



## Memorandum

**Date:** June 26, 2023

**To:** Transportation Authority Board: Commissioners Mandelman (Chair), Melgar (Vice Chair), Chan, Dorsey, Engardio, Peskin, Preston, Ronen, Safai, Stefani, and Walton

**From:** Tilly Chang - Executive Director

**Subject:** 6/27/2023 Board Meeting: Executive Director's Report – INFORMATION

### REGIONAL, STATE AND FEDERAL ISSUES

**Transit Fiscal Cliff - Legislators Approve State Budget Proposal that Would Reinstate Transit Funding.** The Fiscal Year (FY) 2023/24 state budget that the Legislature approved by its June 15 deadline features \$1.1 billion in flexible transportation funding to help California transit agencies with fare revenues remaining well below pre-pandemic levels, including Muni and BART. It also would restore a \$4 billion commitment for local transit capital improvements that was included in last year's budget agreement and provides the option to flex these funds toward transit operations. Additional detail on the transit provisions will be included in future budget trailer bills that are currently under negotiation, such as what accountability measures will be incorporated to ensure transit agencies are working to improve their economic recovery. Governor Newsom must approve the funding and other provisions for them to go into effect. We want to thank our state legislative representatives for their role in reaching this momentous milestone, in particular Senator Scott Wiener, who has championed the importance of addressing the transit fiscal cliff throughout this year's budget process. While the proposed budget would provide a welcome level of relief and has the potential to reduce transit cuts in the near term, a significant multi-year commitment of new revenue for transit operations is still needed to address the near-term fiscal cliff issues facing transit operators.

**Senate Bill 532 (Wiener) Would Help Bay Area Transit Avoid Service Cuts; Proposed 5-Year \$1.50 Toll Increase on State-Owned Toll Bridges.** Last Friday Senator Wiener introduced Senate Bill 532, which would increase the tolls on state-owned Bay Area bridges by \$1.50 for five years to help BART, Muni, Caltrain, and other Bay Area transit agencies avoid cutting rail and bus service due to financial shortfalls they are facing as ridership recovers from the pandemic. The bill, which is co-authored by Assemblymembers Ting and Haney, as well as other Bay Area lawmakers, would raise \$900 million in new revenue for transit. The funds would be distributed to transit operators facing financial deficits by the MTC, with a portion set aside to implement security, safety, reliability, and cleanliness improvements



consistent with the region's adopted Transit Transformation Action Plan. The bill would require a 2/3 vote of the Legislature to become law.

**San Francisco Municipal Transportation Agency (SFMTA) Awarded \$30 million Federal Grant for Battery Electric Bus Charging Infrastructure.** On June 26 the Federal Transit Administration announced the award of \$1.7 billion in funding for projects that will help put cleaner buses on the road across the country. We are happy to report that SFMTA will receive a little over \$30 million from the Buses and Bus Facilities Program to buy and install charging equipment at its Islais Creek and Woods bus yards to help transition its fleet to battery-electric buses (BEBs). This project will provide the needed electric vehicle charging infrastructure for 12 additional 40' BEBs at Woods Yard and 6 new 60' BEBs at Islais Creek. We will continue to work with SFMTA to identify state and federal fund sources to support their overall fleet conversion program and ensure that Prop L and other local funding are leveraged to the highest extent possible.

**CPUC Data Rulemaking Held in San Francisco, Expansion Permits for Waymo and Cruise delayed:** The SFMTA/SFCTA Autonomous Vehicle (AV) team provided comments on several topics this month to the CPUC, including on Clean Miles Program, TNC (ridehail) time stamp data, AV data reporting and expansion permits for Cruise and Waymo. On the latter topics, our position is that the CPUC should establish, collect and evaluation AV performance data before considering or approving expansion permits for AV companies operating in San Francisco. Despite our advocacy, CPUC staff continue to recommend granting Cruise and Waymo expansion permits. The joint staff team met with CPUC President Reynolds and Commissioner Sharoma's staff, and representatives from Waymo, as well as with transportation advocacy groups including the San Francisco Bicycle Coalition, SF Transit Riders and WalkSF. The CPUC yesterday announced it would reschedule its hearing on Cruise and Waymo's requested expansion permits from June 29 to July 13.

**Bay Skyway Phase 1 - California Transportation Commission Grant Awards Announced.**

We are disappointed that our application for the Bay Skyway Phase 1 project was not recommended to receive funding from two competitive Senate Bill 1 grant programs - the Solutions for Congested Corridors Program and the Local Partnership Program. The requested \$85 million for the Bay Skyway Phase 1 project included funding to construct the Yerba Buena Island (YBI) Multi-Use Path from the touchdown of the east span of the Bay Bridge at YBI Vista Point to the new ferry terminal on Treasure Island and charging infrastructure for new electric ferry service from Treasure Island to the Embarcadero and the West Oakland Link in the East Bay. We worked with the MTC to develop a Transbay Comprehensive Multimodal Corridor Plan in advance of the applications, including outreach to affected communities on both sides of the Bay and on Treasure Island. Even though the project wasn't recommended for funding, the plan will still help us to develop future grant



applications. We are seeking a debrief from California Transportation Commission (CTC) staff to obtain feedback to inform future funding efforts for this project.

**Link21 Outreach Events This Month.** This month, Link21, the joint BART and Capitol Corridor team exploring options for a new transbay rail crossing between Oakland and San Francisco, is conducting outreach focused on sharing potential project concepts, the different types of service each concept could deliver, and initial findings of a benefits-and-tradeoffs analysis. The team held an in-person outreach event at the Southeast Community Center on June 15, along with other events in this month in Richmond and Oakland. Link21 will also be hosting a virtual event online with the same content tonight at 5:30pm, and a self-directed online open house is available 24/7 now through the end of July. Information about both virtual engagement options can be found at the Link21 program's website, [link21program.org/events](https://link21program.org/events). We will bring an update on Link21 and its relationship to San Francisco's future rail planning and development efforts to an upcoming board meeting.

## **LOCAL ISSUES**

### **Prop L Implementation - Outreach Wrapping Up, First Allocations Anticipated in July.**

This spring we have been reaching out to the public to get feedback about specific projects that they would like to see funded with the Prop L sales tax in the next five years to inform the 5-Year Prioritization Programs (5YPPs) or 5-year projects lists for the new measure. We presented at community and business roundtables in April, met with Expenditure Plan Advisory Committee members and representatives of Equity Priority Communities in May, and hosted a virtual Town Hall last week. We've also been collecting feedback via an online multilingual survey which will be open until the end of this week. We are sharing outreach findings with sponsor agencies. In addition, Project Information Forms for the first round of 5YPPs, which will be presented at the Community Advisory Committee (CAC) tomorrow evening and at the Board in July, are available on our website. There are also a few time-sensitive Prop L allocations moving in parallel with this first round of 5YPP approvals. The remaining 5YPPs will be brought to the CAC and Board this fall. We will continue to be available this summer to attend community meetings to discuss priorities for funding. See [sfcta.org/ExpenditurePlan](https://sfcta.org/ExpenditurePlan) or email [PropL@sfcta.org](mailto:PropL@sfcta.org) for more information.

## **PROJECT DELIVERY**

**West Side Bridges Project - Construction Begins.** We are happy to share that the project held a groundbreaking event on Friday, June 16, 2023 at 1 Avenue of the Palms, Treasure Island. Chair Rafael Mandelman and Speaker Emerita Nancy Pelosi attended the event along with representatives from City and County of San Francisco, the California Transportation Commission, US Coast Guard, Caltrans, Bay Area Toll Authority and Treasure Island



Development Authority. We would like to thank our city and community partners for helping with this project as well. The West Side Bridges Retrofit will seismically retrofit eight existing bridge structures along Treasure Island Road to meet current seismic safety standards. These bridge structures are a critical connection between Yerba Buena Island, Treasure Island, and the Bay Bridge and will expand access for existing residents and to support the 8,000 new units of housing being developed on Treasure Island. The \$126 million project, expected to be completed in 2026, is funded by federal, state, regional and local grants and improves circulation and safety for motorists as well as people biking and taking transit.

**Quick-Build Update - Prop K Sales Tax and TNC Tax Support Safety Improvements.** We are glad to see SFMTA continue to make progress on implementing quick-build safety projects. The **17th Street Quick-Build Project** recently held a virtual open house in early June. The Hyde Street Quick-Build project held a Virtual Open House to familiarize the public with the project and gather feedback. Design alternatives, simulation renderings, and a feedback survey can be found at the project's website [SFMTA.com/HydeQuickBuild](https://SFMTA.com/HydeQuickBuild). Project proposals are still available for viewing online. Following an engineering public hearing in March, the SFMTA approved the **Bayshore Boulevard Quick-Build Project** and the project team is currently preparing for construction in the summer months. Weekly construction updates for the **Mid-Valencia Pilot Project** can be found on the project website: [SFMTA.com/ValenciaBikeway](https://SFMTA.com/ValenciaBikeway). These projects are funded by Prop K and TNC Tax funds.

**New Castro Station Elevator - Construction Starting.** I am excited to share that SFMTA gave the contractor the Notice to Proceed for construction on June 20, 2023 for a new four-stop elevator on the south side of the Castro Muni Station. This project will improve ADA access to transit and create an accessible path from the southwest corner of Market and Castro to the Harvey Milk Plaza. This project is funded with Prop K sales tax funds.

**SFMTA Bus Transit Signal Priority - Improving Transit Reliability.** SFMTA has completed the Prop K-funded Bus Transit Signal Priority project which equipped the following 11 intersections with GPS-based Transit Signal Priority Divisadero: Sutter, Post, O'Farrell, Ellis, Eddy, Golden Gate, McAllister, Fulton, Grove, Hayes, and Page. Project benefits include improved transit performance, standardized traffic signal timing, and remote monitoring. This project was funded by Prop K.

**Cable Car 150 Anniversary Celebration.** On June 13, Commissioner Peskin attended a kickoff event at California and Market Streets to celebrate 150 years of cable cars in San Francisco. The Transportation Authority has a history of funding cable car infrastructure including sales tax funds for propulsion gear boxes, pulley rebuilds, propulsion controller upgrades, and California Street improvements. Tours of the San Francisco Municipal Railway Carpenter Shop will be offered on Fridays from July 7 through November 3 (it's free but tickets are required), and a commemoration of the very first cable car trip on its 150<sup>th</sup>



anniversary date of August 2 at 10:30 am at Powell and Market Streets. Visit <https://sfcablecars.org/events> for more information.

**DC Fast Charger at Safeway (7th & Cabrillo) Open for Use.** I am happy to announce new publicly-available DC fast chargers for electric vehicles at the Safeway at 7th Avenue and Cabrillo Street in District 1. EVgo, a private vehicle charger company, installed these chargers with a grant from the Transportation Authority's Transportation Fund for Clean Air program and private funds. EVgo expects to construct an additional set of chargers at the Safeway on Cabrillo near Ocean Beach later this year. We are excited to help accelerate construction of these fast chargers in areas of the city that so far have seen less investment by the private sector alone.

## **MANAGEMENT AND ADMINISTRATION**

**Transportation Authority Maintains Highest Rating for Sales Tax Bond Outlook for Third Consecutive Year.** The San Francisco County Transportation Authority has maintained the highest possible rating of AAA by Fitch Ratings for \$208.3 million in senior sales tax revenue bonds (2017). This is the third consecutive year Fitch affirmed a AAA rating on the agency's debt, placing the Transportation Authority among the highest rated organizations in California. The Transportation Authority repays the bonds using revenues from San Francisco's half-cent sales tax, which is estimated to be approximately \$112 million in the agency's proposed budget for the fiscal year beginning July 2023. The bonds are part of the agency's overall financial strategy to advance half-cent sales tax project delivery and allow benefits to the public to be realized sooner than would otherwise be possible.