



Memorandum

AGENDA ITEM 3

DATE: December 15, 2025

TO: Transportation Authority Board

FROM: Executive Director – Tilly Chang

SUBJECT: 12/16/2025 Board Meeting: Executive Director's Report - INFORMATION

FEDERAL, STATE, AND REGIONAL ISSUES

Federal Surface Transportation Reauthorization Negotiations Underway.

Negotiations are underway in Congress for the next surface transportation reauthorization bill to replace the Infrastructure Investment and Jobs Act (IIJA), which expires in September 2026. Typically authorized every five to seven years, surface transportation bills provide a roadmap to guide annual federal spending on roads, bridges, and transit. We will include surface transportation reauthorization in our 2026 Legislative Program as a top priority with a call to at least maintain current funding levels (which we anticipate will be a challenge with the current administration) and to emphasize funding distribution by formula in the bill as a way to help provide more certainty to project sponsors about funding levels. We will provide more information to the Board on this topic when we present the 2026 federal and state legislative priorities to the board for approval early next year.

Federal Transit Administration Awards \$39.8M Grant to SFMTA for 24 New Buses.

In November, SFMTA was awarded a \$39.8 million grant from the Federal Transit Administration's Low- and No-Emission Grant Program to procure 24 new 40-foot diesel hybrid-electric buses. The new buses will replace old vehicles that have reached the end of their useful lives. Combined with the 94 hybrid buses supported by \$32.3 million in Prop L funds and scheduled to be in service by 2028, more than a third of SFMTA's 40-foot hybrid bus fleet will have been replaced with new vehicles in the next few years.

California Strategic Growth Council Approves \$45M for Treasure Island

Affordable Housing and Transportation Projects. I am thrilled to report that on December 10, the California Strategic Growth Council awarded a \$45 million grant from the Affordable Housing and Sustainable Communities program for Treasure Island projects. Funded by the Cap-and-Invest program, this grant includes \$33.5



million for the construction of affordable housing on the island and \$10.9 million for several key transportation improvements including: additional bus shelters, bike paths, and sidewalks that TIMMA and TIDA are building, and completion of the Transportation Authority's Yerba Buena Multi-Use Path, northern segment; and operating funds for TIMMA's future electric ferry services. The award is a huge boost to our collective capacity to deliver the Treasure Island development and transportation program at a critical time. Congratulations to the John Stewart Company, the Treasure Island Development Authority, and the Treasure Island Mobility Management Agency who collaborated on this grant application.

DMV Releases Revised Autonomous Vehicle Regulations. On December 3, the Department of Motor Vehicles (DMV) published revisions to the proposed Autonomous Vehicle (AV) regulations that were originally issued in April of this year. At that time, more than 80 stakeholders, including the Transportation Authority, SFMTA and SFO submitted comments. The proposed regulations included several improvements, such as expanded data reporting, a clear progression from testing with a driver to driverless testing and deployment, and additional enforcement tools for the DMV. However, Transportation Authority staff commented that other areas warranted further improvement, including the adoption of performance standards, enhanced data transparency, and stronger requirements for remote operations. Transportation Authority will provide comments on the updated version of the regulations by the due date this week.

Next Generation Clipper 2.0 Launches - 'Tap-and-Ride', Discounted Transfers, and Other New Features Available Region-wide. The "Next-Generation Clipper" system launched on December 10, introducing major upgrades intended to reduce costs for riders and modernize fare payment across the nearly two dozen Bay Area transit agencies that use Clipper. Key new features include free or discounted transfers—up to \$2.85 off subsequent rides within two hours—and instant availability of funds added to Clipper accounts, eliminating prior delays of several days. Riders may now also pay fares systemwide using a contactless credit or debit card. In addition, new family accounts allow users to manage multiple Clipper cards under one profile, enabling parents or caregivers to add value to dependents' cards. Vice Chair Sauter and members of our staff joined Mayor Lurie, Senator Scott Wiener, Assemblymember Catherine Stefani, and MTC, BART, and SFMTA leadership to celebrate the launch of Clipper 2.0 at Embarcadero BART/Muni station last Wednesday, just in time to benefit locals, visitors, and tourists alike during the busy



year-end holiday season. The launch has experienced technical difficulties, including app and website issues that MTC and the vendor are working on addressing.

Air District Funds New EV Chargers in San Francisco. The Bay Area Air District recently announced awards for its Charge! program for electric vehicle (EV) chargers, including 11 projects in San Francisco with over 140 chargers. The 2025 Charge! Program prioritized projects located at affordable and below-market-rate housing, low-income and disadvantaged communities, multi-family housing, and areas with lower EV charging density. Notably, the awards to multiple private parties (homeowner associations and EV charger vendors), include a total of 50 proposed curbside chargers in the Japantown, Richmond, and Sunset communities, which will still need to secure permits from San Francisco agencies prior to moving forward. We are excited to see the Air District focusing on multi-family residential locations, which will be very important to San Franciscans wishing to transition to an electric vehicle.

LOCAL ISSUES

Mayor Lurie Issues Street Safety Executive Directive to City Agencies.

Yesterday, Mayor Lurie signed the Street Safety Executive Directive, which coordinates City departments responsible for San Francisco's roadways and transportation system. The Directive supports the San Francisco Street Safety Act resolution, authored by Chair Melgar and unanimously adopted by the Board of Supervisors in September. This resolution recommits San Francisco to eliminating severe and fatal traffic crashes, strengthening interagency coordination, and scaling proven safety solutions. The Street Safety Act requires the Transportation Authority to coordinate with the Controller's Office City Performance Unit to assess effectiveness and completion of core agency responsibilities and to host an annual hearing on the review of street safety progress, challenges, and data, which we plan to advance in 2026.

Autonomous Vehicles Operational Updates. On November 30, a Waymo vehicle reportedly struck and killed a dog at the intersection of Scott and Eddy streets. This incident follows a separate event in which a Waymo vehicle killed a cat in the Mission District. Notwithstanding these incidents, Waymo recently received regulatory approval from the DMV to significantly expand its driverless robotaxi operations across the Bay Area, including much of the East Bay and North Bay. Additionally, Zoox has begun providing free robotaxi service to members of the public in parts of SoMa, the Mission, and the Design District. Finally, SFMTA indicated it may expand its current Market Street ridehail pilot, where Waymo and Uber and Lyft black car



services could be invited to use Market Street during peak commute hours. This development follows an initial period of pilot operations, where the ridehail services were invited to operate in off-peak hours. SFMTA's limited evaluation of the initial phase reported unclear numbers of ridehail trips and low impacts to transit services operating on Market Street.

SFMTA Parcel Tax Framework Update - Discussions Continue on Potential November 2026 Revenue Measure. Last week, the Mayor's Office and SFMTA released an updated parcel tax framework for the November 2026 ballot that would generate an estimated \$187 million annually, inclusive of \$22 million to expand and enhance Muni services. Under this revised framework, most homeowners (except seniors, who are exempted) would pay \$129 annually, with owners of homes larger than 3,000 square feet paying an extra \$0.42 to \$2 per square foot for area beyond 3,000 square feet. Multifamily properties would pay a base rate of \$249 annually, with an additional square foot surcharge for buildings over 5,000 square feet. Commercial properties would pay a base rate of \$799 annually, with properties larger than 5,000 square feet paying an additional square foot surcharge. Multifamily and commercial property annual tax payments would be capped at \$250,000 and \$400,000, respectively. Some provisions of the framework are still under discussion, such as whether pass-through of taxes would be allowed for rent-stabilized housing units. We will continue to keep the Board apprised of updates to the framework as the Mayor's Office and SFMTA work toward a final version over the next few weeks.

PROJECT DELIVERY

De Long Street Pavement Renovation Substantially Completed in November. I am happy to report that Public Works has substantially completed its pavement renovation of De Long Street in District 11 between San Diego and Santa Cruz avenues. The project scope included demolition, pavement renovation, new sidewalk construction, curb ramp construction, and retrofit, to bring the block of De Long Street into a state of good repair, which is required for final acceptance of the street by the City for maintenance. Public Works is proceeding with the final acceptance process and is targeting completion in Spring 2026. The design and construction were funded with \$350,000 in sales tax dollars available from cost savings on the Potrero Pavement Renovation project.

Minnesota Streetscape Project Reaches Completion - Sales Tax Funds Support Safety and Accessibility Improvements. Yesterday we joined Public Works, Commissioner Shamann Walton, and community members to celebrate the



completion of the Minnesota Streetscape Project, which extends from 23rd to 25th street in the heart of the Dogpatch neighborhood. Many community members put a lot of time and effort into making the safety and accessibility improvements in this area happen, including everyone who participated from the Central Waterfront/ Dogpatch Public Realm Plan, who initially recommended this project, the Dogpatch & NW Potrero Hill Green Benefit District, and the Dogpatch Neighborhood Association. The Transportation Authority supported the construction of new bulb-out and curb ramps on the eastern side of the Minnesota and 25th street intersection with \$400,000 from the voter-approved half cent sales tax program, creating a shorter, safer, and more accessible crossing at this busy intersection. As a result of this project, there is now an ADA-compliant path of travel on the east side of Minnesota Street starting at 25th Street.

MANAGEMENT AND ADMINISTRATION

I-280 Northbound Geneva Avenue Off-Ramp Study Receives Award from the American Council of Engineering Companies (ACEC) of California. In February 2026, ACEC will host the 2026 Annual Conference + Engineering Excellence Awards in Anaheim to highlight how engineers and land surveyors can influence the future through innovation, imagination, and impact. Carl Holmes, Deputy Director for Capital Projects, will attend the event to receive a merit award for Engineering Excellence for the Transportation Authority's I-280 Northbound Geneva Avenue Off-Ramp Study.

Thank you to Chair, Vice Chair, and the Board, Legislative Aides, CAC, Partners and Staff. Finally, I would like to express my sincere gratitude to our leadership, Chair Melgar and Vice Chair Sauter, and to their dedicated staff, Emma Hare and Michelle Andrews, for their guidance, collaboration, and continued support throughout the year. I also extend my appreciation to the Community Advisory Committee, our partner agencies, and our staff, whose commitment and professionalism were essential to advancing our shared goals. We look forward to making continued progress together in 2026, and wish everyone a relaxing and joyful holiday season.