San Francisco
County Transportation
Authority

1455 Market Street, 22ND Floor, San Francisco, California 94103 415-522-4800 info@sfcta.org www.sfcta.org

Memorandum

AGENDA ITEM 3

DATE: June 23, 2026

TO: Transportation Authority Board

FROM: Executive Director – Tilly Chang

SUBJECT: 06/23/2026 Board Meeting: Executive Director's Report - INFORMATION

FEDERAL, STATE, AND REGIONAL ISSUES

Cap-and-Invest Amendments Resulting in a $2B Annual Reduction to Program Revenues. On May 29, the California Air Resources Board (CARB) approved a final set of amendments to the Cap-and-Invest framework that will likely result in significantly reduced revenues for programs funded by the Greenhouse Gas Reduction Fund (GGRF). These changes were made in response to concerns raised by emitters regulated by Cap-and-Invest earlier this year, who warned that an initial proposal released in January could result in affordability issues for consumers and emissions leakage (emitters moving their operations out-of-state). With an estimated $2 billion annual reduction for GGRF programs, the approved amendments may result in the elimination of critical programs for transit operations and capital, affordable housing, and air pollution reduction. Staff will present more information on this topic as part of the State and Federal Legislation Update on today's agenda, including advocacy efforts and how the Legislature is responding.

California High-Speed Rail – Revised 2026 Business Plan Approved. On June 1st, the California High-Speed Rail Authority (CHSRA) Board of Directors approved the Authority's 2026 Business Plan. The Plan was originally prepared for consideration at the CHSRA Board's April 29th meeting; however, following public and stakeholder input regarding the Draft Business Plan – including our own joint comment letter with SFMTA – the CHSRA Board deferred consideration and CHSRA staff prepared a Revised Draft Business Plan. We appreciate the incorporation of San Francisco input in the revised plan - approved earlier this month - which specifies the Salesforce Transit Center as the northern terminus of the high-speed rail system and notes the commitment of CHSRA to secure $550 million in funding for The Portal project.

Assembly Members Stefani and Haney Request Stronger AV Reporting and Enforcement. On June 4, 2026, Assembly Members Stefani and Haney submitted a letter to the Department of Motor Vehicles (DMV) Director Steve Gordon acknowledging the DMV's April 28 release of updated autonomous vehicles (AV) regulations while raising three substantive safety-related concerns: (1) the absence of county-level vehicle miles travelled (VMT) reporting requirements needed for meaningful safety and congestion analysis; (2) the lack of enforcement mechanisms for AV providers that violate traffic laws, including clear financial penalties or permit consequences; and (3) the absence of emergency management protocols for fleet-wide resilience events, such as natural disasters or power failures. The letter requests that the DMV collaborate with San Francisco agencies to address these regulatory gaps.

Waymo Freeway Incidents Prompt Vehicle Recall and Service Suspension. In May 2026, Waymo suspended freeway operations across the Bay Area, Los Angeles, Phoenix, and Miami after a series of incidents in which robotaxis entered active freeway construction zones. In 13 incidents in Phoenix and the San Francisco Bay Area, vehicles either failed to recognize construction zone closures or drove through them while avoiding other freeway hazards. A San Francisco passenger posted footage of a Waymo driving through cones, swerving around construction trucks, and being pursued by police. Waymo pulled its entire fleet from freeways on May 19, and on June 18 formally filed a software recall with the National Highway Traffic Safety Administration or NHTSA covering nearly 3900 vehicles. The suspension marks Waymo's second voluntary recall in just over a month following an earlier recall for vehicles that drove into flooded roadways. We are following up with Waymo, NHTSA and California DMV on what safety standards will guide decisions regarding resumption of AV services on freeways.

Bay Area Transit Operators Achieve $1.1 Billion in Operations Savings and Plan for More Efficiencies. On May 22, the Metropolitan Transportation Commission released the Bay Area Financial Efficiency Review final report which outlined strategies that AC Transit, BART, Caltrain, and SFMTA implemented to reduce costs between 2020 and 2025 and future actions the agencies will take to become even more efficient. The report found that the four agencies have already achieved almost $1.1 billion in operations cost savings over the last five years through service adjustments, fare evasion initiatives, workforce reductions and hiring freezes, and other strategies. The report also recommended actions for the operators to undertake in coming years to reduce costs even further, such as exploring retail and amenity opportunities, improving speed and reliability through transit priority, and seeking enhanced parking revenues. The governing boards of all four operators approved the recommended actions at meetings earlier this month. The report was prepared pursuant to Senate Bill (SB) 63 (Wiener, Arreguín, 2025) in support of a potential November 2026 regional sales tax measure.

Signatures Submitted for Two Citizen-Initiated Transit Ballot Measures for November 2026. Last month, the Connect Bay Area campaign announced the submission of 305,000 signatures from voters in Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara counties in support of placing a regional transit sales tax measure on the ballot in November 2026. If the ballot initiative qualifies and passes, the sales tax measure would enact a 1.0% sales tax rate increase in San Francisco and a 0.5% increase in the other four counties and generate $1 billion a year to support operations for AC Transit, BART, Caltrain, SFMTA, and other transit services in the region. Earlier this month, the Stronger Muni for All campaign submitted over 18,000 signatures to place a parcel tax measure on San Francisco's November 2026 ballot to fund SFMTA transit services. Last week, the Department of Elections confirmed that the Stronger Muni for All initiative qualified for the November 2026 ballot. If passed, the parcel tax would generate about $160 million per year to sustain and expand transit services. Under the new tax, property owners in the city would pay varying amounts based on property size and type, with owners of single-family homes under 3,000 square feet paying $129 per year.

LOCAL ISSUES

Virtual Town for Round 3 of the Mission Bay School Access Plan Held. Last Thursday, we hosted a virtual town hall for the third round of outreach for the Mission Bay School Access Plan. District Legislative Aide Madison Tam provided opening remarks and Senior Transportation Planner David Long shared community feedback from the second round of outreach, key barriers identified by the community, and a list of recommendations, including new alternatives for the roundabout near the new Mission Bay Elementary School opening in August 2026. Community members provided feedback on each design concept. Next steps include finalizing the study and working with our partners at SFMTA to pursue funding to implement some recommendations. We expect to present a final report to the Board this fall. For more information, visit the project website at sfcta.org/mission-bay-school.

PROJECT DELIVERY

Powell Street Improvement Project - Mayor Lurie Signing Ceremony. Earlier in the month, Deputy Director for Policy and Programming Anna LaForte joined Mayor

Lurie, Vice Chair Sauter, city departments and the Union Square Alliance to celebrate a $14.5 million grant from the San Francisco Downtown Development Corporation which will support the Powell Street Improvement Project. As part of broader downtown revitalization efforts, the project will transform the corridor between Market and Geary with sidewalk widening, new lighting, enhanced planting, benches, updated cable car stops, and other elements. The Transportation Authority provided $4 million in Prop L half-cent sales tax funds for the project, which aims to improve the pedestrian realm and visitor experience.

Innes Avenue Sidewalk Improvements - Project Completed. Congratulations to Public Works on its completion of the Innes Avenue Sidewalk Improvements project. Improvements included nearly 450 linear feet of new sidewalk, 4 ADA compliant curb ramps, and 350 feet of new safety rockslide catchment fence to provide pedestrians with a more complete and safe connection between the Bayview and Hunters Point neighborhoods. We were pleased to support the design and construction of these improvements with $851,000 in Prop AA vehicle registration fee funds.

Curb Ramps: Various Locations - Project Substantially Completed. I'm happy to announce that Public Works recently substantially completed construction of the Curb Ramps: Various Locations project. We provided $2.1 million in sales tax funds to support the construction of 37 curb ramps at eight intersections around San Francisco, helping the City meet its obligations to provide curb ramps that are readily and easily usable by people with disabilities.

Signal Improvements Enhance Safety and Accessibility at 19 Locations. I'm pleased to share that all improvements for SFMTA's Traffic Signal Upgrade Contract 36 project are open for use. Funded with $5 million in Prop K and Prop L sales tax funds, this project installed traffic-signal related upgrades at 19 locations across San Francisco. Specific improvements include new pedestrian signals, new accessible pedestrian signals, new higher-visibility 12-inch traffic signals on mast arms, new left turn signals, curb ramps, and replacement of old/damaged signal infrastructure. With 16 of the intersections located on the 2022 High Injury Network, this project supports the City's safe streets goals and commitment to prioritize traffic safety.

Traffic Calming Program Delivers Hundreds of Safety Improvements. SFMTA has made significant progress in delivering on their application-based traffic calming program, funded with $1.2 million in Prop K sales tax funds and $11.2 million in Prop D TNC Tax funds. SFMTA is actively working to clear its backlog of applications, installing all devices for the FY19 and FY20 program cycles and making strides toward completing the FY21 and FY22 program cycles. For the FY22 program cycle, SFMTA has installed 247 of the 273 devices and anticipates completing the remaining scope by the end of the calendar year. Concurrently, SFMTA is now working on developing criteria for the next iteration of their traffic calming program, with plans to update the Board in late 2026/early 2027.

School Traffic Calming Program Supports Safer Walking and Biking. SFMTA has made progress on its school traffic calming program, which is funded with $7.3 million in Prop K and Prop L sales tax funds. SFMTA confirmed the list of schools to receive school loading zone treatments, first identified as part of the FY22 school traffic calming program cycle. SFMTA also completed all walk audits for the FY26 school traffic calming program cycle. (See sfmta.com/projects/school-walk-audit-program for FY26 walk audit locations and program information.) Construction funds for the FY26 program cycle are on reserve pending the completion of the school walk audits, identification of measures to be implemented, and a presentation to the Board demonstrating progress in delivering on the backlog of measures for the school traffic calming program.

MANAGEMENT AND ADMINISTRATION

Welcome TIDA Executive Director Sheela Jivan. We are excited to welcome Sheela Jivan to Treasure Island as TIDA's new Executive Director. Ms. Jivan started June 8 and brings 30 years of experience managing large-scale, mixed-use urban developments, affordable housing, and community planning, having worked previously at the Terner Center for Housing Innovation, Google, and Lennar. We will work closely with Ms. Jivan and her team as we work to complete multiple transportation infrastructure capital projects on the Islands this year.

BuildIT Founders Day Showcases Equity in Infrastructure Partnerships. Earlier in the month, I joined Board President and Transportation Authority Commissioner Rafael Mandelman and Capital Projects Principal Engineer Ahmed Thleiji at the BuildIT's Founders Day 2026 reception. Hosted by the Transbay Power Joint Authority at the Salesforce Transit Center, the event celebrated new pledge signers of the Equity in Infrastructure Project (EIP), a program committed to increasing contracting participation by under-represented businesses that the Transportation Authority signed in 2025. BuildIT is the world's largest industry association dedicated to the sustainable development of LGBT/Allied businesses, professionals, and tradespeople throughout the AEC Industry.