,946	\$ 12,003,585	\$ 4,889,392	\$ 258,138,045
Other Financing Sources (Uses):						
Transfers in - Sales Tax Program Match to Grant Funding	-	3,743,585	-	-	-	3,743,585
Transfers out - Sales Tax Program Match to Grant Funding	(3,743,585)	-	-	-	-	(3,743,585)
Draw on Revolving Credit Agreement	75,000,000	-	-	-	-	75,000,000
Total Other Financing Sources (Uses)	71,256,415	3,743,585	-	-	-	75,000,000
Net change in Fund Balance	\$ 790,424	\$ -	\$ (248,189)	\$ (7,339,573)	\$ 5,703,810	\$ (1,093,528)
Budgetary Fund Balance, as of July 1	\$ 30,631,508	\$ -	\$ 964,954	\$ 15,019,127	\$ 13,671,480	\$ 60,287,069
Budgetary Fund Balance, as of June 30	\$ 31,421,932	\$ -	\$ 716,765	\$ 7,679,554	\$ 19,375,290	\$ 59,193,541
Fund Reserved for Program and Operating Contingency	\$ 11,235,700	\$ -	\$ 94,275	\$ 464,552	\$ 1,022,197	\$ 12,816,724

*The TIMMA program will be reflected in the Transportation Authority budget, as relevant, after it is presented to the TIMMA Committee



Revised April 21, 2021

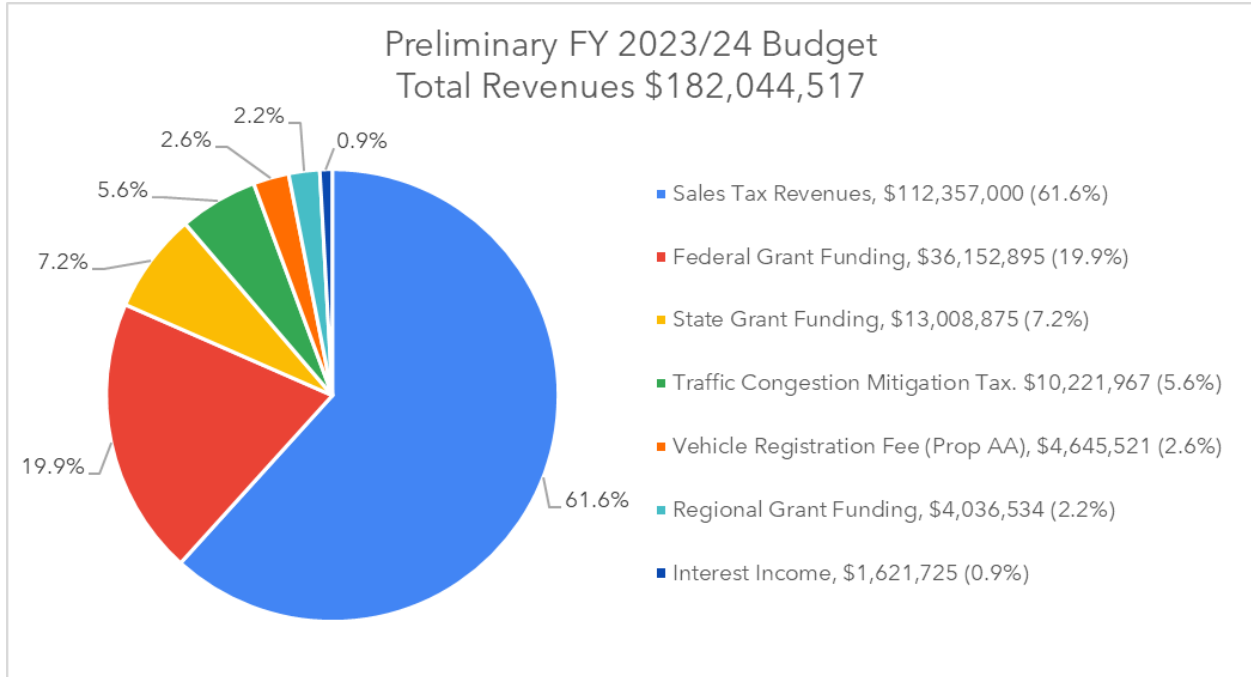
TIMMA:
Treasure Island Mobility
Management Agency



Attachment 6
Line Item Descriptions

TOTAL PROJECTED REVENUES..... \$182,044,517

The following chart shows the composition of revenues for the preliminary Fiscal Year (FY) 2023/24 budget.



Prop L Sales Tax Revenues:\$112,357,000

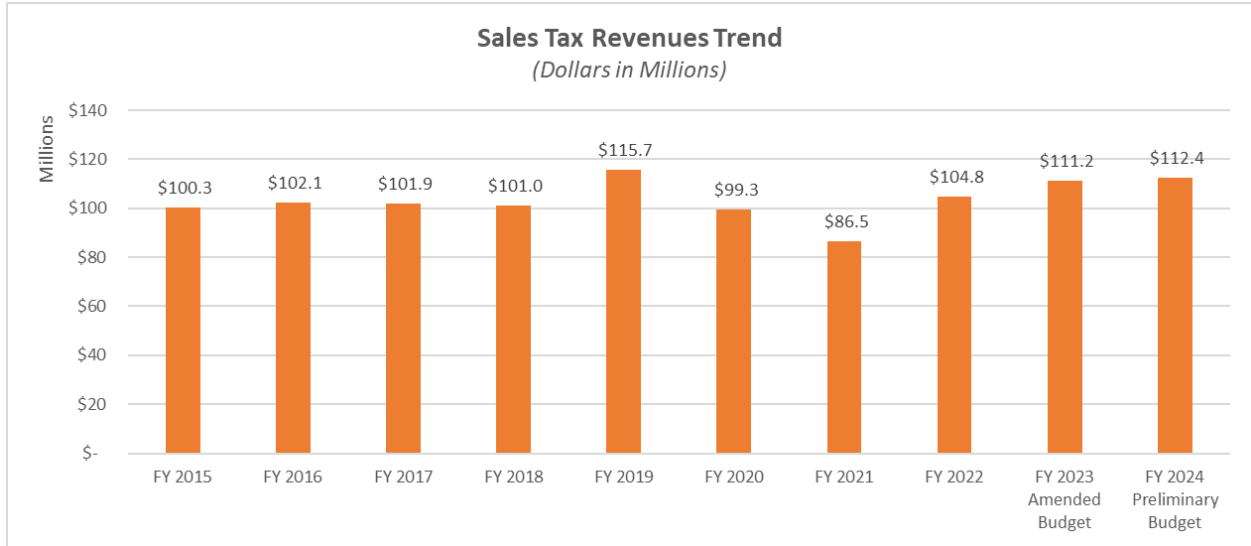
In November 2022, San Francisco voters approved Prop L, the imposition of a retail transactions and use tax of one-half of 1% in the City and County of San Francisco to fund the Prop L Expenditure Plan. The 30-year expenditure plan extends through March 31, 2053, prioritizes \$2.6 billion (in 2020 dollars) and helps San Francisco projects leverage another \$23.7 billion in federal, state, regional and other local funding for transportation projects. The expenditure plan restricts expenditures to five major categories: 1) Major Transit Projects; 2) Transit Maintenance and Enhancements; 3) Paratransit; 4) Streets and Freeways; and 5) Transportation System Development and Management. Prop L superseded the Prop K Expenditure Plan on April 1, 2023.

Based on sales tax receipts in the first half of the fiscal year, sales tax revenues are on track to meet the amended sales tax revenues budgeted in FY 2022/23 of \$111.2 million. We project that FY 2023/24 sales tax revenues to increase by 1.0%, or \$1.1 million as compared to the amended budget revenues for FY 2023/24 as there will be a slowing in pace of growth in the latter half of FY 2022/23 and leading into FY 2023/24 given the higher interest rates, reduced savings levels, reduced goods consumption, and weakened consumer confidence. The reduction in taxable sales will be partially offset by lingering inflation in the economy for at least the next year. Growth is expected to return to more typical levels within FY 2024/25. The

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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.

This chart reflects the eight-year historical and two-year budgeted receipts for sales tax revenues.



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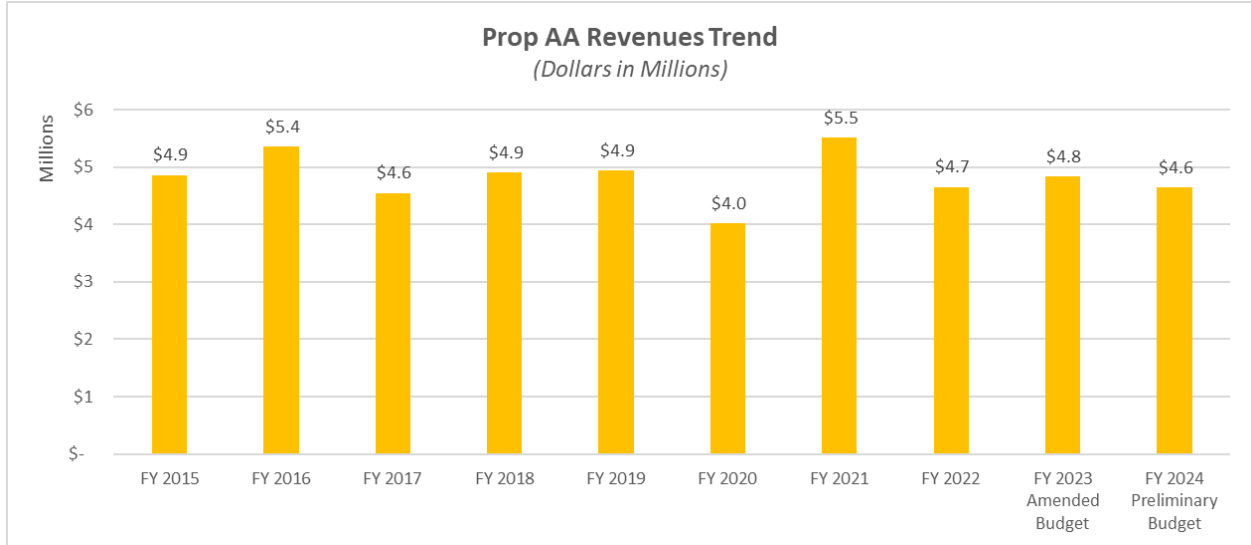
Vehicle Registration Fee for Transportation Improvements Program (Prop AA)

Revenues:.....\$4,645,521

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 actual revenues for FY 2020/21 and FY 2021/22, and FY 2022/23 revenues to date, we project FY 2023/24 Prop AA revenues will be 3.9% lower than the amended budget revenues for FY 2022/23, which was derived from pre-pandemic revenue projections in the 2022 Prop AA Strategic Plan. Actual revenues for FY 2021/22 were 3.8% below the adopted revenue projection in the Strategic Plan, and FY 2022/23 revenues for the first seven months of the fiscal year are 4.3% below the adopted revenue projection. This decline in revenues is due to having fewer vehicles registered in San Francisco, which is consistent with population trends that we have seen during the pandemic. This amount is net of the Department of Motor Vehicles' charges for the collection of these fees.

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



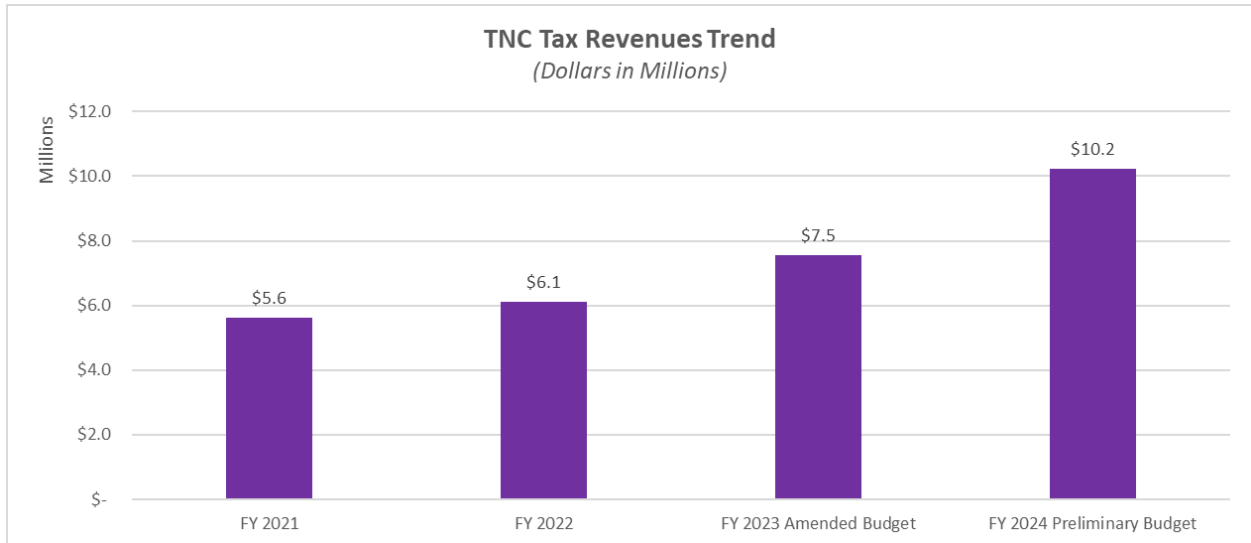
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Traffic Congestion Mitigation Tax (TNC Tax) Revenues:..... \$10,221,967

The Proposition D Traffic Congestion Mitigation Tax was passed by San Francisco voters in November 2019. The measure, also referred to as the TNC Tax, is a surcharge on commercial ride-hail trips that originate in San Francisco, for the portion of the trip within the city. The tax also applies to private transit companies and rides given by autonomous vehicles commercially. Single occupant trips are taxed at 3.25%, with electric vehicle trips receiving a discount to 1.5% through 2024. Shared trips are taxed at 1.5%. The tax is in effect until November 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.

Based on continuous discussions and coordination with the City’s Controller’s Office and the SFMTA, we anticipate TNC Tax revenues for FY 2023/24 to increase by 35.5%, or \$2.7 million, which is in alignment with the Controller’s Office projections. While revenues are rebounding as we recover from the pandemic, they continue to be affected by changes in travel demand brought on by the pandemic.

This chart reflects the one-year historical and two-year budgeted receipts for TNC Tax revenues.



Note: FY 2020/21 TNC Tax Revenues include \$2.5 million covering January to June 2020 that was received in October 2020.

Interest Income:..... \$1,621,725

Most of our investable assets are deposited in the City’s Treasury Pool (Pool). The level of our deposits held in the pool during the year depends on the volume and level of Sales Tax capital project reimbursement requests. Our cash balance consists largely of allocated Sales Tax funds, which are invested until invoices are received and sponsors are reimbursed. The

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FY 2023/24 budget for interest income shows a \$579,990 or 55.7%, increase as compared to FY 2022/23 which is mainly due to the increase in interest rates. Interest rates have increased from 1.8% assumed in the FY 2022/23 budget to 2.3% assumed in FY 2023/24 in the Pool. The budget does not include any adjustments that would occur due to Governmental Accounting Standards Board Statement No. 31 which is an adjustment to report the change in fair value of investments in the Pool.

Congestion Management Agency (CMA) Programs Federal, State and Regional Grant Revenues:.....\$52,255,554

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.

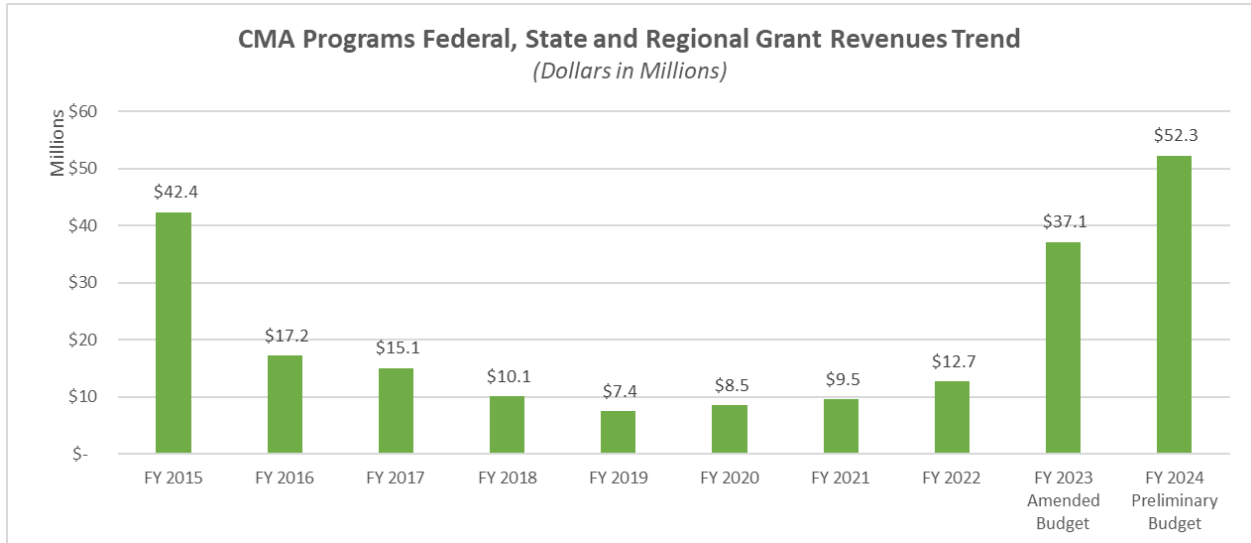
The CMA program revenues for FY 2023/24 will be used to cover ongoing staffing and professional/technical service contracts required to implement the CMA programs and projects, as well as for large projects undertaken in our role as CMA. CMA revenues are comprised of federal, state, and regional funds received from agencies such as the MTC and the California Department of Transportation (Caltrans). Some of these grants are project-specific, such as those for the Yerba Buena Island (YBI) West Side Bridges Project, Torpedo Building Rehabilitation work of the YBI Southgate Road Realignment Project, YBI Hillcrest Road Improvement Project, YBI Multi-Use Pathway Project, and I-280 Southbound Ocean Avenue Off-Ramp Realignment Project. Other funding sources, such as federal Surface Transportation Program (STP) 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 update and the Congestion Management Program. Regional CMA program revenues include City agency contributions for projects such as travel demand model services provided to City agencies in support of various projects and Bay Area Toll Authority (BATA) contributions for projects such as the Torpedo Building Rehabilitation work of the YBI Southgate Road Realignment Project.

The FY 2023/24 budget includes \$49.2 million from federal and state funding. Some of the major drivers of the federal and state funding of the CMA Program Revenues for FY 2023/24 are YBI West Side Bridges Project (\$43.0 million), YBI Hillcrest Road Improvements Project (\$2.5 million), projects funded by the STP funds as mentioned above (\$1.4 million), YBI Multi-

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Use Pathway Project (\$774,761), and I-280 Southbound Ocean Avenue Off-Ramp Realignment Project (\$751,504). This is a \$15.9 million increase as compared to FY 2022/23, largely due to anticipated increase in federal and state grant reimbursements related to construction activities for the YBI West Side Bridges Project. Also, there is an anticipated increase in state grant reimbursements for the design work for the YBI Hillcrest Road Improvement Project. The budget also includes \$3.1 million from regional funding, a \$774,211 decrease as compared to FY 2022/23 largely due to the completion of the preliminary engineering phase of the YBI West Side Bridges Project, resulting in a decreased use of regional funding from the BATA and the Treasure Island Development Authority for the project phase.

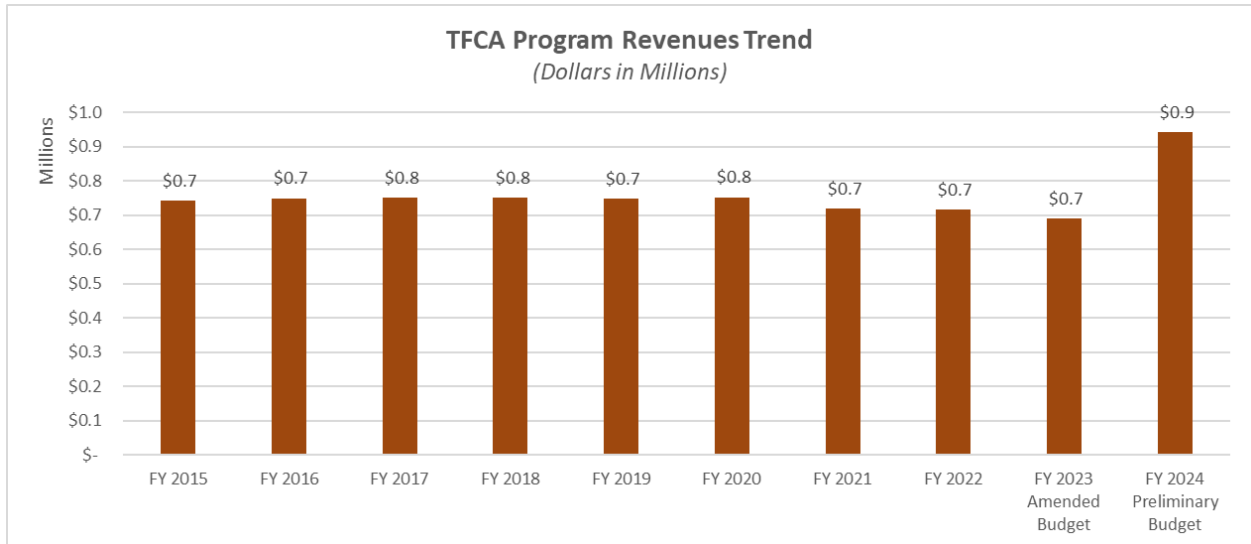
This chart reflects the eight-year historical and two-year budgeted receipts for CMA program revenues.



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Transportation Fund for Clean Air (TFCA) Program Regional Revenues:..... \$942,750

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. The \$657,188 of TFCA revenues in FY 2023/24 from vehicle registration fees are in line with what we expect for Prop AA, which is also funded by a vehicle registration fee. The Bay Area Quality Management District (Air District), which administers these revenues, also reprogrammed \$230,032 of de-obligated funds from past fiscal years to revenues in FY 2023/24. TFCA revenues for FY 2023/24 together with the additional reprogrammed funds are expected to increase by 36.5% compared to FY 2022/23. This chart reflects the eight-year historical and two-year budgeted receipts for CMA program revenues.

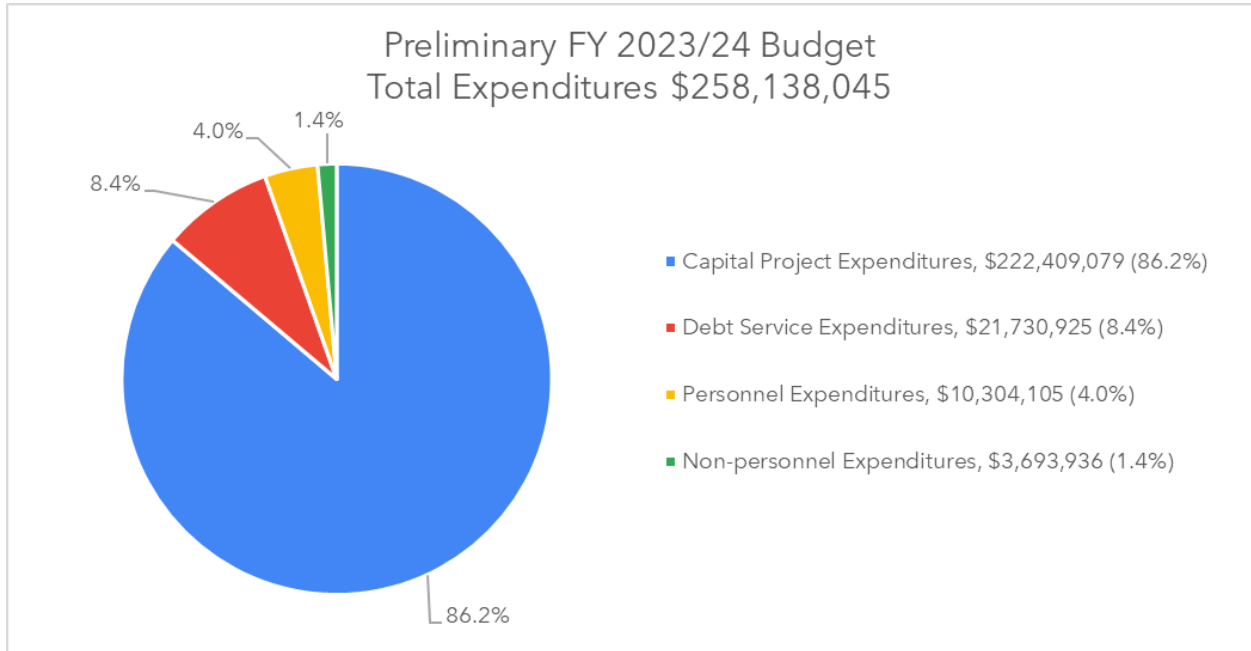


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TOTAL PROJECTED EXPENDITURES..... \$258,138,045

Total Expenditures projected for the budget year are comprised of Capital Project Expenditures of \$222.4 million, Administrative Operating Expenditures of \$14.0 million, of which \$10.3 million is for Personnel Expenditures and \$3.7 million is for Non-personnel Expenditures, and Debt Service Expenditures of \$21.7 million.

The following chart shows the composition of expenditures for the preliminary FY 2023/24 budget.



CAPITAL PROJECT EXPENDITURES..... \$222,409,079

Capital project expenditures in FY 2023/24 are budgeted to increase from the FY 2022/23 amended budget by an estimated 49.1%, or \$73.2 million, which is primarily due to anticipated higher capital expenditures for the sales tax and CMA Programs. Expenditures by Program Fund are detailed below.

Sales Tax Program Expenditures:..... \$152,530,594

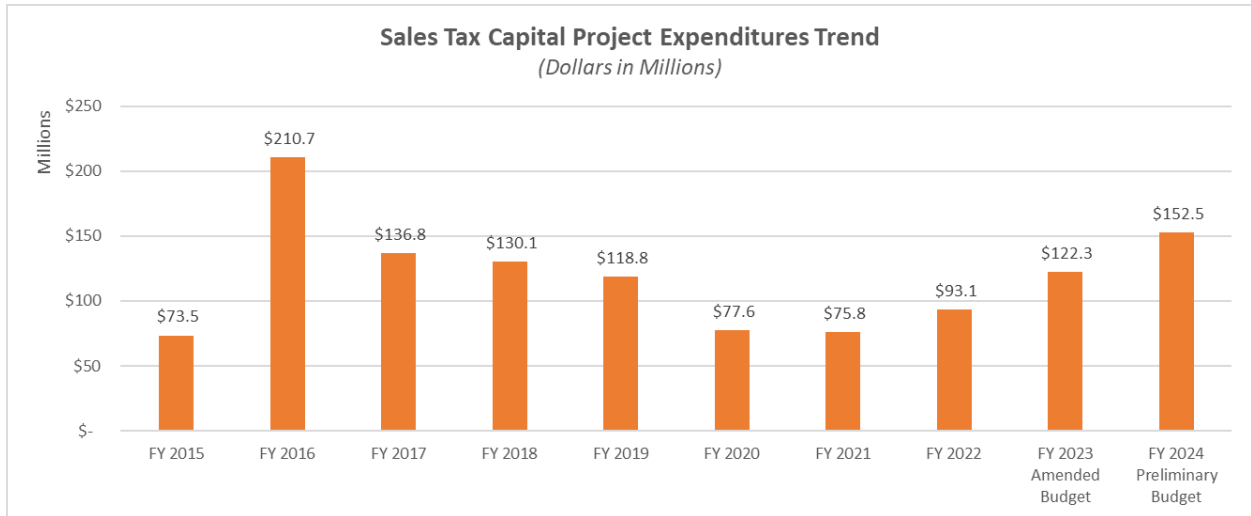
The estimate of sales tax capital expenditures reflects the ongoing coordination with project sponsors to keep up-to-date project reimbursement schedules for the existing Prop K allocations (which carryforward into Prop L) with large remaining balances as well as the expected timing for allocations of Prop L funds that will be programmed in Fall 2023. The primary driver of Prop K capital expenditures for FY 2023/24 is SFMTA’s Light Rail Vehicle (LRV) procurement (\$64.4 million), followed by Muni Facility projects including 1399 Marin Street and Potrero Yard (\$9.0 million), L-Taraval Transit Enhancements (\$5.9 million), Muni

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Guideways projects (\$7.4 million), Van Ness Bus Rapid Transit (\$6.7 million), Paratransit (\$6.0 million), and Better Market Street (\$4.5 million).

SFMTA's LRV Procurement project remains the largest cash obligation in FY 2023/24 budget because of substantially reduced need for reimbursement of sales tax funds in prior fiscal years. These reduced needs were due to delays in the project's schedule, largely as a result of the COVID pandemic and supply chain issues, as well as SFMTA's ability to invoice against funds from the Federal Transit Administration. The original cash flow schedule for this project anticipated that Prop K reimbursements through FY 2022/23 would total \$121 million, whereas expected reimbursements through FY 2022/23 are now estimated at \$91.8 million. As a result, a portion of the prior year cash needs have been pushed to FY 2023/24 with anticipated reimbursements of \$64.4 million, with the remaining \$16.2 million in FY 2024/25. SFMTA still expects to procure all 151 replacement LRVs by June 2026 as originally planned, and production will continue to ramp up in the coming years with 53 vehicles to be delivered in FY 2025/26, compared to 30 vehicles in FY 2022/23.

This chart reflects the eight-year historical and two-year budgeted sales tax program capital expenditures.



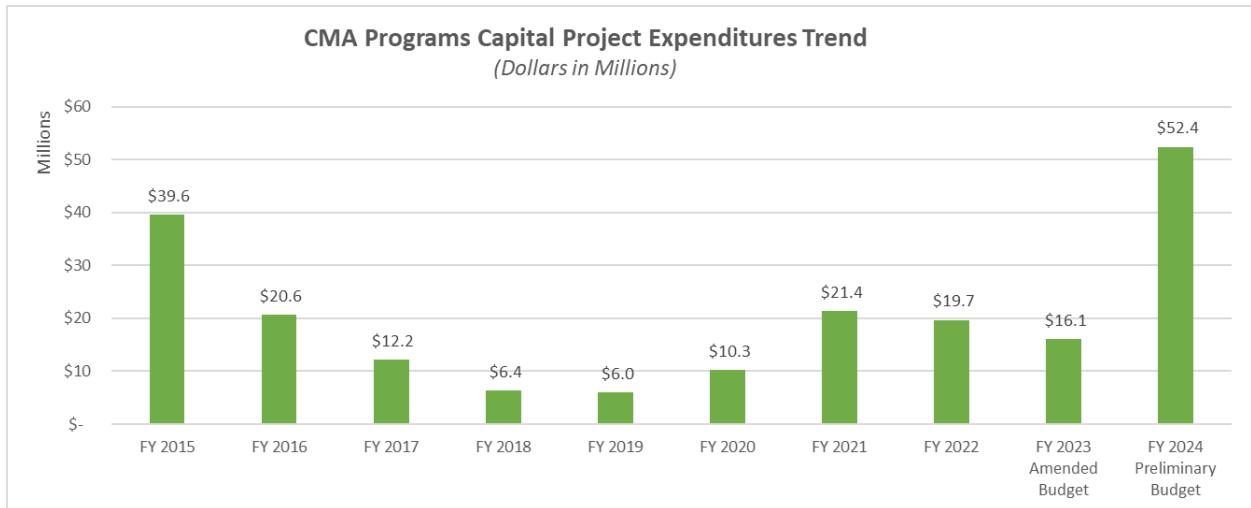
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CMA Programs Expenditures:..... \$52,388,032

This line item includes construction activities and 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 US 101/I-280 Managed Lanes and Express Bus, YBI Hillcrest Road Improvement Project, and I-280 Ocean Avenue South Bound Off-ramp Realignment projects. Also included is the YBI West Side Bridges and Torpedo Building Rehabilitation work of the YBI Southgate Road Realignment Project.

Expenditures in FY 2023/24 are budgeted to increase by 225.2%, or \$36.3 million, as compared to FY 2022/23 amended budget. This increase is primarily due to increased construction activities for the YBI West Side Bridges Project of \$38.6 million in capital expenditures. FY 2023/24 budget will represent the first full year of construction activities for the YBI West Side Bridges Project as the ground-breaking ceremony is scheduled for June 2023. In addition, this line item budget includes increased activities of \$3.0 million for the YBI Hillcrest Road Improvement and I-280 Ocean Avenue South Bound Off-Ramp Realignment projects. The increase is also offset by a decrease of combined \$5.2 million in CMA programs capital project expenditures for the YBI Southgate Road Realignment project as activities will be substantially completed by summer 2023.

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



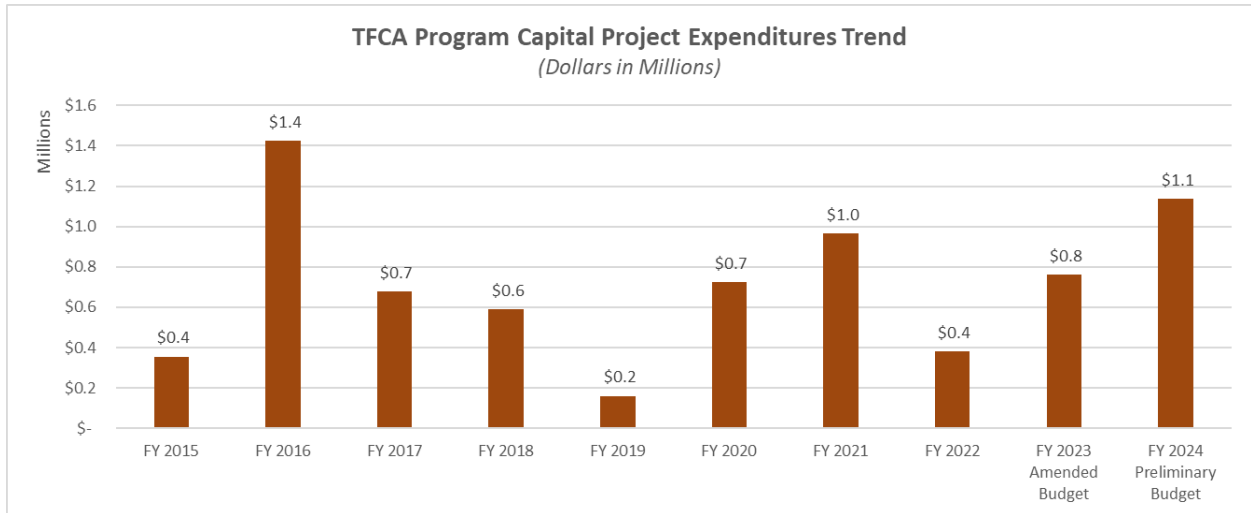
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TFCA Program Expenditures:..... \$1,136,411

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 2023/24 projects, anticipated to be approved by the Board in July 2023, carryover prior year projects with multi-year schedules and other projects that will not be completed as anticipated in FY 2022/23.

This year’s budget of \$1.1 million is higher than the FY 2022/23 amended budget by 49% or \$375,559, due to projects that are expected to complete significant amounts of work, such as SFMTA’s Short-Term Bike Parking, and projects which are behind schedule and did not invoice as expected in prior years, such as EVgo’s Mixed Use Building Fast Charging.

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



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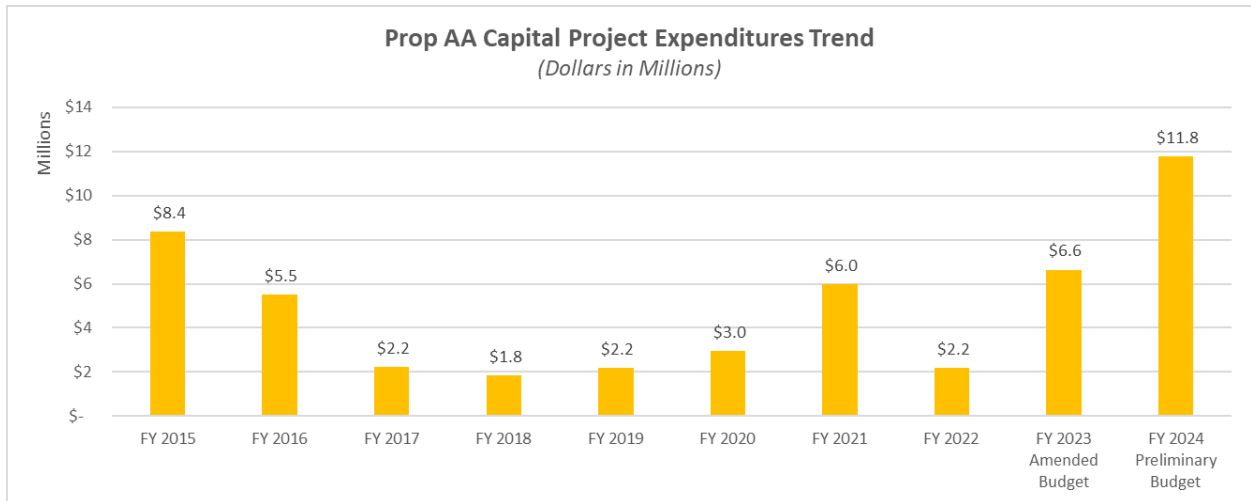
Vehicle Registration Fee for Transportation Improvements Program (Prop AA)

Expenditures:\$11,771,309

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 2023/24 projects programmed in the Prop AA Strategic Plan, carryover prior year projects with multi-year schedules, and other projects that will not be completed as anticipated by the end of FY 2022/23. The largest capital project expenditures include SFMTA’s L-Taraval Transit Enhancements (Segment B), and San Francisco Public Works’ Richmond Residential Streets Pavement Renovation, Mission and Geneva Pavement Reconstruction, and Hunters Point, Central Waterfront and Potrero Hill Area Streets Pavement Renovation, which together account for 59% of the FY 2023/24 budget amount.

For FY 2023/24, we expect expenditures to increase by 77.4%, or \$5.1 million, as compared to the FY 2022/23 amended budget of \$6.6 million. This increase is primarily due to several projects that were delayed and did not invoice as expected in prior years, such as the L-Taraval and Richmond paving projects.

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



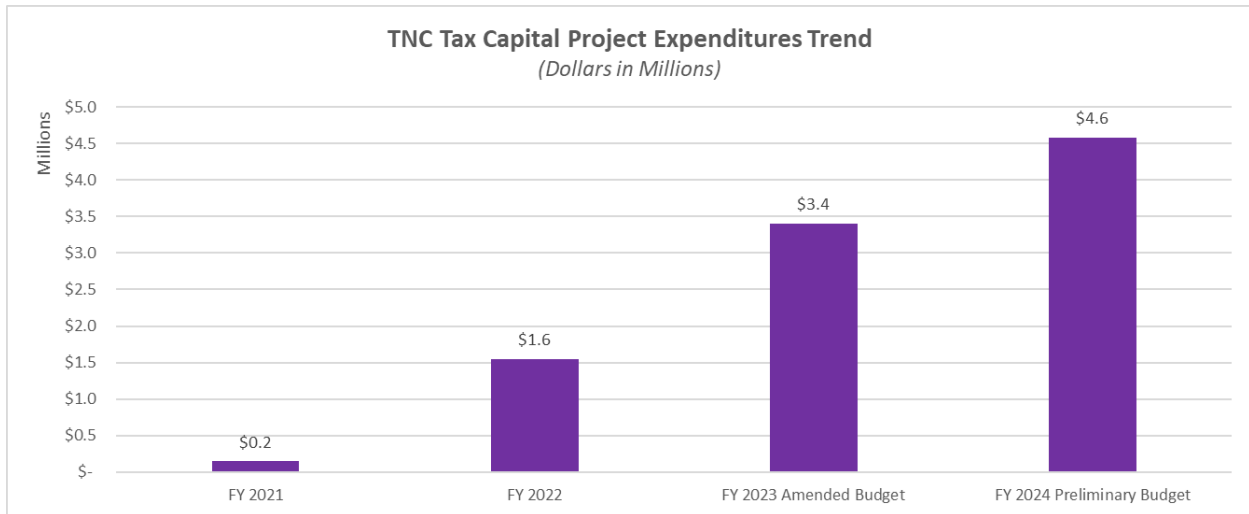
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Traffic Congestion Mitigation Tax Program (TNC Tax) Expenditures:.....\$4,582,733

On April 26, 2023, the Board will consider final adoption of the TNC Tax Program Guidelines and the programming of \$21.3 million in TNC Tax revenues in FY 2022/23 and FY 2023/24 to the SFMTA’s Vision Zero Quick-Build Program and the Application-Based Residential Traffic Calming Program.

Capital Project Costs for the TNC Tax Program in FY 2023/24 are expected to increase by 38.6%, or \$1.3 million, which is based on allocations made for SFMTA’s Vision Zero Quick-Build Program in FY 2021/22 and FY 2022/23 and for SFMTA’s Residential Traffic Calming Program in FY 2022/23, as well as anticipated allocations to both programs, and their associated project schedules.

This chart reflects the historical and two-year budgeted TNC Tax capital project expenditures.



ADMINISTRATIVE OPERATING EXPENDITURES..... \$13,998,041

Administrative operating expenditures in FY 2023/24 are budgeted to increase from the FY 2022/23 amended budget by \$1.7 million or 13.7%. Operating expenditures include personnel, administrative, Commissioner-related, and equipment, furniture and fixtures expenditures.

Personnel:..... \$10,304,106

Personnel costs are budgeted at a higher level by 21.9% as compared to the FY 2022/23 amended budget, reflecting a budget of 43 full-time equivalents. The increase in personnel costs is primarily due to the budgeting of various positions in the FY 2022/23 amended budget for a partial year as compared to FY 2023/24 for the full year and the hiring of various vacant positions for the Controller, Transportation Modeler, as well as anticipating the hiring of a Rail Principal Engineer and a Project Manager in the first or second quarter of the fiscal year, subject to approval by the Personnel Committee of the new positions. We plan on

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presenting to the Personnel Committee in May 2023 and to the Board in June 2023 for recommendation and approval of the conversion of these two positions from existing positions. The increase in fringe benefits reflects the proportional increase in salaries as mentioned above. Personnel costs budgeted under the Treasure Island Mobility Management Agency (TIMMA) program will be reflected in the Transportation Authority budget, as relevant, after it is presented to the TIMMA Committee. 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:..... \$3,693,936

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.

During FY 2023/24, we will assess the suitability of our current office needs as the lease expires in 2025 and exercise the option renewal or relocate. Non-personnel expenditures in FY 2023/24 are budgeted to decrease from the FY 2022/23 amended budget by an estimated 4.2%, or \$163,093.

DEBT SERVICE COSTS..... \$21,730,925

The Transportation Authority has a \$125 million Revolving Credit Loan Agreement with U.S. Bank National Association and the full balance is currently available to draw upon for Prop K capital project costs. 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 payment of \$14.5 million and interest payments of \$7.1 million related to our 2017 Sales Tax Revenue Bonds, and other costs associated with our debt program. Debt service expenditures in FY 2023/24 are budgeted to decrease from the FY 2022/23 amended budget by an estimated 0.3% or \$67,125.

OTHER FINANCING SOURCES/USES.....\$75,000,000

The Other Financing Sources/Uses section of the Line Item Detail for the FY 2023/24 budget includes anticipated drawdowns from the Revolving Credit Loan Agreement. We had

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budgeted for a \$20 million drawdown from the Revolving Credit Loan Agreement in our FY 2022/23 amended budget. The estimated level of sales tax capital expenditures for FY 2023/24 may trigger the need to drawdown up to an additional \$75 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 \$3.7 million among the sales tax and CMA funds. These transfers represent Sales Tax appropriations to projects such as the US 101/I-280 Managed Lanes and Express Bus, I-280 Ocean Avenue Southbound Off-Ramp Realignment, and Travel Demand Management Market Analysis projects.

BUDGETARY FUND BALANCE FOR CONTINGENCIES..... \$12,816,724

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 \$11.2 million, or 10% of annual projected sales tax revenues, is set aside as a program and operating contingency reserve. We have also set aside \$94,275 or about 10% as a program and operating contingency reserve respectively for the TFCA Program; \$464,552 or about 10% as a program and operating contingency reserve respectively for the Prop AA Program; and \$1.0 million or about 10% as a program and operating contingency reserve respectively for the TNC Tax Program.