



Memorandum

AGENDA ITEM 7

DATE: April 18, 2025

TO: Transportation Authority Board

FROM: Cynthia Fong – Deputy Director for Finance and Administration

SUBJECT: 05/13/2025 Board Meeting: Preliminary Fiscal Year 2025/26 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) 2025/26 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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DISCUSSION

The preliminary FY 2025/26 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); administering the Prop D Traffic Congestion Mitigation Tax program (Transportation Network Company or TNC Tax); and operating as the Treasure Island Mobility Management Agency (TIMMA) for San Francisco. Our work program reflects the multi-disciplinary and collaborative nature of our roles in planning, funding, and delivering transportation projects and



programs across the city, while ensuring transparency and accountability in the use of taxpayer funds.

Attachment 1 contains a description of our preliminary work program for FY 2025/26. Attachment 2 displays the preliminary budget in a format described in our Fiscal Policy. The division of revenues and expenditures into the Sales Tax program, CMA program, TFCA program, Prop AA program, TIMMA, and TNC Tax program in Attachment 2 reflects our six distinct responsibilities and mandates. Attachment 3 shows a comparison of revenues and expenditures to the prior year's actual and amended budgeted numbers. Attachment 4 shows a more detailed version of the 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 2025/26 Budget and Work Program will be presented as a separate item at the May and June TIMMA Committee and TIMMA Board meetings, respectively.

Revenues. Total revenues are projected to be \$196.7 million and are budgeted to increase by an estimated \$6.9 million from the FY 2024/25 Amended Budget, or 3.7%. Sales tax revenues, net of interest earnings, are projected to be \$108.4 million or 55.1% of revenues. This is an increase of \$79,600 or 0.1%, compared to the budgeted sales tax revenues of \$108.3 million for FY 2024/25. Based on sales tax receipts collected through January 2025 and in coordination with the City's Controller's Office, we project sales tax revenues for FY 2025/26 to remain relatively steady and in line with FY 2024/25 budgeted revenues. While the inflation rate is anticipated to rise, increased costs in essential non-taxable sectors (particularly housing, medical, and energy expenses) are limiting disposable income and reducing discretionary spending on taxable goods. TNC tax revenues are projected to be \$8.8 million or 4.5% of revenues. Program revenues are projected to be \$73.1 million or 37.2% of revenues. This is an increase of \$6.1 million compared to the budgeted program revenues of \$67.0 million for FY 2024/25, which is largely due to new federal grant funding for Treasure Island Connects, increased federal and state grant funding for Treasure Island Ferry Terminal Enhancements Project that was postponed from FY 2024/25, new federal grant funding for the San Francisco Network Management Study and new state grant funding for the Bayview Street Safety and Truck Relief Study.



Expenditures. Total expenditures are projected to be about \$248.2 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 \$210.6 million. Capital projects costs are 84.8% of total projected expenditures, with another 4.3% of personnel expenditures and 1.4% of non-personnel expenditures budgeted for administrative operating costs, and 9.5% for debt service and interest costs. Capital project costs in FY 2025/26 are budgeted to decrease by \$8.9 million, or 4.0%, from the FY 2024/25 amended budget, which is primarily due to lower capital project expenditures for the Sales Tax and CMA Programs. Most of the construction activities for the YBI Hillcrest Road Improvement Project will be completed in FY 2024/25, thus reflecting a decrease of \$7.9 million in capital project expenditures in FY 2025/26.

Debt service costs of \$23.5 million are for costs related to the assumed fees and interests related to the expected \$110 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. In October 2024, we entered into a new Revolving Credit Loan Agreement with U.S. Bank National Association for \$185 million to support the Transportation Authority's interim borrowing program. Our debt program has allowed us more flexibility and has enabled us to cost effectively accelerate delivery of the Prop K and L programs than 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 2025/26 preliminary budget includes anticipated drawdown from the Revolving Credit Loan Agreement. We had budgeted our first tranche for a \$65 million drawdown in our FY 2024/25 amended budget. The estimated level of sales tax capital expenditures for FY 2025/26 may trigger the need to drawdown up to an additional \$110 million, leaving \$10 million left to borrow in the \$185 million 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 Sales Tax appropriations to projects such as the YBI West Side Bridges, YBI Hillcrest Road Improvement Project, Geary-Fillmore Underpass Community Planning Study, San Francisco Freeway Network Study, and San Francisco Transportation Plan 2050+ projects.



Personnel. Assembly Bill No. 2561 (McKinnor) requires public agencies to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year. The FY 2025/26 budget reflects a budget of 44 full-time employees. There are three vacant positions which will be filled contingent upon securing sufficient funding and will be included in future year budgets or budget amendments.

In FY 2025/26, we anticipate conducting a comprehensive review of our job classifications, descriptions, base compensation and benefits is currently being conducted. The goal is to optimize personnel recruitment and retention by making every effort to compensate employees fairly and equitably and remain competitive with similar agencies in its compensation practices as the Transportation Authority's Personnel Manual calls for a periodic review of the Transportation Authority job classification structure. Changes to Personnel expenditures as a result of the revised job classifications and salary structure, if any, will be reflected in the FY 2025/26 mid-year budget amendment.

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 \$49.8 million in total fund balances, as a result of the anticipated \$110 million Revolving Credit Loan Agreement drawdown.

Next Steps. The preliminary FY 2025/26 budget will be presented for information to the Board at its May 13 meeting. The final proposed FY 2025/26 Annual Budget and Work Program will be presented to the Community Advisory Committee at its May 28 meeting and to the Board at its June 10 and 24 meetings. A public hearing will precede consideration of the FY 2025/26 Annual Budget and Work Program at the June 10 Board meeting.

FINANCIAL IMPACT

None. This is an information item.

CAC POSITION

None. This is an information item.

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

Proposed Work Program

The Transportation Authority's Fiscal Year (FY) 2025/26 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; 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 2024/25 Work Program will be presented to the TIMMA Committee and TIMMA Board and highlights are included below.

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; 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 2025/26 Work Program will be presented to the TIMMA Committee and TIMMA Board and highlights are included below.

Our work program reflects the multi-disciplinary and collaborative nature of our roles in planning, funding, and delivering transportation projects and programs across the city, while ensuring transparency and accountability in the use of taxpayer funds.

PLAN

Long- range, countywide transportation planning and CMA-related policy, planning, and coordination are at the core of the agency's planning functions. The San Francisco Transportation Plan (SFTP) 2050, adopted in 2022, serves as the long-range transportation policy and investment blueprint for the city. Recommendations from SFTP 2050 provide the basis for our input into regional plans such as Plan Bay Area (PBA) 2050+, seeking to position San Francisco projects for discretionary funds and to shape regional policy that helps to support San Francisco's goals. In FY 2025/26, we will substantially complete SFTP 2050+, a limited and focused update to SFTP 2050. SFTP 2050+ will adjust the 30-year investment

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plan based on updated information, technical analysis, and stakeholder outreach, and will update policy recommendations. We will also continue to implement recommendations from SFTP 2050 through 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 including resilience planning and driverless ride-hail services.

Most of the FY 2025/26 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 Policy and Programming divisions. Proposed activities include:

Active Congestion Management

- **Congestion Management Program Microsite and San Francisco Congestion Tracker Expansion.** We will release an on-line interactive version of our 2025 Congestion Management Program (CMP) that will allow decision-makers and the public to interactively access key citywide system performance metrics. We will expand the San Francisco Congestion Tracker to incorporate new data sources such as roadway volumes at key cordons, as well as local and regional transit ridership, and report a wider range of metrics and insights. We will continue with monthly updates to the San Francisco Congestion Tracker (<https://congestion.sfcta.org/>).
- **Innovative Travel Demand Management (TDM).** We will complete the **TDM Market Analysis**, which will recommend corridor -scale travel markets suited to TDM measures based on variation in land use, demographics, or transportation supply. The TDM Market Analysis will inform a parallel update of the TDM Strategic Plan which we have launched in collaboration with SFMTA, SF Environment, and the Planning Department. This plan will inform future programming of Prop L TDM funds and other funds prioritized by the Transportation Authority.
- **San Francisco Freeway Network Study and Managed Lanes Policy Support.** Building on the Streets and Freeways Study recommendations, we continue to work on planning and regional coordination for the San Francisco freeway system seeking to inform other regional and county agencies' activities on this front, as we continue advancement of concepts for San Francisco's network. In spring 2025, FY2025/26 we launched the San Francisco Freeway Network Study to evaluate managed lanes options for the county's freeway network. We have convened a community-based working group and will complete Phase 1 of the study, to identify priority segments and concepts for Phase 2 analysis, and anticipate initiating Phase 2 analysis (subject to Board guidance), in FY 2025/26. We are also continuing to coordinate with regional agencies and advocate for San Francisco's priorities in the Metropolitan Transportation Commission (MTC) Express Lane Strategic Plan; the MTC's Next Generation Freeway Study; the Bay Area Infrastructure Financing Authority's I-880

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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.

- **Treasure Island Mobility Management Program.** The Transportation Authority Board also sits as the TIMMA Board. This year, we will work with the Treasure Island Development Authority (TIDA) and other city partners to build on the momentum generated by current housing production to advance implementation of the TIMMA program, focused on implementing forthcoming electric ferry business plan via an operating memorandum of understanding with WETA, and implementing the federal EPA grant-funded TI Connects (including the on-island shuttle, microtransit to San Francisco proper, and bikeshare), pending resumption of the EPA grant. We are in discussions with TIDA and developer TICD, as well as the Transportation Authority's funding and TDM staff, about securing local funds to support additional work that can advance if the TI Connects program remains paused, including data collection, financial and travel model upgrades, advancing transit pass and TDM (transportation demand management) programs such as parking management and bikeshare, and continuing outreach on toll and affordability program policies. The TIMMA team will continue federal, state, and regional grant pursuits to implement the congestion management program and recommendations from the D6 Supplemental Transportation Study.

SFTP Implementation and Board Support

- **Neighborhood Transportation Program (NTP).** We will continue to identify and advance new projects through the sales tax-funded NTP and monitor implementation of previously funded NTP projects. Funds for the current cycle (FYs 2023/24-2027/28) include \$700,000 in local match funds for each district (some districts have already drawn down some funds) 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 Board members and SFMTA's NTP Coordinator. We anticipate completing NTP projects in five supervisorial districts including District 2 (Safety Study), District 3 (Walter U Lum Placemaking Study), District 4 (On-Demand Microtransit Business Plan), District 6 (Mission Bay School Access Plan), and District 7 (Inner Sunset Safety and Circulation Study). We will work with Commissioners to scope potential NTP planning efforts and/or seek other funding for neighborhood planning efforts such as District 9 or 11 (Mission or Outer Mission Community Based Transportation Plans (CBTPs), targeting MTC CBTP grant funds matched with Prop L Equity Priority Transportation Program and/or Caltrans Planning grant funds). We also will continue working with SFMTA to implement near term recommendations and seek funding to advance the medium to long-term recommendations of the D5 NTP, Octavia Circulation Study and the D7 Ocean Avenue Mobility Action Plan.

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- **Geary-Fillmore Underpass Community Planning Study.** This year, we will conduct the first phase of the Geary-Fillmore Underpass Community Planning Study, an effort to develop transportation and land use concept designs to better connect the Japantown and Fillmore/Western Addition neighborhoods (Equity Priority Community) that were divided when the underpass was constructed in the 1960s. The study will engage neighborhoods through the first several meetings of a Community Council with representatives of the Black, Japanese, and Jewish communities that were displaced when the underpass was constructed, as well as with newer community members. The Community Council will provide input on a goals and evaluation framework for the area; on existing conditions, needs, and opportunities; and the broader study outreach 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 focuses on safety at I-280 and US-101 on and off-ramps in the south and southeast parts of the city. The study is developing Quick Build recommendations for freeway intersections on San Francisco's High Injury Network, which is highly correlated with Equity Priority Communities. The study will be completed in FY 2025/26.
- **Laguna Honda Gondola Feasibility Study.** In October 2024, the Transportation Authority Board appropriated sales tax funds for the Laguna Honda Gondola Study. The study will assess the feasibility of a gondola system to provide vertical access for visitors arriving by transit at the Forest Hills Muni station to the nearby Laguna Honda Hospital site, which is partially being planned for affordable residential development and located atop a steep hill. We have advanced more detailed scoping for the study with technical work and public outreach planned for 2025. The study will be completed in FY 2025/26.

Long Range, Countywide, and Inter-Jurisdictional Planning

- **SFTP 2050+.** We will substantially complete the current update to the San Francisco Transportation Plan (SFTP), or SFTP 2050+, a limited and focused update to SFTP 2050 (adopted December 2022). SFTP 2050+ incorporates PBA 2050+ revisions to projected population growth and reduced revenues and updates modeling to incorporate post-pandemic travel behaviors. SFTP 2050+ will refine the 30-year financially constrained and vision investment plans based on updated information technical analysis and stakeholder outreach, and will update associated transportation sector policy recommendations, with anticipated adoption in Summer 2026.
- **Regional Plan Bay Area (PBA) 2050+.** We used recommendations from SFTP 2050, 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

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Authority and others as the basis for San Francisco's input into MTC's PBA 2050+ and Transit 2050+, which will conclude in early 2026. PBA 2050+ is a focused update of PBA 2050 that includes updated revenue estimates, targeted updates to major project recommendations, a call for new regional significant projects, and development of a climate resilience project list focused primarily on sea level rise adaptation projects. As MTC works to finalize the PBA 2050+ document, the focus of regional discussion will shift to development of an Implementation Plan to guide future policies and investments, including update of the region's **Major Project Advancement Policy (MAP)** and providing input and advocacy on the reauthorization of California's **Greenhouse Gas Reduction Fund (also known Cap and Trade auction system)**. We will engage closely, in partnership with other San Francisco transportation agencies, in this and any subsequent processes to advance San Francisco priorities such as The Portal, Embarcadero Seawall and the SFMTA fleet electrification program.

- **Regional Policy, Planning and Program Implementation.** We will continue to provide input to numerous regional efforts such as MTC's piloting of more equitable toll policies, Transit Oriented Communities policy, 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). This work will be coordinated with MTC's Regional Network Manager and regional fare integration/BayPass proposals and Caltrans' forthcoming Bay Area Transit Plan. 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, regional transit agencies, and other community stakeholders.
- **Geary/19th Ave Subway and Regional Connections Study.** This effort comprises the first phase of planning for a rail subway along the Geary and 19th Avenue corridors including regional connections to the east and south as identified in the Connect SF Transit Strategy and the recently updated California State Rail Plan. The study is developing the strategic case for the project, engaging with the public and with agency partners, and identifying the range of design and policy components and choices to be advanced through future phases of alternatives development and selection. We will undertake a second round of outreach this summer and anticipate completing the study in Fall 2025.
- **Bayview Caltrain Station Location Study.** In FY 2025/26, we plan to advance conceptual designs and conduct outreach on two main options for the future Bayview Caltrain Station, in collaboration with Caltrain and the Bayview community. Two potential locations, at Evans Avenue and Oakdale Avenue, are under consideration. To enable completion of the study, we will continue to engage actively with Caltrain on design and operational considerations for the future station. We will also work to scope the environmental phase of work.

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- **Brotherhood Way Safety and Circulation Plan.** This fiscal year, we will bring forward recommendations from this community-driven planning process as a conceptual design for safety, traffic calming and corridor redesign improvements that connect new recreational opportunities and housing near Lake Merced to the City's core active transportation network and the Daly City BART station near to Brotherhood Way in southwest San Francisco. The recommended concept will integrate developer-funded street improvements west of the US 101 interchange. As the study progresses towards a recommendation this year, we will continue to engage community stakeholders through a working group appointed by the District 7 and District 11 offices. The study will be completed in FY 2025/26.
- **Support Statewide 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 rulemaking and regulations for Autonomous Vehicles and Transportation Network Companies (TNC, like Uber and Lyft). We will also continue to coordinate with CalSTA and other partner agencies on Link21, the potential second Transbay rail crossing, and associated connections within San Francisco.
- **West Side Transportation Network Planning.** In parallel with the SFTP 2050+, we are conducting a planning effort to develop the multimodal network and policies to support existing transportation needs and planned growth in San Francisco's west side, in partnership with SFMTA, SF Planning Department, and Caltrans. This study supports the City's recently adopted Housing Element and will propose multimodal network investments, programs and policies to better reach long range planning goals. The study will incorporate planned improvements for major facilities including Sunset Boulevard and state routes Sloat/Skyline Boulevards. This study will be completed in FY2025/26.
- **Climate Resilience and Electrification Initiatives.** We will continue to support and coordinate with City and regional agencies to advance climate resilience/adaptation and electrification through various planning, policy, funding strategy/support, and project delivery efforts, such as: advocating for funding to implement the Climate Action Plan through federal, state, and regional (MTC and Air District) grant programs; participating in SFMTA's Embarcadero Mobility Resilience Plan, the Port's Sea Level Rise Coordinating Committee and Waterfront Resilience Plan, and Caltrain's Climate Change Vulnerability Study; supporting adaptation efforts as described in the Ocean Beach Master Plan; providing funding and project delivery support for electrification of Muni's fleet and modernization of its transit facilities; and supporting the SFMTA's Curbside Electrification Feasibility Study. We will also implement 2021 Climate Action

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Plan (CAP) recommendations by completing the **Eco-Friendly (formerly “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 is on track to identify a set of pilots and policy measures to reduce emissions associated with deliveries. We will draw on all of the above to inform climate resilience and electrification initiatives and priorities for inclusion in SFTP 2050+ and PBA 2050+.

Transportation Forecasting, Data and Analysis

- **Travel Forecasting.** We will provide modeling and data analysis to support Transportation Authority planning projects including the SFTP 2050+, Geary/19th Ave Subway and Regional Connections Study, Bayview Caltrain Station Location Study, Freeway Network Study, Brotherhood Way Safety and Circulation Plan, and the West Side Transportation Network Planning project. We also provide modeling, data analysis, and technical advice to City agencies and consultants through our Model Service Bureau in support of many projects and studies.
- **SF CHAMP Model Development.** We will enhance our initial implementation of the next SF-CHAMP model (version 8) which includes application of the multi-agency, cloud-based Activity Sim modeling collaboration, and also share analyses from our comprehensive 2023 Household Travel Diary survey that we deployed in collaboration with MTC and the Santa Clara Valley Transportation Authority, including comparisons to our 2019 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 the CMP. We will continue to work on the conversion and deployment of an open-source visitor travel model and an open-source commercial vehicle model. For the TIMMA, we anticipate supporting baseline data collection and scoping of travel model upgrade efforts, pending funding discussions with TIDA and TICD, described above.
- **Next Generation/Enhanced Congestion Management Program (CMP) Update.** Every two years, we prepare an update to the San Francisco CMP, which documents changes in multi-modal transportation system performance including average roadway speeds and reliability, transit reliability, and bicycle and pedestrian counts. The 2025 CMP will include continued monitoring and evaluation of land use/transportation strategy and select investment outcomes, and also expand performance tracking to include additional metrics and more frequent data reporting, potentially including use of “big data” sources, and incorporating Equity Priority Community reporting where possible. We will lead CMP data collection efforts in spring 2025, and the CMP update will be completed in fall 2025.

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- **2023 Household Travel Survey and Citywide Trends Report.** We will analyze and publish findings from our 2023 travel diary survey, undertaken in collaboration with the MTC and other Bay Area agencies, which will provide detailed information about post-COVID individual and household travel patterns. This will include comparisons with 2019 Travel Survey results and regional, citywide, and sub-area market trend analysis.
- **Transportation Sustainability Program Evaluation Study.** We will complete our research to quantify the effectiveness of the TDM strategies included in San Francisco's Transportation Sustainability Program in reducing vehicle miles traveled (VMT) and single-occupancy vehicle trips, using data collected in fall of 2023 to quantify the effects of TDM parking availability strategies on reducing VMT.
- **Autonomous Vehicle (AV)/TNC Policy and Rulemaking.** We will continue to work with our Board, SFMTA staff, the Mayor's Office, the City Attorney's office, and with industry, regulatory and community stakeholders on San Francisco's multi-part AV work program:
 - **State and Federal Policy.** Advise on state and federal AV policy (including proposed state legislation) and rulemaking opportunities addressing issues such as safety standards, traffic enforcement, and data sharing. We will provide technical and policy support to federal and state legislators and participate in industry associations regarding development of a federal AV policy framework and updates to Federal AV regulations. We will also continue to work with agency partners on issues related to the CPUC's regulation of TNCs including data sharing; and CARB implementation of the TNC "Clean Miles" and "Access for All" AV program and legislation that requires extension/renewal.
 - **Local AV initiatives.** We will continue to monitor on-street conditions including through the development of an SF AV Resource Portal, provide advice and input to local AV access initiatives at SFO and Market Street, and explore potential AV pilots or demonstration projects to evaluate technology or management strategies to manage impacts.
 - **Studies and Research.** In addition, we will build upon the forthcoming AV Safety Metrics & Standards Study to advance consensus-building on AV safety metrics and standards to inform regulators, San Francisco policymakers and the public about appropriate AV safety metrics and performance standards to guide AV deployment policies. We will continue participating in the Federal Highway Administration/UCLA Center of Excellence for Automated Vehicles, on the Transportation Research Board AV Committee and other research venues.

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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 Transportation Fund for Clean Air (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.

Implement Prop L. As noted in bullets below, ongoing work includes supporting sponsor efforts to secure discretionary funds to leverage Prop L, working with Board members to identify and scope new Neighborhood Transportation Program (NTP) projects and support ongoing NTPs; monitoring Prop L revenues; and closely tracking grant closeouts, invoicing, and anticipated project expenditures to inform financing needs. *See Customer Service and Efficiency Improvements* sub-section below for additional Prop L work program details.

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 prioritizes and allocates projects for grant funding. In our role as CMA, we also prioritize San Francisco projects for funds and provide project delivery support and oversight for programs such as the State Transit Assistance County Block Grant Program (annual funding cycle), One Bay Area Grant (we are providing input to MTC on OBAG framework and guidelines in anticipation of a county call for projects in early 2026), and State Transportation Improvement Program (draft fund estimate anticipated June with CMA project recommendations likely due to MTC fall 2025). 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 programs including the Transit and Intercity Rail Capital Program (TIRCP), and federal competitive grant programs.

Senate Bill 1 (SB 1). This coming fiscal year, we will work with San Francisco project sponsors and MTC to begin identifying and advancing strong candidates for the next funding cycles of SB1 programs such as the Active Transportation Program, Local Partnership Program (LPP) Competitive program and Solutions for Congested Corridors (SCCP), which are anticipated to have calls for projects released in 2026. After seeking Board approval of project priorities for the Transportation Authority's share of LPP Formula funds (\$5.34 million), we will seek approval from the CTC and support allocation requests for projects recommended to receive funding by April 2026.

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Regional Measure 3 (RM3) Implementation. We will continue to work with MTC/Bay Area Toll Authority (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 Portal, and Muni facilities needs; providing input on discretionary RM3 programs such as Regional Express Bus operations funding and Bay Trail/Safe Routes to Transit. We also will continue to work to meet the requirements of the Bay Skyway's contingent Bay Trail/Safe Routes to Transit award, which includes the Yerba Buena Island Multi-Use Path project (See Deliver section for additional project details).

New Revenue Options. We are actively participating in discussions regarding a November 2026 regional transportation revenue measure and corresponding legislation (SB 63 (Wiener, Arreguín)) and are also engaging with SFMTA on the advancement of local revenue solutions discussed with the Muni Funding Working Group. Our work includes supporting the development of regional and/or local revenue measure expenditure plans for potential ballot measures that would sustain and improve transit in San Francisco. See also *Legislative Advocacy* below.

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 two high priority policy areas: 1) advocacy for authorization of a regional transportation measure that could be placed on the November 2026 ballot and 'bridge funding' to sustain transit operations until early 2027 when transit operators would begin receiving funding from a November 2026 regional revenue measure, assuming the measure is successful; and 2) education and advocacy related to the need for extension of the Cap-and-Trade Program which expires in 2030. Extending this program would benefit projects such as The Portal and SFMTA's Train Control Upgrade project; and help leverage other state and federal funding.

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 Major Projects Advancement Policy (MAP). Examples include: The Portal, SFMTA's Train Control Upgrade, and BART Core Capacity. Other ongoing funding efforts are supporting Treasure Island/Yerba Buena Island infrastructure needs and Treasure Island Mobility Management program as well as Port of San Francisco's seawall capital planning. We will help position San Francisco's projects to receive funding from the federal Infrastructure Investment and Jobs Act, Senate Bill 1, regional One Bay Area Grant, and other fund programs. We serve as a funding resource

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for all San Francisco project sponsors (e.g., brokering fund exchanges, advising on EV charging business model and delivery/funding strategies).

Capital Financing/Debt 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 and the revolving credit loan agreement. Our goals are to enable accelerated delivery of 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 \$172 million in remaining Prop K grants with peak cash flow needs in FY 2025/26 and seeking improved lookahead information about billings from our largest grant recipient, the SFMTA. We are preparing to come to the Board for approval to draw down on the next tranche of the \$185 million revolving credit loan agreement when funds are needed, for an amount up to \$110 million, which could be as soon as summer 2025.

Customer Service and Efficiency Improvements. This ongoing multi-divisional initiative will continue to improve our grant-related processes to make them more user-friendly and efficient for both internal and external customers, while maintaining a high level of transparency and accountability appropriate for administration of voter-approved revenue measures (Prop L, Prop K, Prop AA, and the Prop D TNC Tax). The initiative includes maintaining and enhancing the Grants Portal, our web-based grants management database used by our staff and project sponsors. We offer annual sponsor training opportunities regarding resources, policies, and procedures for the voter-approved revenues we administer and we provide project delivery support to project sponsors that have federal, state, and regional discretionary grants to avoid the potential loss of these grants to San Francisco. We will maintain, and as needed, refine the MyStreetSF.com interactive map/tool to support user-friendly features showcasing underway and completed projects, improved search features, and other customer enhancements.

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 sales tax-funded major capital investments, such as SFMTA's train control and facility upgrade projects; The Portal (Downtown Rail Extension); and major BART projects (e.g. Core Capacity), as well as railyards planning coordination and oversight. We also serve as the lead agency for the delivery of

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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 2025/26 include the following:

Transportation Authority - Lead Construction:

- **I-80/YBI East Bound Off Ramp/Southgate Road Realignment Project.** The Southgate Road Realignment Project was opened to the public for use by vehicular traffic, pedestrians and cyclists last year, and work continues this year on associated mitigation projects. These include the YBI Torpedo Building preservation project, and Southgate contract closeout efforts, including the ultimate land transfer between United States Coast Guard and TIDA will continue in FY 2025/26. We combined delivery of the Torpedo Building preservation (Southgate Mitigation Measure) with the Bimla Rhinehart Vista Point (Pier E-2) parking lot reconstruction, a project sponsored by the Bay Area Toll Authority's as part of its Bay Bridge East Span Mitigation Measure, into one contract for the construction phase. The construction contract was awarded in Spring 2025 with anticipated construction completion in Spring 2026.
- **YBI West Side Bridges.** We are delivering this rebuild of the ramp and roadway structures connecting Treasure Island to the SF-Oakland Bay Bridge using the Construction Management/General Contractor delivery method and the project is currently proceeding smoothly on time and on budget. Construction is anticipated to be completed at the end of 2026. We are also coordinating delivery of this project with Bay Skyway Phase 1 plans for a multi-use (bicycle and pedestrian) path adjacent to the West Side Bridges and Hillcrest Road Improvement projects. See YBI Multi-Use Path and Hillcrest Road Improvement Project below.
- **YBI Hillcrest Road Improvement Project.** We awarded the construction contract for the Hillcrest roadway improvement project between Forest Road and the I-80 Portal crossing on the west side of YBI in April 2024. The project will add sidewalks and a bike path and bring Hillcrest Road up to San Francisco Public Works (SFPW) standards and install safety features. Construction, which started in July 2024, is proceeding smoothly, on time and on budget, and will last 2 years until Fall 2026. We are coordinating the Hillcrest project delivery with the adjacent YBI Multi-Use Path and West Side Bridges projects (see entries for these projects).

Transportation Authority - Lead Project Development:

- **YBI Multi-Use Path.** The Multi-Use Path project will connect 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 provide an ultimate connection point to the planned BATA-led SFOBB West Span Skyway Path. The project team awarded the design contracts in November 2024 and started design in Spring 2025.

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We will progress Segment 1 design in FY26 with completion anticipated in Spring 2027. Segments 2, 3, and 4 will complete design in Spring 2026. The team is working to secure full funding for the project, following a conditional RM3 grant award of \$23.8 million for the Multimodal Bay Skyway Project in February 2025, of which \$16 million will go toward the YBI Multi-use Path.

- **Treasure Island Ferry Terminal Enhancements.** The Transportation Authority is leading this project to construct restrooms and transit shelters for the Muni 25 bus line on behalf of TIDA. We plan to advertise the bid document for the construction of these Ferry Terminal facilities in April 2025 with construction planned for Fall 2025.
- **I-280/Ocean Avenue Southbound Off-Ramp Realignment.** We are leading design of the I-280/Ocean Avenue Southbound Off-Ramp Realignment Project in coordination with Caltrans, SFPW, SFMTA, and San Francisco Public Utilities Commission (SFPUC). This work includes analyzing geotechnical conditions and geometric, traffic, and structural requirements for the new ramp design, which will signalize the off-ramp intersection at Ocean Avenue and install a Class II bike lane on Ocean Avenue between the off-ramp and Howth Street. We will conduct community outreach and complete substantial design plans for Caltrans and City review by June 2025. Pending partner agency comments on the design and the community outreach feedback, we plan to refine designs as needed in Fall and Winter 2025, with implementation thereafter contingent on securing construction funds.
- **Quint Street Connector Road.** We are working with SFPUC on the street vacation for Quint Street between Jerrold Avenue and the Caltrain berm and are also working with SFPW and the Office of Real Estate on developing an appraisal to acquire the Quint Connector Road right-of-way. This acquisition will allow SFPW to begin the design phase of the project. This project is a Racial Equity Plan priority and commitment to the local community to construct an alternate route for vehicle circulation following the 2012 closure of Jerrold Avenue, which was necessary in order to rebuild the Caltrain bridge over that roadway in a way that preserved the construction of a Bayview Caltrain Station at that location.
- **Pennsylvania Avenue Extension (PAX).** We will advance the PAX Bridging Study in FY 2025/26. The Bridging Study was delayed to enable the study to build on other rail planning efforts, including the Railyards Preliminary Business Case, which was led by Caltrain and completed in FY 2024/25. The PAX project is planned to grade-separate the remaining at-grade crossings of the Caltrain corridor, at 16th Street and Mission Bay Drive. Building on our completed PAX Project Initiation Study, the Bridging Study will further develop project options and coordinate with adjacent projects including The Portal and Railyards efforts. The study will also include engagement with Caltrain, the community, and other city, regional, and state partners.

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Transportation Authority - Project Delivery Support:

- **California High-Speed Rail Program (CHSRA).** We will continue to partner with the CHSRA and Bay Area agencies on high-speed rail issues affecting San Francisco, including project development and funding strategies to bring the high-speed rail system from the Central Valley to the Bay Area and ultimately to downtown San Francisco via The Portal project. We will coordinate with CHSRA on state-level engagement to seek reauthorization of California's cap-and-trade program, to unlock funding for transit projects including The Portal. We will also collaborate with CHSRA on projects within San Francisco, including The Portal, PAX, and Fourth and King Railyards.
- **The Portal (Downtown Rail Extension).** We will continue to serve as an integral member of the six-agency team, led by the Transbay Joint Powers Authority (TJPA), that is progressing The Portal project toward full funding and construction. In FY 2025/26, we will work in partnership with TJPA and other agencies to advance the project's funding plan, in particular through advocacy for extension of the state's cap-and-trade program. We will continue to lead local oversight efforts as TJPA progresses the procurement of the project's major contracts and advances other pre-construction activities. We also will work with TJPA to complete implementation of The Portal Governance Blueprint, including establishment of the project's Change Control Board, and continue to advise and support San Francisco representatives to the TJPA Board.
- **Fourth and King Railyards.** We will continue to actively participate in planning and project development for the Caltrain Railyards site at Fourth and King streets through our active participation in the Railyards Memorandum of Understanding Working Group. We will work with Caltrain and the City as technical planning proceeds and as proposals for development at the site provide for integration with Caltrain facility and operational needs. We will also support coordination with The Portal station delivery plans at that site. We will track Railyards capital and funding plans as the development project advances through approval processes. We will continue to coordinate Railyards planning work with the PAX project through the PAX Bridging Study.
- **22nd Street Station ADA Improvements.** We will support Caltrain in advancing design and engagement for planned upgrades to improve access at the 22nd Street Station, as recommended by the 22nd Street Station ADA Access Improvement Feasibility Study. We will continue to work with Caltrain to advance a funding strategy for these improvements, including support for grant applications to regional, state, and federal sources.
- **Muni Metro Modernization Program Development.** We will continue providing enhanced oversight and planning/program development support to SFMTA in advancing its program of needed investments in the Muni Metro system, including

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state of good repair and capacity expansion improvements. This includes the SFMTA-led Muni Metro Core Capacity Study, which will be completed in FY 2025/26. The Core Capacity Study is developing a program of investment to be put forward for Federal Transit Administration (FTA) Core Capacity grant funds. We will also continue to support advancement of the **Muni Metro Train Control Upgrade Project**, which was awarded a significant state grant in October 2024.

- **Potrero and Presidio Yards Modernization Projects.** We will continue to provide enhanced oversight of the planned re-builds of these two critical SFMTA transit facilities. The Potrero Yard Modernization Project will replace the existing site with a modern transit facility to serve Muni's zero-emission trolley bus fleet, with the plan to build an integrated joint development housing component. The project is scheduled to move into the construction phase in FY 2025/26. The Presidio Yard Modernization Project is in the planning phase and is envisioned to rebuild the existing facility with a modern transit facility as well as provide for an adjacent development opportunity.
- **BART Core Capacity and Faregates/Station Modernization Oversight.** We will continue to provide enhanced oversight of BART's Core Capacity program, including participation in FA's regular oversight meetings and process. We will coordinate with MTC and other partners, as needed, on this Prop L major transit project. We will also continue to oversee BART's implementation of new faregates, elevators, and other improvements at San Francisco stations.
- **Peninsula Corridor Electrification Project and Capital Improvement Program (CIP) support.** We will provide technical and funding partner oversight for closeout of the Peninsula Corridor Electrification Project, which entered revenue service in September 2024. Caltrain anticipates completing remaining work items in late 2025. We will participate in the project's lessons learned process and continue to provide advice to San Francisco's representatives to the Peninsula Corridor Joint Powers Board. We are also providing support on Caltrain's CIP program development, as the Transportation Authority provides San Francisco's capital contribution to Caltrain from our Prop L sales tax program on behalf of the city.
- **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 the SFMTA's rollout of speed safety cameras, and program evaluation. Starting this year, we will participate as a Core Agency on the interdepartmental working group to advance Vision Zero. We will continue to support local studies and planning efforts led by partners, including continuing to oversee and participate in the implementation of SFMTA's Biking and Rolling Plan and other safe streets projects and initiatives.

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- **Other Project Delivery Support and Oversight.** Support and oversee project delivery of Better Market Street and continue coordinating and collaborating with major transportation infrastructure departments (SFMTA, SFPW, SFPUC) to improve project delivery. Work closely with SFPW, SFMTA, and Caltrans on near-term 19th Avenue paving improvements.

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 as well as TIMMA Board and Committee meetings. Includes supporting hybrid meetings to enable remote public participation.

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 regularly participate in training to advance outreach skills. Key initiatives in FY 2025/26 include:

- Refine outreach and communications techniques by incorporating the latest engagement techniques for the public, with a focus on accessibility, racial equity and seeking to engage Equity Priority Communities as well as contractors and underutilized businesses through our Equity in Infrastructure Program participation.
- Enhance/update the agency website and branding. Provide ongoing review of the agency's website (sfcta.org) ensuring content is updated and functionality and reporting features operate in alignment with best practices.
- Support Board and agency experts in thought leadership roles and speaking engagements.
- Support project delivery events (groundbreakings, ribbon cuttings).

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- Nominate notable agency and San Francisco projects for industry recognition/awards.

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 Modernization and Integration. Ongoing enhancement and maintenance for the enterprise resource planning system (business management and accounting software) to improve accounting functions, general ledger reconciliations, project management tools, contacts/customer relationship management databases and financial reporting.

Contract Support. Oversee the procurement process for professional consultant contracts, prepare contracts, and manage compliance for contracts and associated memoranda of agreement and understanding.

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 retention, promotion, and professional development as well as participation in the Equity in Infrastructure Program. Continue to identify opportunities to further advance racial equity on 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 and Procedures. Maintain and update Administrative Code, Rules of Order, fiscal, debt, procurement, investment, travel, and other policies. Update guidelines and procedures for new staff. Continue to document and update office policies, procedures, and guidance for new and existing staff.

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Human Resources. Administer recruitment, personnel, and benefits management and office procedures. We conduct or provide training for staff in multiple areas of project management, communication, and technical skills. We advance agency workplace excellence initiatives through staff working groups, training, and other means. Conduct salary survey in keeping with undertaking surveys every three years to ensure agency remains competitive.

Office Management and Administrative Support. Maintain facilities and provide procurement of goods and services and administration of services contracts. Staff front desk reception and other facilities management duties.

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

Information Technology. Provide internal development and support; update all conference room audio visual equipment and 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. Assess and update security, resilience and redundancy protocols, and update process documentation.



**San Francisco
County Transportation
Authority**

**Attachment 2
Preliminary Fiscal Year 2025/26 Annual Budget**

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	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	Preliminary Fiscal Year 2025/26 Annual Budget
Revenues:							
Sales Tax Revenues	\$ 108,387,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,387,600
Vehicle Registration Fee	-	-	-	4,546,000	-	-	4,546,000
Traffic Congestion Mitigation Tax	-	-	-	-	-	8,820,000	8,820,000
Interest Income	712,415	-	511	25,398	-	1,114,577	1,852,901
Program Revenues	-	61,774,085	701,813	-	10,664,370	-	73,140,268
Total Revenues	109,100,015	61,774,085	702,324	4,571,398	10,664,370	9,934,577	196,746,769
Expenditures:							
Capital Project Costs	127,126,338	60,559,857	756,000	7,500,000	10,061,838	4,550,000	210,554,033
Administrative Operating Costs	8,298,066	4,593,022	41,907	229,300	736,915	215,258	14,114,468
Debt Service Costs	23,482,914	-	-	-	-	-	23,482,914
Total Expenditures	158,907,318	65,152,879	797,907	7,729,300	10,798,753	4,765,258	248,151,415
Other Financing Sources (Uses):	106,486,823	3,378,794	-	-	134,383	-	110,000,000
Net change in Fund Balance	\$ 56,679,520	\$ -	\$ (95,583)	\$ (3,157,902)	\$ -	\$ 5,169,319	\$ 58,595,354
Budgetary Fund Balance, as of July 1	\$ (44,483,585)	\$ -	\$ 792,859	\$ 9,247,434	\$ -	\$ 25,674,945	\$ (8,768,347)
Budgetary Fund Balance, as of June 30	\$ 12,195,935	\$ -	\$ 697,276	\$ 6,089,532	\$ -	\$ 30,844,264	\$ 49,827,007



**San Francisco
County Transportation
Authority**

**Attachment 3
Preliminary Fiscal Year 2025/26 Annual Budget
Comparison of Revenues and Expenditures**

Category	Proposed Fiscal Year 2024/25 Amended Budget	Preliminary Fiscal Year 2025/26 Annual Budget	Variance from Fiscal Year 2024/25 Amended Budget	% Variance
Sales Tax Revenues	\$ 108,308,000	\$ 108,387,600	\$ 79,600	0.1%
Vehicle Registration Fee	4,545,508	4,546,000	492	0.0%
Traffic Congestion Mitigation Tax	8,500,000	8,820,000	320,000	3.8%
Interest Income	1,485,645	1,852,901	367,256	24.7%
Program Revenues				
Federal	31,403,579	37,357,731	5,954,152	19.0%
State	24,276,739	21,758,764	(2,517,975)	-10.4%
Regional and other	11,291,478	14,023,773	2,732,295	24.2%
Total Revenues	189,810,949	196,746,769	6,935,820	3.7%
Capital Project Costs	219,424,030	210,554,033	(8,869,997)	-4.0%
Administrative Operating Costs				
Personnel expenditures	10,231,638	10,671,253	439,615	4.3%
Non-Personnel expenditures	3,336,008	3,443,215	107,207	3.2%
Debt Service Costs	24,983,500	23,482,914	(1,500,586)	-6.0%
Total Expenditures	257,975,176	248,151,415	(9,823,761)	-3.8%
Other Financing Sources (Uses)	65,000,000	110,000,000	45,000,000	69.2%
Net change in Fund Balance	\$ (3,164,227)	\$ 58,595,354	\$ 61,759,581	
Budgetary Fund Balance, as of July 1	\$ (5,604,120)	\$ (8,768,347)		
Budgetary Fund Balance, as of June 30	\$ (8,768,347)	\$ 49,827,007		



	Preliminary Annual Budget by Fund							
					Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	Preliminary Fiscal Year 2025/26 Annual Budget
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program					
Revenues:								
Sales Tax Revenues	\$ 108,387,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,387,600
Vehicle Registration Fee	-	-	-	-	4,546,000	-	-	4,546,000
Traffic Congestion Mitigation Tax	-	-	-	-	-	-	8,820,000	8,820,000
Interest Income	712,415	-	511	-	25,398	-	1,114,577	1,852,901
Program Revenues								
Federal								
Advanced Transportation and Congestion Management Technologies Deployment	-	-	-	-	-	394,302	-	394,302
Community Change Grant - Treasure Island Connects	-	-	-	-	-	5,987,632	-	5,987,632
Congestion Mitigation and Air Quality Improvement Program - YBI Multi-Use Path	-	740,316	-	-	-	-	-	740,316
Ferry Boat Discretionary Funds - Treasure Island Ferry Terminal	-	-	-	-	-	3,110,507	-	3,110,507
FHWA State Planning and Research Funds - San Francisco Freeway Network Management	-	791,902	-	-	-	-	-	791,902
Highway Bridge Program - Yerba Buena Island (YBI) Westside Bridges	-	11,562,540	-	-	-	-	-	11,562,540
Reconnecting Communities & Neighborhoods Program - Geary-Fillmore Underpass Study	-	797,305	-	-	-	-	-	797,305
Rebuilding American Infrastructure with Sustainability and Equity - YBI Westside Bridges	-	11,960,337	-	-	-	-	-	11,960,337
Safe Streets and Roads for All - Vision Zero Ramps Intersection Study Phase 3	-	203,501	-	-	-	-	-	203,501
Surface Transportation Program 3% Revenue and Augmentation	-	1,809,389	-	-	-	-	-	1,809,389
State								
Affordable Housing and Sustainable Communities - Treasure Island Ferry Terminal	-	-	-	-	-	777,627	-	777,627
Active Transportation Program - YBI Multi-Use Path	-	3,329,253	-	-	-	-	-	3,329,253
Planning, Programming & Monitoring SB45 Funds	-	380,000	-	-	-	-	-	380,000
Infill Infrastructure Grant Program - Hillcrest Road Improvement Project	-	7,000,000	-	-	-	-	-	7,000,000
Senate Bill 1 Local Partnership Program - I-280 SB Ocean Ave Off-Ramp Realignment Project	-	-	-	-	-	-	-	-
Senate Bill 1 Local Partnership Program - YBI Hillcrest Road Improvement Project	-	857,820	-	-	-	-	-	857,820
Senate Bill 1 Local Partnership Program - YBI Westside Bridges	-	7,888,369	-	-	-	-	-	7,888,369
Seismic Retrofit Proposition 1B - YBI Westside Bridges	-	1,016,111	-	-	-	-	-	1,016,111
Sustainable Communities - Bayview Street Safety and Truck Relief Study	-	305,140	-	-	-	-	-	305,140
Sustainable Communities - Brotherhood Way Safety and Circulation Plan	-	204,444	-	-	-	-	-	204,444
Regional and other								
BATA - I-80/YBI Interchange Improvement	-	8,597,658	-	-	-	-	-	8,597,658
BATA - YBI Multi-Use Path	-	750,000	-	-	-	-	-	750,000
SFMTA - Travel Demand Modeling Assistance	-	75,000	-	-	-	-	-	75,000
Treasure Island Community Development LLC - Ferry Exchange	-	-	-	-	-	394,302	-	394,302
TIDA - I-80/YBI Interchange Improvement	-	500,000	-	-	-	-	-	500,000
TIDA - YBI Westside Bridges	-	3,005,000	-	-	-	-	-	3,005,000
Vehicle Registration Fee Revenues (TFCA)	-	-	701,813	-	-	-	-	701,813
Total Revenues	\$ 109,100,015	\$ 61,774,085	\$ 702,324	\$ 4,571,398	\$ 10,664,370	\$ 9,934,577	\$ 196,746,769	



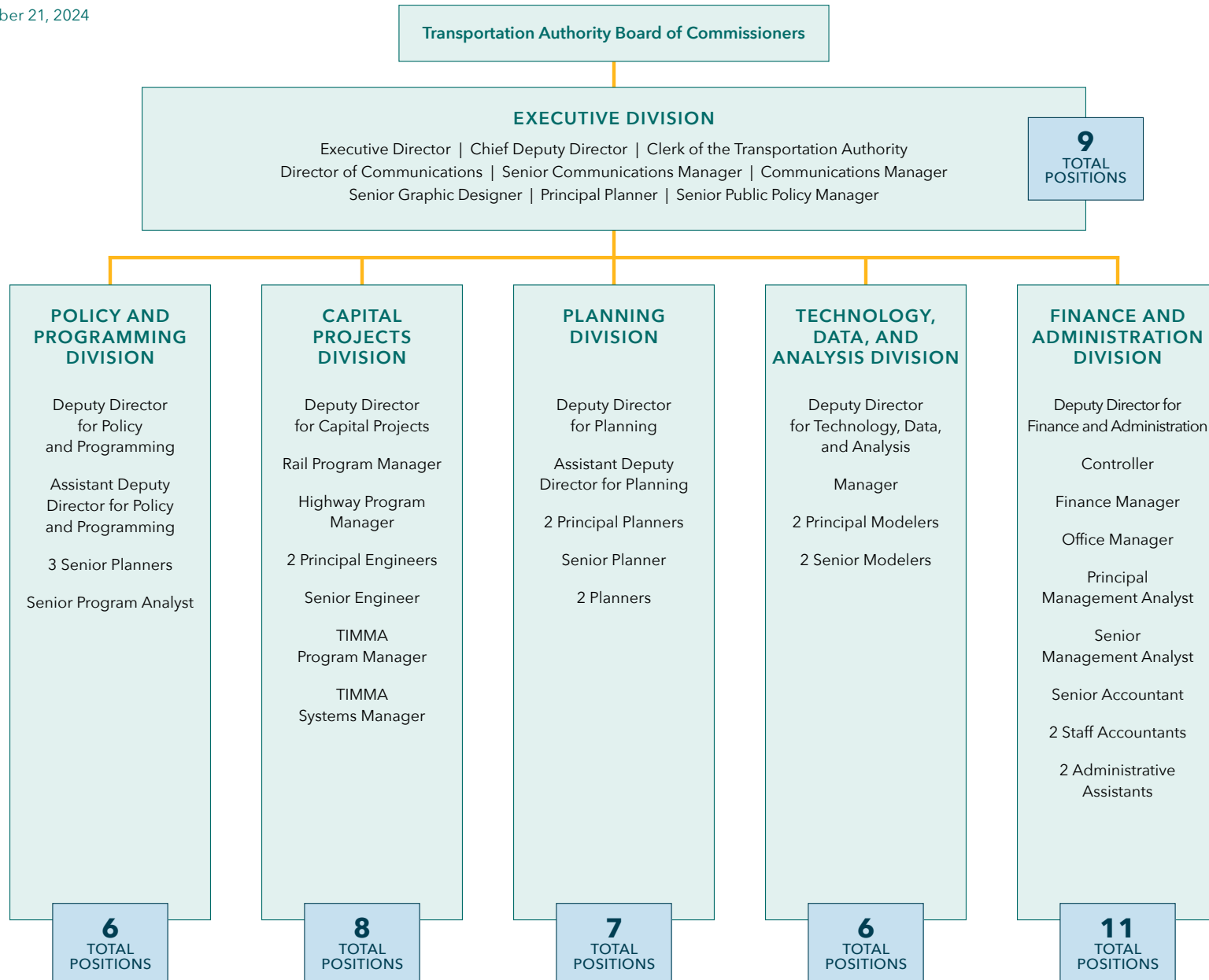
Preliminary Annual Budget by Fund								
				Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program		Preliminary Fiscal Year 2025/26 Annual Budget
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program					
Expenditures:								
Capital Project Costs								
Individual Project Grants, Programs & Initiatives	\$ 125,000,000	\$ -	\$ 756,000	\$ 7,500,000	\$ -	\$ 4,500,000	\$	137,756,000
Technical Professional Services	2,126,338	60,559,857	-	-	10,061,838	50,000		72,798,033
Administrative Operating Costs								
Personnel Expenditures								
Salaries	3,126,864	3,042,310	27,938	152,867	423,210	143,505		6,916,694
Fringe Benefits	1,563,432	1,521,155	13,969	76,433	211,605	71,753		3,458,347
Pay for Performance	296,212	-	-	-	-	-		296,212
Non-personnel Expenditures								
Administrative Operations	2,829,658	29,557	-	-	99,000	-		2,958,215
Equipment, Furniture & Fixtures	421,900	-	-	-	-	-		421,900
Commissioner-Related Expenses	60,000	-	-	-	3,100	-		63,100
Debt Service Costs								
Fiscal Charges	525,000	-	-	-	-	-		525,000
Interest Expenses	7,222,914	-	-	-	-	-		7,222,914
Bond Principal Payment	15,735,000	-	-	-	-	-		15,735,000
Total Expenditures	\$ 158,907,318	\$ 65,152,879	\$ 797,907	\$ 7,729,300	\$ 10,798,753	\$ 4,765,258	\$	248,151,415
Other Financing Sources (Uses):								
Transfers in - Prop K Match to Grant Funding	-	3,378,794	-	-	134,383	-		3,513,177
Transfers out - Prop K Match to Grant Funding	(3,513,177)	-	-	-	-	-		(3,513,177)
Draw on Revolving Credit Agreement	110,000,000	-	-	-	-	-		110,000,000
Total Other Financing Sources (Uses)	106,486,823	3,378,794	-	-	134,383	-		110,000,000
Net change in Fund Balance	\$ 56,679,520	\$ -	\$ (95,583)	\$ (3,157,902)	\$ -	\$ 5,169,319	\$	58,595,354
Budgetary Fund Balance, as of July 1	\$ (44,483,585)	\$ -	\$ 792,859	\$ 9,247,434	\$ -	\$ 25,674,945	\$	(8,768,347)
Budgetary Fund Balance, as of June 30	\$ 12,195,935	\$ -	\$ 697,276	\$ 6,089,532	\$ -	\$ 30,844,264	\$	49,827,007
Fund Reserved for Program and Operating Contingency	\$ 10,838,760	\$ -	\$ 70,181	\$ 454,600	\$ -	\$ 882,000	\$	12,245,541

Agency Structure 47 STAFF POSITIONS



**San Francisco
County Transportation
Authority**

Revised November 21, 2024



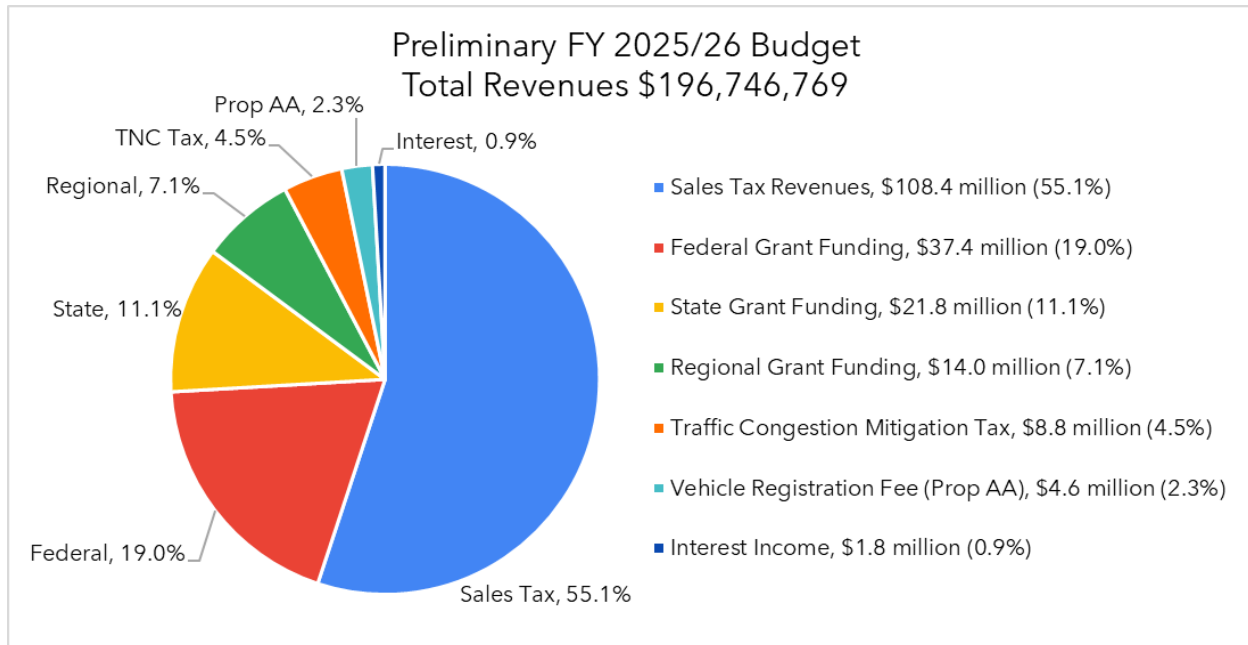
TIMMA:
Treasure
Island Mobility
Management
Agency

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TOTAL PROJECTED REVENUES.....\$196,746,769

The following chart shows the composition of revenues for the preliminary Fiscal Year (FY) 2025/26 budget.



Prop L Sales Tax Revenues:\$108,387,600

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.

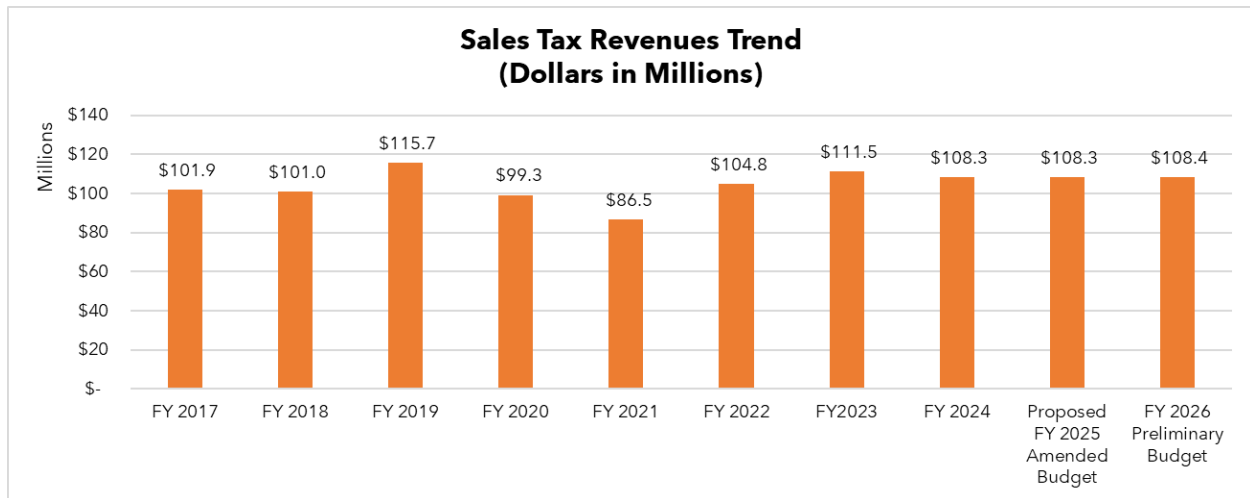
Based on sales tax receipts collected through January 2025 and in coordination with the City's Controller's Office, we project sales tax revenues for FY 2025/26 to remain relatively flat and in line with the FY 2024/25 budgeted revenues. While the inflation rate is anticipated to rise, increased costs in essential non-taxable sectors (particularly housing, medical, and energy expenses) are limiting disposable income and reducing discretionary spending on taxable goods. Sales tax revenues have not fully recovered from pre-pandemic levels, which remains at 6.3% lower than FY 2018/19 revenues of \$115.7 million. Due to the uncertainty of the current economic conditions and the impacts to sales tax revenues, we are holding sales

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tax revenues steady but will continue to closely monitor this revenue stream. The sales tax revenue projection is net of the California Department of Tax and Fee Administration's charges for the collection of the tax and excludes interest earnings budgeted in Interest Income.

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



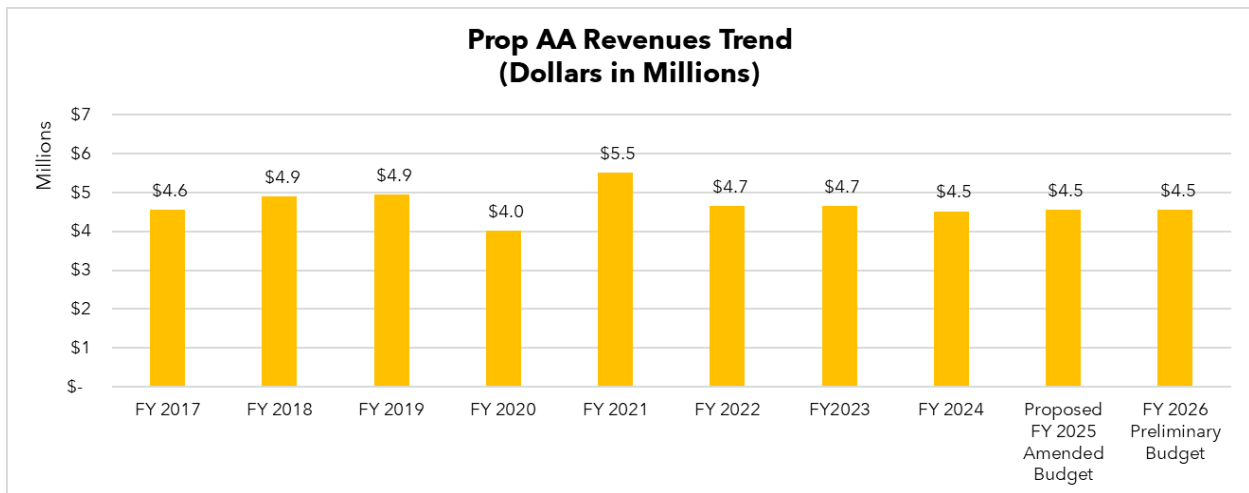
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Vehicle Registration Fee for Transportation Improvements Program (Prop AA)
Revenues:.....\$4,546,000

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 through FY 2023/24 and FY 2024/25 revenues to date, we project FY 2025/26 Prop AA revenues will be in line with the budget revenues for FY 2024/25, which was based on actual revenues through FY 2023/24 and the first eight months of FY 2024/25. These consistent revenues reflect a stable number of vehicles registered in San Francisco after having seen declining population trends during and following 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.



Traffic Congestion Mitigation Tax (TNC Tax) Revenues:.....\$8,820,000

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%. 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)

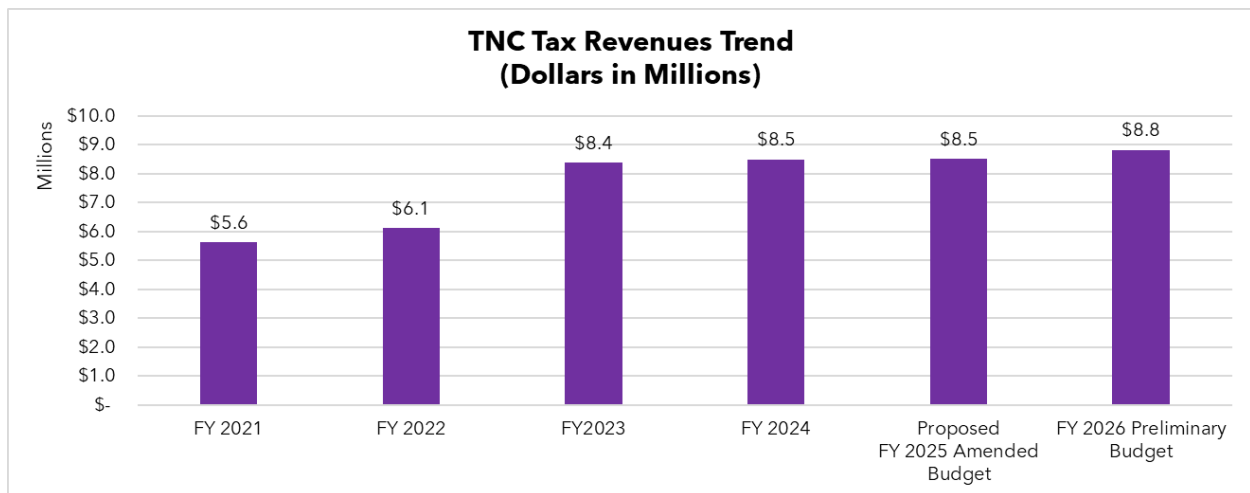
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receives the other 50% of revenues. The City began collecting TNC Tax revenues on January 1, 2020.

Based on revenues earned through December 2024 and through continuous discussions and coordination with the City's Controller's Office and the SFMTA, TNC Tax revenues for FY 2025/26 are projected to increase slightly versus the budget for FY 2024/25 due to an increased number of rides and the expiration of a temporarily discounted tax rate for zero emissions TNC rides. TNC Tax revenues are aligned with the City's Controller's Office estimates in the FY 2024/25 Six-Month Budget Status Report.

This chart reflects the four-year historical and two-year budgeted receipts for the Transportation Authority's share of 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:.....\$1,852,901

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 of Sales Tax and TNC Tax capital project reimbursement requests. Our cash balance consists largely of allocated Sales Tax and TNC Tax funds, which are invested until invoices are received and sponsors are reimbursed. The FY 2025/26 budget for interest income shows a \$367,256 or 24.7% increase as compared to the FY 2024/25 amended budget which is mainly due to an anticipated higher bank balance in the TNC Tax Pool account and TNC capital project costs are budgeted lower than revenues, thus more interest is earned on the deposits. 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.

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Congestion Management Agency (CMA) Programs Federal, State and Regional Grant Revenues:.....\$61,774,085

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 2025/26 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, the California Department of Transportation (Caltrans), and the United States Department of Transportation (USDOT). Some of these grants are project-specific, such as those for the Yerba Buena Island (YBI) West Side Bridges Project, Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project, YBI Hillcrest Road Improvement Project, YBI Multi-Use Path Project, and Geary-Fillmore Underpass Community Planning Study. 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 preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project.

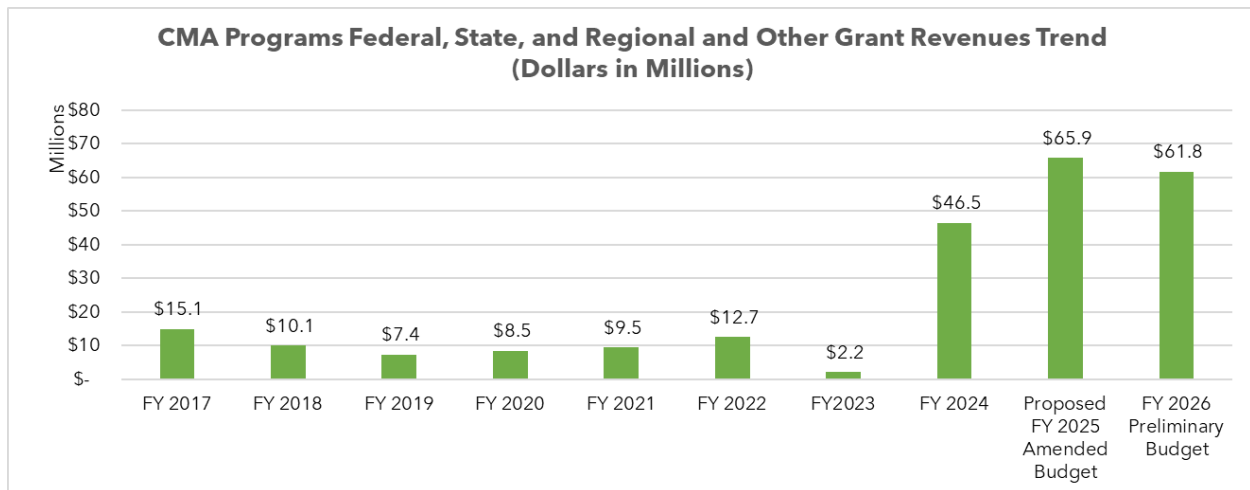
The FY 2025/26 budget includes \$48.8 million from federal and state funding in the CMA program revenues. Some of the major drivers of the federal and state funding for FY 2025/26 are YBI West Side Bridges Project (\$32.4 million), YBI Hillcrest Road Improvements Project (\$7.9 million), projects funded by the STP funds as mentioned above (\$1.8 million), YBI Multi-Use Path Project (\$3.3 million), and Geary-Fillmore Underpass Community Planning Study (\$797,305). This is a \$6.6 million decrease as compared to FY 2024/25, largely due to a \$9 million decrease in state reimbursements from the Infill Infrastructure Grant Program and Senate Bill 1 Local Partnership Program Formulaic funds for the YBI Hillcrest Road Improvements Project, as the construction project approaches substantial completion by Fall 2026. This decrease is offset by an increase of \$2.8 million in state Active Transportation

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Program grant funding for the design phase of the YBI Multi-Use Path Project, and the addition of \$791,902 in new federal grant funding for the San Francisco Freeway Network Management Study and \$305,140 in new state grant funding for the Bayview Street Safety and Truck Relief Study. The budget for CMA program revenues also includes \$12.9 million from regional and other funding, a \$2.4 million increase as compared to FY 2024/25, largely due to an increase in regional funding from the BATA and Treasure Island Development Authority for construction activities in the Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project, as well as construction activities for the YBI West Side Bridges Retrofit Project.

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



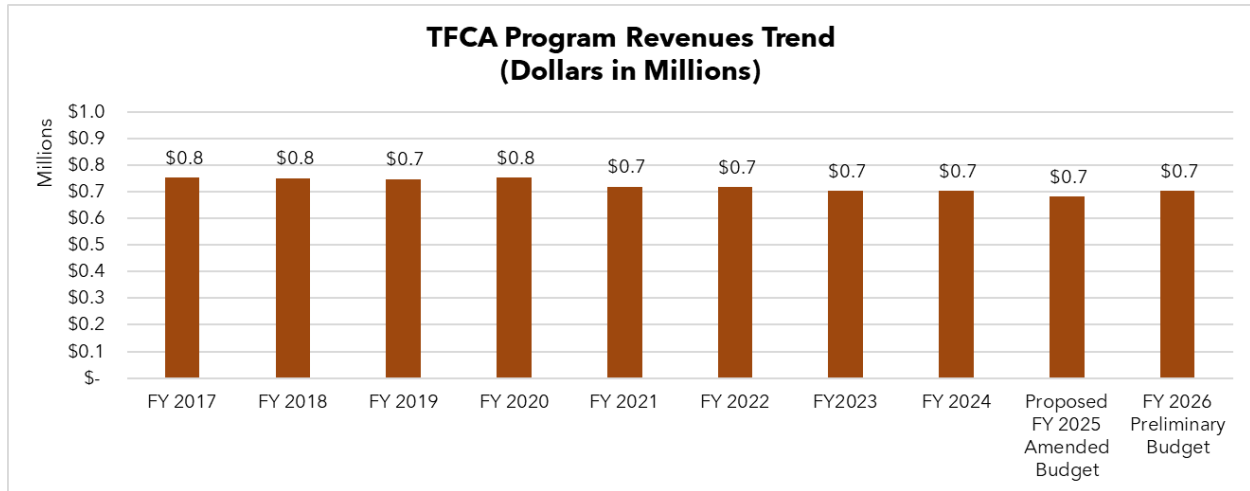
Transportation Fund for Clean Air (TFCA) Program Regional Revenues:.....\$701,813

On June 15, 2002, the Transportation Authority was designated to act as the overall program manager for the county share (40 Percent Fund) 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 \$701,813 of TFCA revenues in FY 2025/26 from vehicle registration fees calculated by the Bay Area Air District (Air District), which administers these revenues, based on actual Calendar Year 2024 revenues. The Air District will account for any differences between actual and projected FY2025/26 revenues in future TFCA cycles. The Air District also reprogrammed \$20,780 of de-obligated funds from past fiscal years to revenues in FY 2025/26. TFCA revenues for FY 2024/25 together with the additional reprogrammed funds are expected to increase by 4.8% compared to FY 2024/25, due to slightly more reprogrammed funds.

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



Treasure Island Mobility Management Agency (TIMMA) Program

Revenues:.....\$10,664,370

We are working jointly with the Treasure Island Development Authority (TIDA) on the development of the YBI Project. TIDA requested that we, in our capacity as CMA, lead the effort to prepare and obtain approval for all required technical documentation for the project because of our expertise in funding and interacting with Caltrans on design aspects of the project. The Treasure Island Transportation Management Act of 2008 (Assembly Bill 981) authorizes the creation or designation of a Treasure Island-specific transportation management agency. On April 1, 2014, the San Francisco Board of Supervisors approved a resolution designating the Transportation Authority as the TIMMA to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/YBI Development Project. In September 2014, Governor Brown signed Assembly Bill 141, establishing TIMMA as a legal entity distinct from the Transportation Authority to separate TIMMA's functions from the Transportation Authority's other functions. The eleven members of the Transportation Authority Board act as the Board of Commissioners for TIMMA. TIMMA is also a blended special revenue fund component unit under the Transportation Authority.

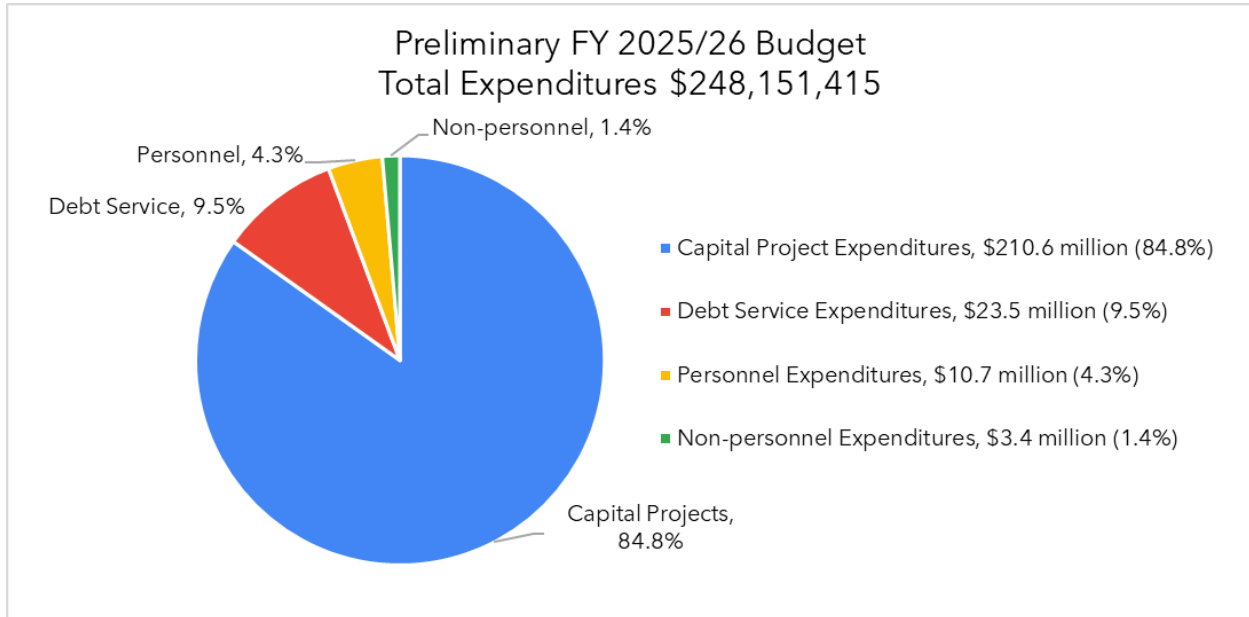
The TIMMA FY 2025/26 revenues will be presented as a separate item to the TIMMA Committee and Board at their upcoming May and June meetings, respectively.

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TOTAL PROJECTED EXPENDITURES.....\$248,151,415

Total Expenditures projected for the budget year are comprised of Capital Project Expenditures of \$210.6 million, Administrative Operating Expenditures of \$14.1 million, of which \$10.7 million is for Personnel Expenditures and \$3.4 million is for Non-personnel Expenditures, and Debt Service Expenditures of \$23.5 million.

The following chart shows the composition of expenditures for the preliminary FY 2025/26 budget.



CAPITAL PROJECT EXPENDITURES.....\$210,554,038

Capital project expenditures in FY 2025/26 are budgeted to decrease from the FY 2024/25 amended budget by an estimated 4.0%, or \$8.9 million, which is primarily due to anticipated lower capital expenditures for the Sales Tax and CMA Programs. Expenditures by Program Fund are detailed below.

Sales Tax Program Expenditures:.....\$127,126,338

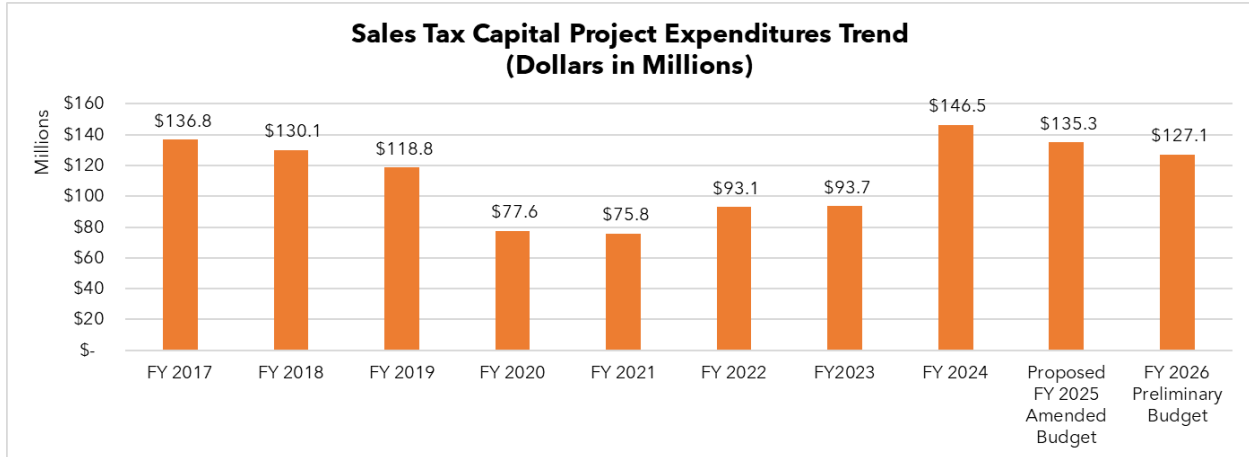
The estimate of sales tax capital expenditures reflects the ongoing coordination with project sponsors to maintain up-to-date project reimbursement schedules for the existing Prop K grants (which carried forward into Prop L) with large remaining balances as well as the expected timing for reimbursements and new allocations of Prop L funds. The primary drivers of Sales Tax capital expenditures for FY 2025/26 are SFMTA's Muni maintenance, rehabilitation and replacement projects, which include various projects such as motor coach and battery electric bus procurements (\$20 million) and facility modernization and electrification projects at Potrero, Presidio, Woods/Islais Creek and 1399 Marin maintenance yards (\$10 million); BART's Core Capacity Program Fleet of the Future 54 expansion cars (\$27

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million); SFMTA's Paratransit operations (\$13 million); The Portal (Downtown Rail Extension) (\$12.5 million anticipated to be allocated in FY 2025/26); various Caltrain state of good repair initiatives (\$12 million); and SF Public Works' Pavement Renovation projects (\$4 million).

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



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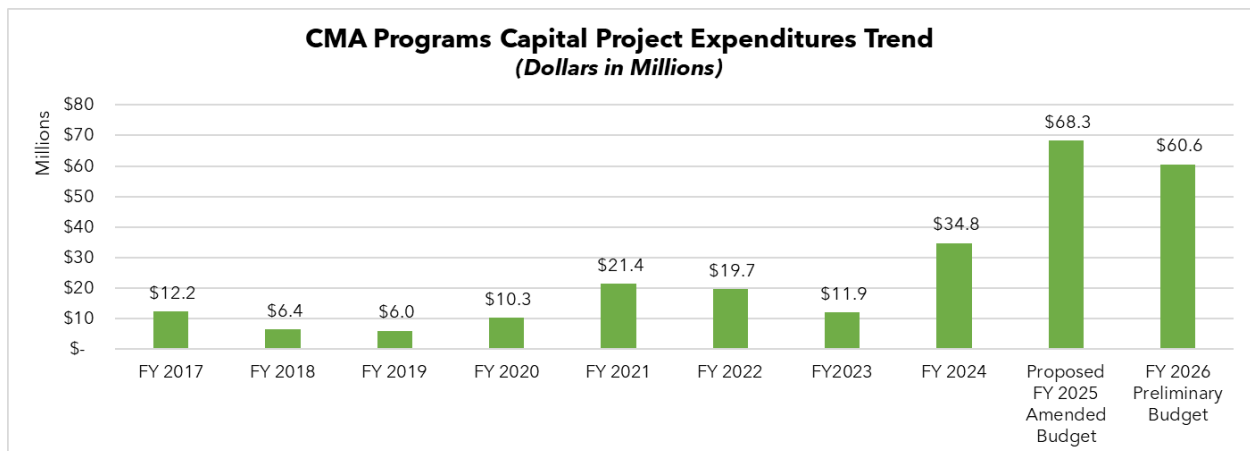
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CMA Programs Expenditures:.....\$60,559,857

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 projects such as YBI Hillcrest Road Improvement Project, YBI Multi-Use Path Project, Geary-Fillmore Underpass Community Planning Study and San Francisco Freeway Network Study. Also included is the YBI West Side Bridges and Torpedo Building Rehabilitation work and Pier E-2 work of the YBI Southgate Road Realignment Project.

Expenditures in FY 2025/26 are budgeted to decrease by 11.3%, or \$7.7 million, as compared to FY 2024/25 amended budget. This decrease is primarily due to decreased construction activities for the YBI Hillcrest Road Improvement Project of \$7.9 million in capital expenditures. The primary drivers of CMA Programs capital expenditures for FY 2025/26 are construction activities for YBI West Side Bridges Project (\$35.2 million); YBI Hillcrest Road Improvement Project (\$9.4 million); Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project (\$9.0 million).

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



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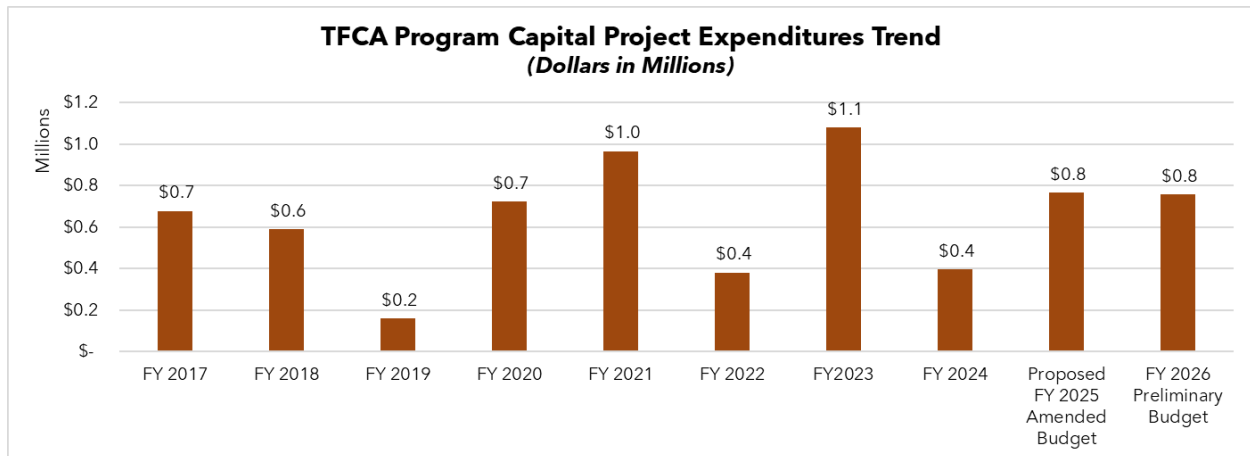
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TFCA Program Expenditures:.....\$756,000

This line item covers projects to be delivered with TFCA funds, a regional program administered by the Air District, with the Transportation Authority serving as the program manager for the county share (40 Percent Fund). 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 2025/26 projects, anticipated to be approved by the Board in June 2025, carryover prior year projects with multi-year schedules and FY 2024/25 projects that are taking longer to complete than originally anticipated.

This year's budget of \$756,000 is slightly lower than the FY 2024/25 amended budget by 1.1% or \$12,000. The largest capital project expenditures are anticipated for the SFMTA's Short-Term Bike Parking.

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



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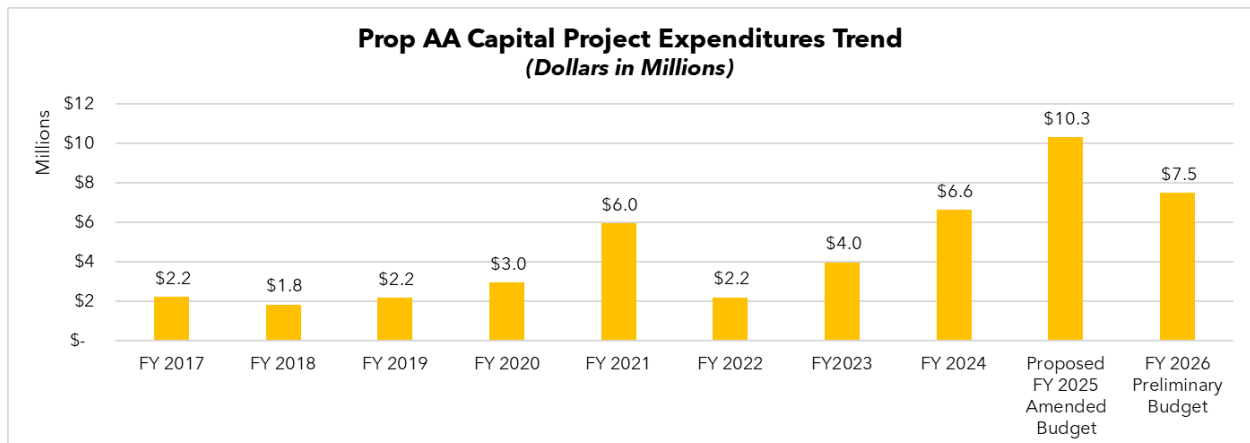
Vehicle Registration Fee for Transportation Improvements Program (Prop AA)

Expenditures:\$7,500,000

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 2025/26 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 2024/25. The largest capital project expenditures include San Francisco Public Works' 8th Street, Clay Street and Leavenworth Street Pavement Renovation; and Hunters Point, Central Waterfront and Potrero Hill Area Streets Pavement Renovation; and SFMTA's Transit Stop Signage Enhancement Program.

For FY 2025/26, we expect expenditures to decrease by 27.5%, or \$2.8 million, as compared to the FY 2024/25 amended budget of \$10.3 million. This decrease is expected as some large projects, such as SFPW's Mission and Geneva paving and Oakdale Lighting Improvement projects, have progressed past their most active periods.

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



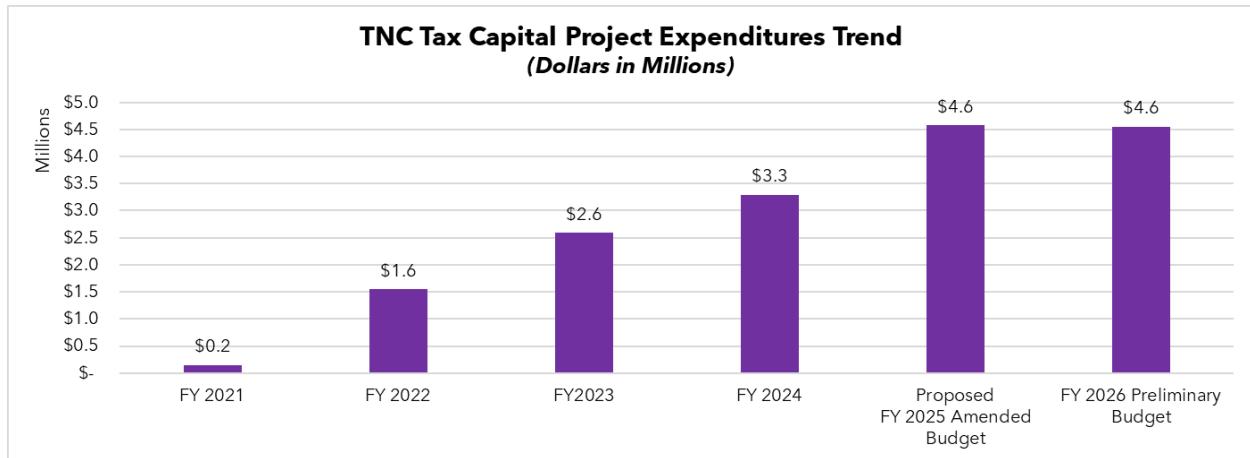
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Traffic Congestion Mitigation Tax Program (TNC Tax) Expenditures:.....\$4,550,000

Capital Project Costs for the TNC Tax Program in FY 2025/26 are expected to be at a similar level as the amended budget for FY 2024/25, which is based on previous allocations for SFMTA's Vision Zero Quick-Build Program and Residential Traffic Calming Program.

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



TIMMA Program Expenditures:.....\$10,061,838

The TIMMA FY 2025/26 expenditures will be presented as a separate item to the TIMMA Committee and Board at the upcoming May and June meetings, respectively.

ADMINISTRATIVE OPERATING EXPENDITURES.....\$14,114,468

Administrative operating expenditures in FY 2025/26 are budgeted to increase from the FY 2024/25 amended budget by \$546,822, or 4%. Operating expenditures include personnel, administrative, Commissioner-related, and equipment, furniture, and fixtures expenditures.

Personnel:.....\$10,671,253

Personnel costs are budgeted at a higher level by 4.3% as compared to the FY 2024/25 amended budget, reflecting a budget of 44 full-time equivalents. This increase is primarily due to the hiring of two new positions, a Highway Program Manager and a Transportation Planner. The increase in fringe benefits reflects the proportional increase in salaries as mentioned above, and rising healthcare costs. Personnel costs budgeted under the 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.

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Assembly Bill No. 2561 (McKinnor) requires public agencies to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year. For FY 2025/26, we have three unfilled positions: a TIMMA Program Manager, a TIMMA Systems Manager, and a Senior Transportation Modeler. These vacancies will be filled contingent upon securing sufficient funding and will be included in future year budgets or budget amendments, as needed. Recruitment for the TIMMA positions will commence after the adoption of the toll and affordability program.

In FY 2025/26, we anticipate conducting a comprehensive review of our job classifications, descriptions, base compensation and benefits is currently being conducted. The goal is to optimize personnel recruitment and retention by making every effort to compensate employees fairly and equitably and remain competitive with similar agencies in its compensation practices as the Transportation Authority's Personnel Manual calls for a periodic review of the Transportation Authority job classification structure. Changes to Personnel expenditures as a result of the revised job classifications and salary structure, if any, will be reflected in the FY 2025/26 mid-year budget amendment.

Non-Personnel:.....\$3,443,215

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

Non-personnel expenditures in FY 2025/26 are budgeted to increase from the FY 2024/25 amended budget by an estimated 3.2%, or \$107,207. This is mainly due to an increased budget for the replacement of all conference room audio visual equipment, as needed, to ensure reliability.

DEBT SERVICE COSTS.....\$23,482,914

On October 31, 2024, the Transportation Authority entered into a new Revolving Credit Agreement (RCA) with U.S. Bank National Association (U.S. Bank) for \$185 million and the full balance is currently available to draw upon for Sales Tax capital project costs. This line item assumes fees and interests of \$2.5 million related to the expected drawdown from the Revolving Credit Loan Agreement noted in the Other Financing Sources/Uses section, anticipated bond principal payment of \$15.7 million and interest payments of \$5.3 million

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related to our 2017 Sales Tax Revenue Bonds and anticipated drawdowns from the Revolving Credit Loan Agreement, and other costs associated with our debt program. Debt service expenditures in FY 2025/26 are budgeted to decrease from the FY 2024/25 amended budget by an estimated 6.0% or \$1.5 million.

OTHER FINANCING SOURCES/USES.....\$110,000,000

The Other Financing Sources/Uses section of the Line Item Detail for the FY 2025/26 budget includes anticipated drawdowns from the Revolving Credit Loan Agreement. We had budgeted our first tranche for a \$65 million drawdown from the Revolving Credit Loan Agreement in our FY 2024/25 amended budget. The estimated level of sales tax capital expenditures for FY 2025/26 may trigger the need to drawdown up to an additional \$110 million, leaving \$10 million left to borrow in the \$185 million 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 \$3.5 million among the sales tax, CMA, and TIMMA funds. These transfers represent Sales Tax appropriations to projects such as the YBI West Side Bridges, YBI Hillcrest Road Improvement Project, Geary-Fillmore Underpass Community Planning Study, San Francisco Freeway Network Study, and San Francisco Transportation Plan 2050+ projects.

BUDGETARY FUND BALANCE FOR CONTINGENCIES.....\$12,245,541

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 \$10.8 million, or 10% of annual projected sales tax revenues, is set aside as a program and operating contingency reserve. We have also set aside \$70,181 or about 10% as a program and operating contingency reserve respectively for the TFCA Program; \$454,600 or about 10% as a program and operating contingency reserve respectively for the Prop AA Program; and \$882,000 or about 10% as a program and operating contingency reserve respectively for the TNC Tax Program.