



Memorandum

Date: January 16, 2019
To: Transportation Authority Board
From: Anna LaForte – Deputy Director for Policy and Programming
Subject: 2/12/2019 Board Meeting: Allocate \$11,115,000 and Appropriate \$500,000 in Prop K Sales Tax Funds, with Conditions, for Six Requests

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <ul style="list-style-type: none"> ● Allocate \$11,055,000 in Prop K funds to the San Francisco Municipal Transportation Authority (SFMTA) for four requests: <ol style="list-style-type: none"> 1. Breda LRV Overhauls (\$7,500,000) 2. Breda LRV Heating, Ventilation & Air Conditioning Refurbishments (\$3,200,000) 3. Safe Routes to Schools Program Administration (\$160,000) 4. Residential Transportation Demand Management Program (\$195,000) ● Allocate \$60,000 in Prop K funds to the Port of San Francisco (PortSF) for one request: <ol style="list-style-type: none"> 5. Downtown Ferry Terminal - Passenger Circulation Improvements (\$60,000) ● Appropriate \$500,000 in Prop K funds for one request: <ol style="list-style-type: none"> 6. Downtown Congestion Pricing Study (\$500,000) <p>SUMMARY</p> <p>We are presenting six requests totaling \$11,615,000 in Prop K funds to the Board for approval. Attachment 1 lists the requests, including requested phase(s) and supervisorial district(s) for each project. Attachment 2 provides a brief description of each project. Attachment 3 contains the staff recommendations.</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Fund Allocation <input checked="" type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contracts <input type="checkbox"/> Other: _____
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DISCUSSION

Attachment 1 summarizes the subject allocation requests, including information on proposed leveraging (i.e. stretching Prop K sales tax dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop K Expenditure Plan. Attachment 2 includes a brief description of each project. Attachment 3 summarizes the staff recommendations for the requests, highlighting special conditions and other items of interest. An Allocation Request Form for each project is enclosed, with more detailed information on scope, schedule, budget and funding.

FINANCIAL IMPACT

The recommended action would allocate \$11,115,000 and appropriate \$500,000 in Prop K funds. The allocations and appropriation would be subject to the Fiscal Year Cash Flow Distribution

Agenda Item 13

Schedules contained in the enclosed Allocation Request Forms.

Attachment 4 shows the approved Fiscal Year (FY) 2018/19 allocations and appropriations to date, with associated annual cash flow commitments as well as the recommended allocations, appropriation and cash flow amounts that are the subject of this memorandum.

Sufficient funds are included in the adopted FY 2018/19 budget to accommodate the recommended actions. Furthermore, sufficient funds will be included in future budgets to cover the recommended cash flow distribution for those respective fiscal years.

CAC POSITION

The CAC will be briefed on this item at its January 23, 2019 meeting.

SUPPLEMENTAL MATERIALS

Attachment 1 – Summary of Applications Received

Attachment 2 – Project Descriptions

Attachment 3 – Staff Recommendations

Attachment 4 – Prop K Allocation Summaries – FY 2018/19

Enclosure – Prop K/AA Allocation Request Forms (6)

Attachment 1: Summary of Applications Received

Source	EP Line No./ Category ¹	Project Sponsor ²	Project Name	Current Prop K Request	Total Cost for Requested Phase(s)	Leveraging		Phase(s) Requested	District(s)
						Expected Leveraging by EP Line ³	Actual Leveraging by Project Phase(s) ⁴		
Prop K	9	PortSF	Downtown Ferry Terminal - Passenger Circulation Improvements	\$ 60,000	\$ 60,000	95%	0%	Design	3
Prop K	17M	SFMTA	Breda LRV Overhauls	\$ 7,500,000	\$ 7,500,000	84%	0%	Construction	Citywide
Prop K	17M	SFMTA	Breda LRV Heating, Ventilation & Air Conditioning Refurbishments	\$ 3,200,000	\$ 3,200,000	84%	0%	Construction	Citywide
Prop K	43	SFMTA	Safe Routes to Schools Program Administration	\$ 160,000	\$ 160,000	54%	0%	Construction	Citywide
Prop K	43	SFMTA	Residential Transportation Demand Management Program	\$ 195,000	\$ 195,000	54%	0%	Planning	Citywide
Prop K	43	SFCTA	Downtown Congestion Pricing Study	\$ 500,000	\$ 1,800,000	54%	72%	Planning	Citywide
TOTAL				\$ 11,615,000	\$ 12,915,000	79%	10%		

Footnotes

- ¹ "EP Line No./Category" is either the Prop K Expenditure Plan line number referenced in the 2019 Prop K Strategic Plan or the Prop AA Expenditure Plan category referenced in the 2017 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit).
- ² Acronyms: PortSF (Port of San Francisco), SFCTA (San Francisco County Transportation Authority, and SFMTA (San Francisco Municipal Transportation Agency)
- ³ "Expected Leveraging By EP Line" is calculated by dividing the total non-Prop K funds expected to be available for a given Prop K Expenditure Plan line item (e.g. Pedestrian Circulation and Safety) by the total expected funding for that Prop K Expenditure Plan line item over the 30-year Expenditure Plan period. For example, expected leveraging of 90% indicates that on average non-Prop K funds should cover 90% of the total costs for all projects in that category, and Prop K should cover only 10%.
- ⁴ "Actual Leveraging by Project Phase" is calculated by dividing the total non-Prop K or non-Prop AA funds in the funding plan by the total cost for the requested phase or phases. If the percentage in the "Actual Leveraging" column is lower than in the "Expected Leveraging" column, the request (indicated by yellow highlighting) is leveraging fewer non-Prop K dollars than assumed in the Expenditure Plan. A project that is well leveraged overall may have lower-than-expected leveraging for an individual or partial phase.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Project Description
9	PortSF	Downtown Ferry Terminal - Passenger Circulation Improvements	\$60,000	Requested funds are for the design phase of a protected pedestrian walkway between The Embarcadero Promenade and the Ferry Pier Plaza at the south end of the Ferry Building. Currently, ferry passengers accessing Golden Gate Ferry and public spaces on the pier share the access to the pier with about 250 vehicles daily. Improvements would provide a separated walkway, lighting, and seating to improve the safety, comfort and quality of the passenger experience. Project should be open for use in early 2020.
17M	SFMTA	Breda LRV Overhauls	\$7,500,000	Overhaul critical systems in up to 149 Breda light rail vehicles (LRVs) in SFMTA's transit fleet to improve reliability and performance, and enable the vehicles to meet their useful lives. Overhauls will include substantial work to four of the systems that have been identified as leading to common issues that result in out-of-service vehicles: propulsion system gate driver boards, master controllers, advanced train control systems, and headlight systems. Overhauls will be completed by December 2021.
17M	SFMTA	Breda LRV Heating, Ventilation & Air Conditioning Refurbishments	\$3,200,000	Refurbish and replace heating, ventilation, and air conditioning (HVAC) units on about 71 the Breda LRV fleet to improve reliability and passenger comfort, and reduce required maintenance, energy consumption, and environmental impact from outmoded refrigerant, per standards set by the Environmental Protection Agency. Refurbishments will be completed by December 2021.
43	SFMTA	Safe Routes to Schools Program Administration	\$160,000	Administration of the SF Safe Routes to School program for an 8 month period from February 2019 to September 2019 as the program transitions from the Department of Public Health to SFMTA in July 2019. This request will fund SFMTA staff time during the transition period as it designs the program and creates a new program coordinator position, with a new hire expected by April 2019. Under the new structure, funded with \$2.8 million in federal One Bay Area Grant funds programmed by the Transportation Authority, the SFMTA will oversee and coordinate San Francisco's school transportation programs and allow for an increased focus on the core goals of school transportation: safety and mode shift.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Project Description
43	SFMTA	Residential Transportation Demand Management Program	\$195,000	Develop an implementation plan for a San Francisco resident-based travel demand management program to reduce single occupant vehicle use and increase travel by transit, biking, and walking. This request represents the development phase of a multi-year program, focused on best practices, market research, and developing, implementing, and evaluating pilot strategies. This early work is expected to be completed by October 2020. In future years, the SFMTA will request implementation phase funding to broaden the reach of successful strategies.
43	SFCTA	Downtown Congestion Pricing Study	\$500,000	In December 2018, the Transportation Authority Board directed staff to study congestion pricing alternatives for San Francisco, including alternative packages of congestion charges, discounts, subsidies, incentives, and multi modal transportation improvements. Funds will be used to develop scenarios based on community input, recent changes in the city's land use and transportation, and finding from the 2010 Mobility, Access, and Pricing Study (MAPS). The Study will evaluate each scenario based on the goals and objectives of the program, including examining how well each one would reduce congestion and vehicle miles-traveled and their associated safety, health, and environmental effects. It will also consider how each proposal can be designed to benefit low-income travelers and communities of concern. The Study is expected to be completed by June 2020.
TOTAL			\$11,615,000	

¹ See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Recommended	Recommendations
9	PortSF	Downtown Ferry Terminal Passenger Circulation Improvements	\$ 60,000	
17M	SFMTA	Breda LRV Overhauls	\$ 7,500,000	<p>5-Year Prioritization Program (5YPP) amendment: Recommendation is contingent upon a concurrent Vehicles-Muni 5YPP amendment to reprogram \$7,500,000 from Replace 30 30-foot Hybrid Diesel Motor Coaches to the subject project. SFMTA is deferring that procurement pending results of an upcoming pilot project to test a small fleet of battery-powered electric buses, which will inform the type of propulsion technology SFMTA will utilize for its next generation of buses.</p> <p>Special Condition: SFMTA is exploring whether it can accelerate replacement of its Breda light rail vehicles (LRVs) prior to the end of their 25-year FTA approved useful lives. Should this accelerated replacement occur, SFMTA plans to redistribute the overhaul equipment among remaining Bredas for use until the equipment reaches the end of its useful life or until all of the Bredas have been retired. Upon such redistribution of the overhaul equipment, SFMTA shall provide confirmation to the Transportation Authority, in a manner to be determined but as mutually agreed to between the Transportation Authority and SFMTA (agreed to prior to the redistribution) that the equipment has been redistributed and will reach its useful life.</p> <p>Special Condition (approved through 2019 5YPP for the Vehicles-Muni category): SFMTA may not issue notice to proceed on accelerated procurement of the replacement LRVs prior to allocation of additional Prop K funds (up to \$62.7 million) for the LRV replacement project. As a prerequisite to the Prop K allocation, SFMTA shall present to the SFMTA Board and Transportation Authority Board and CAC the proposed schedule, cost and funding plan, including any associated financing costs, along with an updated cost benefit analysis of early retirement of the LRVs, and confirmation that all funds are committed to the project.</p>
17M	SFMTA	Breda LRV Heating, Ventilation & Air Conditioning Refurbishments	\$ 3,200,000	<p>5YPP amendment: Recommendation is contingent upon a concurrent Vehicles-Muni 5YPP amendment to reprogram \$3,200,000 from Replace 30 30-foot Hybrid Diesel Motor Coaches to the subject project. See above Breda LRV Overhauls for details.</p> <p>Special Conditions: See above special conditions for the Breda LRV Overhauls.</p>

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Recommended	Recommendations
43	SFMTA	Safe Routes to Schools Program Administration	\$ 160,000	Deliverable: By June 2019, SFMTA staff will provide an update to and seek feedback from the Transportation Authority Board and CAC on the San Francisco Safe Routes to School program, including how the program is being designed to reach all SFUSD schools, advance mode-shift, and implement the school area engineering program.
43	SFMTA	Residential Transportation Demand Management Program	\$ 195,000	Special Condition: SFMTA may not incur expenses for Phase 2: Test Pilot Strategies until Transportation Authority staff releases the funds (\$103,000) pending receipt of a viable implementation and evaluation plan.
43	SFCTA	Downtown Congestion Pricing Study	\$ 500,000	Deliverables: At key milestones throughout the Study, Transportation Authority staff will give presentations to the Board and CAC on the results of public opinion research, proposed goals and objectives, and the proposed metrics and methodology to evaluate the potential congestion pricing alternatives.
TOTAL			\$11,615,000	

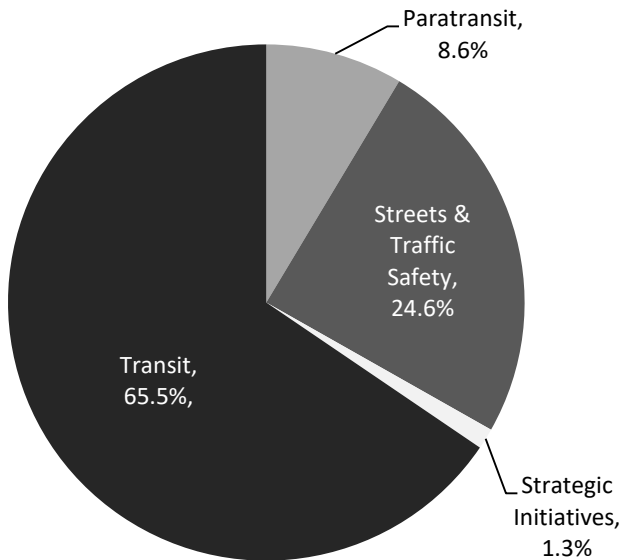
¹ See Attachment 1 for footnotes.

**Attachment 4.
Prop K Allocation Summary - FY 2018/19**

PROP K SALES TAX							
	Total	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Prior Allocations	\$ 80,094,319	\$ 39,475,214	\$ 19,042,999	\$17,088,931	\$3,918,112	\$569,063	\$ -
Current Request(s)	\$ 11,615,000	\$ 703,000	\$ 8,622,000	\$ 2,290,000	\$ -	\$ -	\$ -
New Total Allocations	\$ 91,709,319	\$ 40,178,214	\$ 27,664,999	\$ 19,378,931	\$ 3,918,112	\$ 569,063	\$ -

The above table shows maximum annual cash flow for all FY 2018/19 allocations and appropriations approved to date, along with the current recommended allocation(s).

**Investment Commitments,
per Prop K Expenditure Plan**



Prop K Investments To Date

