



## Memorandum

### AGENDA ITEM 8

**DATE:** August 28, 2025

**TO:** Transportation Authority Board

**FROM:** Carl Holmes – Deputy Director for Capital Projects  
Anna LaForte – Deputy Director for Policy and Programming

**SUBJECT:** 09/09/25 Board Meeting: Approve Programming of \$1,374,000 in Senate Bill 1 Local Partnership Program Formulaic Funds to the Yerba Buena Island Multi-Use Pathway Segment 4 – Treasure Island Road Improvements Project

#### RECOMMENDATION ☐ Information ☒ Action

Program \$1,374,000 of the Transportation Authority's share of Senate Bill (SB) 1 Local Partnership Program (LPP) Formulaic funds for the Yerba Buena Island Multi-Use Pathway (YBI MUP) Segment 4 – Treasure Island Road Improvements Project

#### SUMMARY

The SB1 LPP rewards jurisdictions that have voter-approved measures or imposed fees solely dedicated to transportation. Projects for this program are identified at the local level, but the California Transportation Commission (CTC) ultimately programs and allocates the funds. As the taxing authority for Prop K/L and Prop AA, the Transportation Authority received \$8.475 million in the 2022 LPP formula funding cycle covering Fiscal Year (FY) 2023/24 through FY 2025/26. As shown in Attachment 1, to date the Board has approved \$7.101 million of these LPP funds for projects that implement the YBI MUP, which will provide a bicycle and pedestrian connection from the existing Bay Bridge East Span to the Treasure Island ferry terminal with connections to downtown San Francisco. We recommend programming \$1.374 million in remaining LPP formula funds to the MUP Segment 4 – Treasure Island Road Improvements Project construction phase, which is estimated to cost \$38 million. These LPP funds, along with \$400,000 in

- ☐ Fund Allocation
- ☒ Fund Programming
- ☐ Policy/Legislation
- ☐ Plan/Study
- ☐ Capital Project Oversight/Delivery
- ☐ Budget/Finance
- ☐ Contract/Agreement
- ☐ Other:  
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LPP funds which need to be nominated by the City and County of San Francisco (CCSF) as the taxing authority for the Prop D TNC Tax, will provide a total of \$1,774,000 in LPP formula funds to the project. These funds are needed to demonstrate a full funding plan to support our allocation request to the Metropolitan Transportation Commission (MTC) for \$16.25 million in Regional Measure (RM) 3 funds for the project, which is the subject of a separate item on this agenda. Having all project funds secured by November 2025 will enable the Transportation Authority to advertise the construction contract in Spring 2026 and to construct Segment 4 while a portion of Treasure Island Road is closed, to achieve cost efficiencies and minimize construction disruption. We anticipate completing construction by November 2027.	
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## **BACKGROUND**

**SB 1 Local Partnership Program - Formulaic Funds.** The Road Repair and Accountability Act of 2017, also known as SB 1, is a transportation funding package that provides funding for local streets and roads, multi-modal improvements, and transit operations. Among other things, SB 1 created the LPP and appropriates \$200 million annually to be allocated by the CTC to local or regional agencies that have sought and received voter approval of, or imposed fees solely dedicated to transportation. The CTC's program guidelines allocate 60% of the program funds through a Formulaic Program and 40% through a Competitive Program, after \$20 million of incentive funding is taken off the top of the entire program to reward jurisdictions with newly passed measures.

The LPP Formulaic Program has broad project eligibility criteria for capital projects. Funds can be used for most project phases (i.e., environmental, right-of-way, design, construction) and require a dollar-for-dollar local match. The LPP Formulaic Program will only fund projects, or segments of projects, which are fully funded and have independent utility.

For the 2022 funding cycle covering FYs 2023/24 through 2025/26, San Francisco will receive a total of \$8.875 million based on Prop K/L sales tax, Prop AA vehicle registration fee, and Prop D TNC Tax revenues, including a one-time \$5 million bump from LPP incentive funds to reward San Francisco for passing Prop L in November 2022. LPP Formulaic Program projects are identified at the local level, but the CTC ultimately programs and allocates the funds, which are subject to strict timely use of



funds requirements. The Transportation Authority is responsible for making recommendations about most of San Francisco's LPP formula funds, but the City and County of San Francisco (CCSF) is responsible for making recommendations about a relatively small share as administrator of the Prop D TNC tax. This is described in more detail in the discussion section below.

**YBI MUP.** The YBI MUP will provide a safe, emission-free, and low-cost multi-modal transportation connection between the terminus of the existing multi-use pathway on the East Span of the Bay Bridge and the new ferry terminal on Treasure Island.

The YBI MUP is integrated with the following projects and will be constructed in four segments:

- Macalla Road Final Configuration - Interim MUP circulation
- Hillcrest Road Improvements Project (under construction) - Segment 1 interim & MUP Segment 2
- West Side Bridges Project (under construction) - Segment 3
- Treasure Island Road Improvements Project (project to be constructed with LPP Formulaic Program funds) - Segment 4

**The YBI MUP project is environmentally cleared under both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA).**

Treasure Island Road Improvements Project (MUP Segment 4). This project spans approximately 1,200 feet, beginning at the intersection of Treasure Island Road and Macalla Road, and continuing east along Treasure Island Road. It includes the multi-use pathway, a dedicated transit-only lane, and reconstruction of the roadway to meet current safety standards. Segment 4 design is approximately 50% complete as of August 2025.

Attachment 2 provides maps showing the interim YBI MUP circulation and larger Multimodal Bay Skyway, which would provide pedestrian and bicycle access between the East Bay and San Francisco. The interim YBI MUP will serve eastbound bicyclists. Until the Segment 1 loop ramp is funded and built, westbound cyclists will use Class 2 buffered bike lanes on Macalla Road. Pedestrians will use Macalla Road sidewalks.

## **DISCUSSION**

Attachment 1 shows the approved and proposed project priorities for \$8.875 million in LPP formula funds available to San Francisco in the 2022 funding cycle. San



Francisco's LPP funds consist of \$8.475 million available to the Transportation Authority as the taxing authority for Prop K/L and Prop AA, and \$400,000 in LPP funds which need to be nominated by CCSF as the taxing authority for the Prop D TNC Tax. By mutual agreement, SFMTA and the Transportation Authority split the LPP formula funds available to CCSF due to the Prop D TNC tax, consistent with the agency split in the Expenditure Plan. Staff at both agencies have agreed that the Transportation Authority will receive \$400,000 from the 2022 LPP funding cycle and SFMTA will receive the \$407,000 from the 2024 LPP funding cycle.

**Recommended LPP Formulaic Program Project Priority.** After considering LPP guidelines and assessing the project status, we recommend programming the remaining \$1.374 million of the Transportation Authority's share of LPP funds to the Treasure Island Road Improvements Project (MUP Segment 4). This funding, along with the aforementioned \$400,000 in LPP funds available to CCSF, will help to fully fund the project's construction phase and avoid potentially losing \$16.25 million in RM3 funds to the YBI MUP and San Francisco. Further, securing full funding in Fall/Winter 2025 will allow us to advertise the Treasure Island Road Improvements Project (MUP Segment 4) construction contract in Spring 2026 and start construction in July 2026 while a portion of Treasure Island Road is already closed for construction access for the West Side Bridges and Hillcrest Road Improvement projects, thereby achieving cost efficiencies and minimizing construction disruption.

The funding plan for the project, which is estimated to cost \$38 million, is shown in Attachment 3. As the implementing agency for the YBI MUP, the Transportation Authority is required by MTC to adopt a resolution of project compliance to file and execute an allocation request for RM3 funding, which will be applied to the construction phase of YBI MUP Segment 4 - Treasure Island Road Improvements (see separate agenda item). As the implementing agency for the project, we must demonstrate to MTC that the project is fully funded to support our allocation request for \$16.25 million in RM3 funds. Board approval of the LPP funds will help us meet this requirement by November 2025, when we expect the MTC Commission to approve the RM3 funds, and avoid losing these funds for San Francisco. Relatedly, on October 8, 2025, we anticipate the TIDA Board will conditionally approve a Memorandum of Agreement committing \$10.8 million to the Treasure Island Road Improvements Project.

We believe that the subject project can readily meet the requirements of the LPP formula program, including 1:1 local match and strict timely use of funds requirements.



**Next Steps.** Following Board approval, we will submit the LPP project nomination to the CTC to be programmed by the CTC at its December 2025 meeting and allocated at its January 2026 meeting. We are also working to support the Mayor's Office on the nomination letter for \$400,000 in CCSF LPP formula funds for the project. The CTC action is considered administrative provided that the project nominations comply with the LPP program guidelines, which include a fully funded scope of work.

### **FINANCIAL IMPACT**

The recommended action would enable the Transportation Authority to seek \$1,374,000 in LPP formula funds for the Treasure Island Road Improvements Project. After the aforementioned funds are secured, we will return to the Board, anticipated in Spring 2026, to award the project construction contract. Following approval, the project's construction funds, including these LPP funds, would be reflected in the mid-year FY 2025/26 budget revision and in future year budgets to correspond to anticipated project cash flows.

### **CAC POSITION**

The CAC will consider this item at its September 3, 2025, meeting.

### **SUPPLEMENTAL MATERIALS**

- Attachment 1 - Proposed 2022 Cycle LPP Formulaic Program Priorities
- Attachment 2 - Maps of Interim Multimodal Bay Skyway and YBI MUP
- Attachment 3 - YBI MUP Segment 4 - Treasure Island Road Improvements Project Funding Plan

**Attachment 1.**  
**Previously Approved and Proposed 2022 Cycle Local Partnership Program (LPP) Formulaic Program Priorities - San Francisco Share**

Fiscal Year	Sponsor <sup>1</sup>	Project Name	Project Description	Phase(s)	District(s)	Cost of Phase Requested	LPP-F Funds Requested
<b>Previously Programmed (Resolution 24-19, approved 11.28.23)</b>							
23/24	SFCTA	Yerba Buena Island Hillcrest Road Improvements Project	This project will widen Hillcrest Road providing two travel lanes, wider shoulders, improved sight distance, and a Class II bicycle lane. The improvements are a connecting segment located between the under-construction West Side Bridges Project and the recently opened Southgate Realignment Project. To accommodate the future YBI Multi-Use Path (Class I), the scope of the Hillcrest project is proposed to be expanded to include a wider shoulder area and a taller retaining wall built further into the hill.	Construction	6	\$ 33,500,000	\$ 2,600,000
23/24	SFCTA	Yerba Buena Island Multi-Use Pathway (YBI MUP)	This project will provide new pedestrian and bicycle facilities that extend from the existing San Francisco-Oakland Bay Bridge (SFOBB) East Span Bicycle and Pedestrian Path's Yerba Buena Island terminus to the new Treasure Island Ferry Terminal. This path would also tie into the planned SFOBB West Span bicycle and pedestrian facility currently being developed by the Bay Area Toll Authority (BATA) and Metropolitan Transportation Commission. The project area is a planned segment of the San Francisco Bay Trail.	Design	6	\$ 6,801,000	\$ 1,000
<b>Previously Programmed (Resolution 25-20, approved 11.19.24)</b>							
24/25	Caltrans	West Side Bridges Seismic Retrofit Project - Retaining Walls to Accommodate YBI MUP (Fund Exchange)	SFCTA worked with BATA to program LPP-F funds to a project of BATA's choice, identified as Caltrans' San Francisco-Oakland Bay Bridge (SFOBB) West Span Superstructure Paint Project. In exchange, SFCTA received an equivalent amount in BATA funds for the West Side Bridges Project to construct retaining walls to accommodate the YBI MUP. This fund exchange addressed LPP eligibility issues for the West Side Bridges project. The West Side Bridges Project will improve safety by seismically retrofitting or replacing eight existing bridge structures along Treasure Island Road to meet current state seismic safety standards and constructing a Class II westbound bicycle lane. The improvements are a connecting segment located between the under-construction Hillcrest Road Improvements Project and the future YBI MUP Segment 4. To accommodate the future YBI MUP (Class I), the scope of the West Side Bridges Project is proposed to be expanded to include a wider shoulder area and two taller retaining walls.	Construction	6	\$ 125,900,228	\$ 4,500,000
<b>Proposed New Programming</b>							
25/26	SFCTA	YBI MUP Segment 4 - Treasure Island Road Improvements Project	The YBI MUP will provide a safe, emission-free, and low-cost multi-modal transportation connection between the terminus of the existing multi-use pathway on the East Span of the Bay Bridge and the new ferry terminal on Treasure Island. The YBI MUP is being constructed through a series of roadway projects that SFCTA is implementing on behalf of the Treasure Island Development Authority. The Treasure Island Road Improvements Project (MUP Segment 4) spans approximately 1,200 feet, beginning at the intersection of Treasure Island Road and Macalla Road, and continuing along Treasure Island Road. The project includes the multi-use pathway, a dedicated transit-only lane, and reconstruction of the roadway to meet current safety standards.	Construction	6	\$ 38,000,000	\$1,374,000 (SFCTA share) \$400,000 (CCSF share) <sup>2</sup>
						<b>Total</b>	<b>\$ 204,201,228</b>
							<b>\$ 8,875,000</b>
						Total LPP-F Funds Available - Prop K/L Sales Tax, Prop AA	\$ 8,475,000
						Total LPP-F Funds Available - CCSF's Prop D TNC Tax - SFCTA 50% share <sup>2</sup>	\$ 400,000
						2022 Cycle LPP-F Funds Remaining to Program	\$ -

<sup>1</sup> Sponsor abbreviations: the California Department of Transportation (Caltrans), San Francisco County Transportation Authority (SFCTA).

<sup>2</sup> City and County of San Francisco (CCSF) is the taxing authority for the Prop D TNC Tax. By mutual agreement, SFCTA and the San Francisco Municipal Transportation Agency (SFMTA) equally split the Prop D TNC Tax share of LPP formula funds based on the 50/50 revenue split reflected in the Prop D TNC Tax legislation. SFCTA is proposed to receive \$400,000 in LPP-F funds available from the 2022 programming cycle. SFMTA is working with the Mayor's Office to request \$407,000 in 2024 Cycle LPP-F funds for a street safety project.

# Attachment 2. Interim Multimodal Bay Skyway

(Interim West Oakland Link (WOL) + Interim Yerba Buena Island Multi-Use Path (YBI MUP))



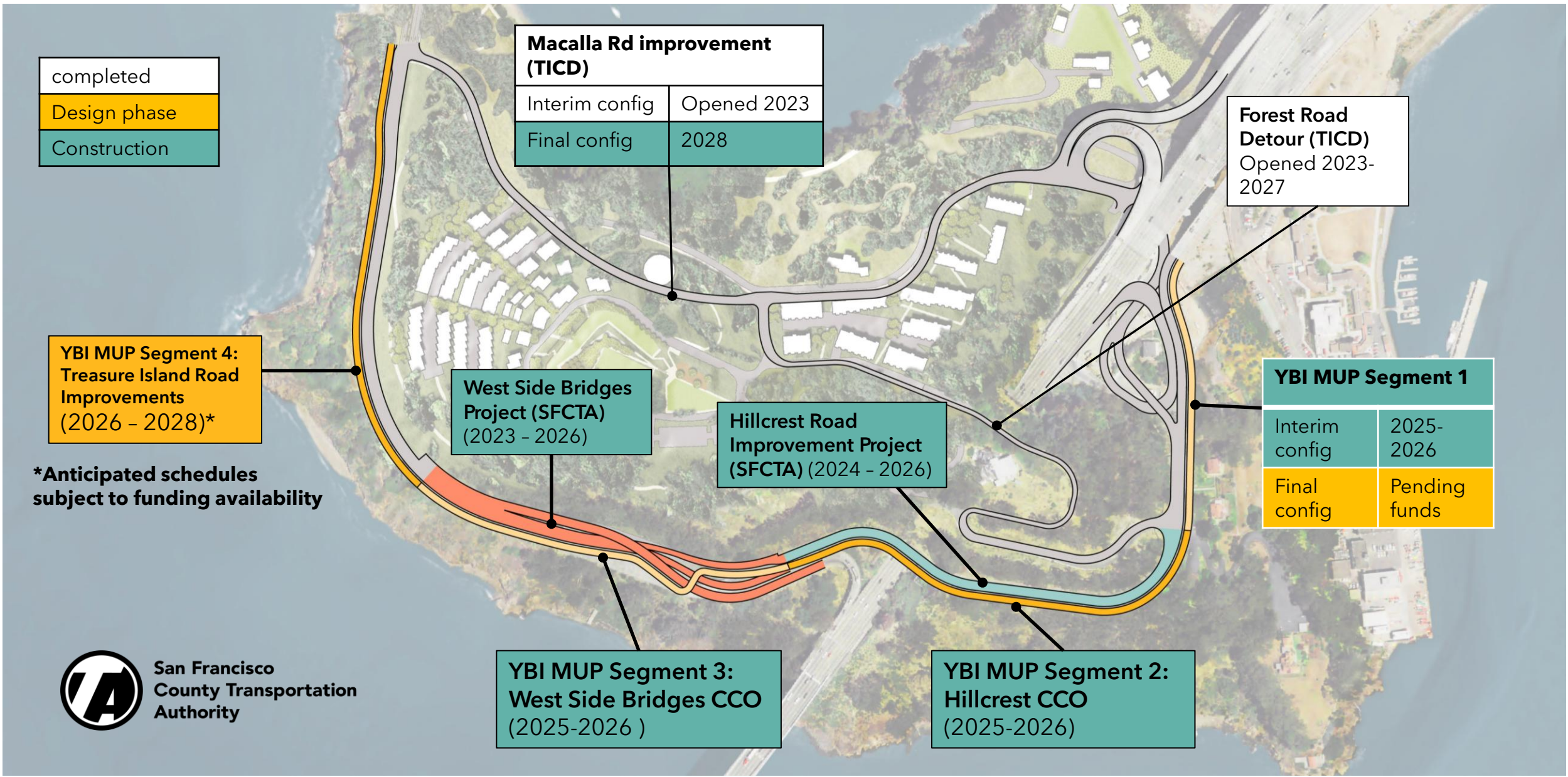


# Attachment 2. Interim Yerba Buena Island Multi-Use Pathway (YBI MUP)





# Attachment 2. YBI MUP Segments



**Attachment 3.**  
**Yerba Buena Island Multi-Use Pathway Segment 4 -**  
**Treasure Island Road Improvements Project Funding Plan**

<b>Funding Source</b>	<b>Total Amount</b>
<b>Environmental (ENV)</b>	
Priority Conservation Area	\$ 1,000,000
LPP-F (SFCTA)	\$ 250,000
<b>ENV Subtotal (Segments 1-4)</b>	<b>\$ 1,250,000</b>
<b>Plans, Specifications, and Estimates (PS&amp;E)</b>	
ATP Cycle 7	\$ 3,800,000
OBAG 3	\$ 2,250,000
LPP-F (SFCTA)	\$ 751,000
Prop AA	\$ 750,000
BATA Toll Funds	\$ 750,000
<b>PS&amp;E Subtotal (Segments 1-4)</b>	<b>\$ 8,301,000</b>
<b>Construction (CON)</b>	
Regional Measure 3	\$ 16,250,000
SF-TIDA- IIG backed (See note 1)	\$ 7,500,000
ITIP	\$ 4,944,000
SF-TIDA/ TICD backed	\$ 3,300,000
Housing Incentive Pool (See note 2)	\$ 2,267,000
LPP-F (SFCTA/CCSF) (See note 3)	\$ 1,774,000
Prop L	\$ 1,000,000
Other (See note 4)	\$ 965,000
<b>CON Subtotal (Segment 4 only)</b>	<b>\$ 38,000,000</b>
<b>Total</b>	<b>\$ 47,551,000</b>

Notes:

- (1) SF-TIDA- IIG backed funds are pending award to the project. Affordable Housing Sustainable Communities (AHSC) grant to complete affordable housing plan approval expected December, allowing IIG transfer to project.
- (2) Estimated amount of HIP funds for the YBI MUP that will be transferred from the West Side Bridges Project (MUP Segment 3) to the Treasure Island Road Improvements Project (MUP Segment 4).
- (3) LPP-F (SFCTA) funds are subject to programming approval by the Transportation Authority Board and programming and allocation by CTC.
- (4) Other funds may include City and County of San Francisco funds and/or savings from adjacent projects under construction.