



Memorandum

AGENDA ITEM 3

DATE: February 23, 2026

TO: Transportation Authority Board

FROM: Executive Director - Tilly Chang

SUBJECT: 02/24/2026 Board Meeting: Executive Director's Report - INFORMATION

FEDERAL, STATE, AND REGIONAL ISSUES

State Authorizes \$590 million in Loans for Bay Area Transit Agencies. On February 19, Governor Newsom signed Assembly and Senate Bills 117 which authorize the California State Transportation Agency to provide \$590 million in loans to the Metropolitan Transportation Commission (MTC) to support transit operations for AC Transit, BART, Caltrain, and SFMTA next fiscal year. Bay Area operators entered into negotiations with the state last year for bridge loans to support the agencies until potential regional and, in the case of SFMTA, local transit ballot measures' funds would start to flow to operators, should they be approved by voters this coming November. Loans would be repaid by the transit agencies through MTC over a 12-year period and are secured by operator State Transit Assistance funds. We deeply appreciate the state's partnership in helping sustain the region's transit system while our operators work to stabilize their budgets.

BART Considers Major Service Cuts Amid \$380M Annual Deficit if 2026 Ballot Measure Fails. On February 12, the BART Board of Directors held a workshop to discuss the potential service frameworks that may be implemented if the anticipated November 2026 regional transit ballot measure is unsuccessful. Should the ballot measure pass, BART is expected to receive enough revenues to address the vast majority of its forthcoming budget deficit which averages \$380 million between Fiscal Years 2027 and 2031. Without a successful ballot measure, BART may have to cut up to 70% of train hours, close as many as 15 stations, and increase fares by a cumulative 50%. While San Francisco BART stations are not included in any potential service framework, these service cuts would have devastating impacts across the region and San Francisco's economic recovery efforts. We plan to invite BART to a future meeting of this Board to share information about their budget and service plans in the event a regional measure is not successful.



Concerns with Proposed DMV Data Reporting Requirements. The California Department of Motor Vehicles (DMV) has been conducting a rulemaking process for the past 10 months to update regulations governing the testing and deployment of autonomous vehicles (AVs) on public roads. On January 21, 2026, the DMV issued its Second Modified Regulatory Text, which appears close to final adoption. Notably, the updated data-reporting requirements disregard recurring feedback from San Francisco, other cities, and academic experts. For example, the DMV will not require companies to report vehicle miles traveled disaggregated by city or county, leaving local governments unable to gauge the scale of AV operations on their streets or calculate rate-based performance metrics. In addition, the new rules require reporting of hard-braking events only on roads with posted speed limits of 35 mph or higher, effectively excluding most streets in San Francisco. As a result, a significant share of meaningful hard-braking incidents would go unreported, obscuring critical safety data for San Francisco and other urbanized areas with denser street networks.

Waymo Starts Passenger Service at SFO. Waymo has been approved to provide limited autonomous rides to and from San Francisco International Airport (SFO) by SFO authorities after completing a series of tests that began in September 2025. Select passengers can now use Waymo for pickups and drop-offs at the Rental Car Center, accessible from the main terminal via AirTrain, a location chosen to avoid terminal traffic impacts. The approval follows two testing phases and we understand that SFO will require trip data reporting from Waymo, under terms of the permit.

Hearing on Waymo Operations During Blackout Set for March 2. Following the Waymo fleet malfunctions during the December 20 blackout, Supervisor Mahmood called for a hearing to better understand the causes of the stalled AVs and operational impacts from that day on travelers, traffic and emergency services. The hearing has been set for March 2 at 1 pm at the Board of Supervisors Land Use and Transportation Committee at City Hall.

Assemblymember Haney Introduces Bill to Support Funding for The Portal. As reported at the February 10 Transportation Authority Board meeting, the Transbay Joint Powers Authority is seeking state authorization to extend the term of the local tax increment financing arrangements for former state-owned parcels near the Salesforce Transit Center. On February 19, Assemblymember Haney introduced Assembly Bill (AB) 2308, which would authorize the time extension. If approved, the would enable the TJPA and City to raise additional local funds for the project. We thank the Assemblymember for authoring this legislation and we will continue to report on this bill during our monthly state update.



LOCAL ISSUES

Geary/19th Ave Subway and Regional Connections Study - Virtual Town Halls March 5 and 7. The Transportation Authority, in partnership with SFMTA and the San Francisco Planning Department, initiated the Geary/19th Ave Subway & Regional Connections Study (Study) to undertake conceptual planning for the subway and assess the strategic case for the project. As part of the second round of community outreach for the Study, the study team will host two virtual town hall meetings on Thursday, March 5, from 6 to 7:30 pm, and Saturday, March 7, from 10 to 11:30 am. Both sessions will feature the same content. The town halls will provide an update on key study findings and next steps with language interpretation available in Cantonese and Spanish. Visit the project website to register for the virtual town halls and learn more: sfcta.org/projects/geary19th.

Geary-Fillmore Underpass Study Launches Community Council and Vision for Corridor Revitalization. The Geary-Fillmore Underpass Community Planning Study convened its first Community Council meeting on February 9 at our offices. The study will develop a new vision for the Geary corridor between Laguna and Divisadero, which reconnects the adjacent communities and address harms of redevelopment-era infrastructure. We thank District 5 staff for joining the meeting where the Community Council, composed of eight community-based organizations, discussed opportunities and concerns for the project, then provided feedback on goal areas sourced from previous plans. Learn more about the project at sfcta.org/geary-fillmore.

PROJECT DELIVERY

Yerba Buena Island Multi-Use Pathway Segment 4 Full Funding Secured, Construction Starts July. Earlier this month, the California Transportation Commission approved over \$6.7 million in state funds for the northern segment of the Yerba Buena Island Multi-Use Pathway (MUP), starting near the Administration building (also known as the Treasure Island Road Improvement Project). This action allocated \$4.9 in Interregional Improvement Program Funds and about \$1.8 million in Local Partnership Program Formula funds programmed by the Transportation Authority, fully funding the \$38 million construction phase. The Yerba Buena Island MUP will build 1.2 miles of bicycle and pedestrian connections with protected pathways that run along Hillcrest Road and Treasure Island Road. Segment 4 is the portion that extends north from the south edge of Macalla Road intersection and ends 1,200 feet south along Treasure Island Road. On February 19, the San Francisco



Arts Commission unanimously approved the MUP's art design. We anticipate advertising the Treasure Island Road Improvement Project in March, with construction anticipated to begin in July. More information on the MUP can be found at sfcta.org/ybi-multi-use-pathway

Vision Zero Left Turn Traffic Calming - Project Completed. I'm pleased to share that SFMTA has completed construction of left-turn traffic calming, including installation of paint, post, and rubber speed bumps, as a part of the Vision Zero Left Turn Traffic Calming project. Funded with \$100,000 in Prop L sales tax funds, this project installed left-turn traffic calming treatments at the remaining 27 of the 35 locations, including locations in the Tenderloin. With left-turn crashes being one of the top severe and fatal crash factors for pedestrians and cyclists, this project improves visibility and reduces conflicts for alternative-mode road users.

Lake Merced Quick Build - Project Completed. I'm also happy to announce that SFMTA's Lake Merced Quick Build Project is now substantially complete, bringing a series of targeted safety and mobility improvements to sections of Lake Merced Boulevard from John Muir Drive to Skyline Boulevard. These improvements include transit boarding islands, enhanced pedestrian crossings, traffic calming measures, and protected bikeways. With substantial completion of the project, there is now a continuous active transportation facility ringing Lake Merced and an additional alternative to bike and roll to or through the east side of Lake Merced. This project is funded with \$725,000 in sales tax funds, and improvements will support broader safety and accessibility goals for the Lake Merced area.

Next Generation Sanchez Slow Street [Neighborhood Program] - Project Substantially Completed. SFMTA has substantially completed design and construction of the Next Generation Sanchez Slow Street project, funded with about \$277,000 in District 8 Neighborhood Transportation Program funds. These funds supported installation of "next generation" Slow Street improvements along Sanchez Street from 23rd to 30th streets, such as Painted Safety Zones and traffic calming islands at 6 intersections and landscaping and planters on select islands to add green elements in the roadway. With a full citywide Slow Streets program approved by the SFMTA Board, these treatments allow Sanchez Street to pilot innovative "next generation" Slow Street improvements.