



RESOLUTION ALLOCATING \$11,115,000 AND APPROPRIATING \$500,000 IN PROP K SALES TAX FUNDS, WITH CONDITIONS, FOR SIX REQUESTS

WHEREAS, The Transportation Authority received six requests totaling \$11,615,000 in Prop K local transportation sales tax funds, as summarized in Attachments 1 and 2 and detailed in the enclosed allocation request forms; and

WHEREAS, The requests seek funds from the following Prop K Expenditure Plan categories: Ferry, Vehicles–Muni and Transportation Demand Management/ Parking Management; and

WHEREAS, As required by the voter-approved Expenditure Plans, the Transportation Authority Board has adopted a Prop K 5-Year Prioritization Program (5YPP) for each of the aforementioned Expenditure Plan programmatic categories; and

WHEREAS, Four of the requests are consistent with the 2019 Prop K Strategic Plan and the relevant 5YPP; and

WHEREAS, After reviewing the requests, Transportation Authority staff recommended allocating a total of \$11,115,000 in Prop K sales tax funds for five requests, with conditions, and appropriating \$500,000 in Prop K Funds for one request, as described in Attachment 3 and detailed in the enclosed allocation request forms, which include staff recommendations for Prop K allocation and appropriation amounts, required deliverables, timely use of funds requirements, special conditions, and Fiscal Year Cash Flow Distribution Schedules; and

WHEREAS, There are sufficient funds in the Capital Expenditures line item of the Transportation Authority's approved Fiscal Year 2018/19 budget to cover the proposed actions; and

WHEREAS, The Citizens Advisory Committee considered the item and unanimously



adopted a motion of support for the staff recommendation at its January 23, 2019 meeting; and

WHEREAS, At its February 12, 2019 meeting, out of a desire to ensure that Prop K funds are invested wisely and not used to overhaul vehicles that will be replaced shortly thereafter, the Board amended the staff recommendation to add the following conditions to the San Francisco Municipal Transportation Agency's (SFMTA's) Breda LRV Overhauls allocation:

- (1) By the March 12, 2019 Transportation Authority Board meeting, the SFMTA will provide the overhaul schedule and list of the systems to be overhauled by vehicle number. The SFMTA will provide updated information to Transportation Authority staff on a quarterly basis through the quarterly progress reports; and
- (2) \$1.1 million of the \$7.5 million allocation is to be placed on reserve to be released no sooner than September 1, 2019, and only after the SFMTA presents the following to the Board: work performed to date, updated procurement schedule (e.g. as set by the contract notice to proceed), the proposed schedule for the remaining overhauls, and impact of overhauls on vehicle performance as provided in the quarterly progress reports; and
- (3) \$624,500 in Prop K funds budgeted for Contingency are placed on reserve pending demonstration that the funds are needed. Release of some of all of the funds requires presentation by the SFMTA to the Board for approval; now, therefore, be it

RESOLVED, That the Transportation Authority hereby allocates \$11,115,000 in Prop K sales tax funds for five requests, with conditions, and appropriates \$500,000 in Prop K funds for one request, as summarized in Attachment 3 and detailed in the enclosed allocation request forms; and be it further

RESOLVED, That the Transportation Authority finds the allocation and appropriation of



these funds to be in conformance with the priorities, policies, funding levels, and prioritization methodologies established in the Prop K Expenditure Plan and Strategic Plan, as well as the relevant 5YPPs; and be it further

RESOLVED, That the Transportation Authority hereby authorizes the actual expenditure (cash reimbursement) of funds for these activities to take place subject to the Fiscal Year Cash Flow Distribution Schedules detailed in the enclosed allocation request forms; and be it further

RESOLVED, That the Capital Expenditures line item for subsequent fiscal year annual budgets shall reflect the maximum reimbursement schedule amounts adopted and the Transportation Authority does not guarantee reimbursement levels higher than those adopted; and be it further

RESOLVED, That as a condition of this authorization for expenditure, the Executive Director shall impose such terms and conditions as are necessary for the project sponsors to comply with applicable law and adopted Transportation Authority policies and execute Standard Grant Agreements to that effect; and be it further

RESOLVED, That as a condition of this authorization for expenditure, the project sponsors shall provide the Transportation Authority with any other information it may request regarding the use of the funds hereby authorized; and be it further

RESOLVED, That the Capital Improvement Program of the Congestion Management Program, the Prop K Strategic Plan and the relevant 5YPPs are hereby amended, as appropriate.



Attachments:

1. Summary of Applications Received
2. Brief Project Descriptions
3. Staff Recommendations
4. Prop K Allocation Summaries – FY 2018/19

Enclosure:

Prop K/Prop AA Allocation Request Forms (6)



The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 26th day of February, 2019, by the following votes:

**Ayes:** Commissioners: Brown, Fewer, Haney, Mandelman, Mar, Peskin, Stefani, Walton and Yee (9)

**Absent:** Commissioners: Ronen and Safai (2)

*Aaron Peskin* 2-26-19

Aaron Peskin Date  
Chairperson

ATTEST: *Tilly Chang* 2/28/19  
Tilly Chang Date  
Executive Director

**Attachment 1: Summary of Applications Received**

Source	EP Line No./ Category <sup>1</sup>	Project Sponsor <sup>2</sup>	Project Name	Current Prop K Request	Total Cost for Requested Phase(s)	Leveraging		Phase(s) Requested	District(s)
						Expected Leveraging by EP Line <sup>3</sup>	Actual Leveraging by Project Phase(s) <sup>4</sup>		
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
<b>TOTAL</b>				<b>\$ 11,615,000</b>	<b>\$ 12,915,000</b>	<b>79%</b>	<b>10%</b>		

Footnotes

- <sup>1</sup> "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).
- <sup>2</sup> Acronyms: PortSF (Port of San Francisco), SFCTA (San Francisco County Transportation Authority, and SFMTA (San Francisco Municipal Transportation Agency)
- <sup>3</sup> "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%.
- <sup>4</sup> "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 <sup>1</sup>**

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 <sup>1</sup>**

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.
<b>TOTAL</b>			<b>\$11,615,000</b>	

<sup>1</sup> See Attachment 1 for footnotes.



**Attachment 3: Staff Recommendations <sup>1</sup>**

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><b>5-Year Prioritization Program (5YPP) amendment:</b> 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><b>Special Condition:</b> 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><b>Added per 2/12/19 Board action:</b> 1) By the March 12, 2019 Board meeting, SFMTA will provide the overhaul schedule and systems to be overhauled by vehicle number, with subsequent quarterly updates to Transportation Authority staff; 2) \$1.1 million in Prop K funds to be place on reserve, pending a presentation to the Transportation Authority Board of the updated project schedule and a review of the impact of the overhauls on vehicle performance; and 3) \$624,500 in Prop K Contingency funds to be placed on reserve pending demonstration that the funds are needed and Transportation Authority Board approval.</p> <p><b>Special Condition (approved through 2019 5YPP for the Vehicles-Muni category):</b> 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>

**Attachment 3: Staff Recommendations <sup>1</sup>**

<b>EP Line No./ Category</b>	<b>Project Sponsor</b>	<b>Project Name</b>	<b>Prop K Funds Recommended</b>	<b>Recommendations</b>
17M	SFMTA	Breda LRV Heating, Ventilation & Air Conditioning Refurbishments	\$ 3,200,000	<p><b>5YPP amendment:</b> 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><b>Special Conditions:</b> See above special conditions for the Breda LRV Overhauls.</p>
43	SFMTA	Safe Routes to Schools Program Administration	\$ 160,000	<p><b>Deliverable:</b> 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.</p>
43	SFMTA	Residential Transportation Demand Management Program	\$ 195,000	<p><b>Special Condition:</b> 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.</p>
43	SFCTA	Downtown Congestion Pricing Study	\$ 500,000	<p><b>Deliverables:</b> 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.</p>
<b>TOTAL</b>			<b>\$11,615,000</b>	

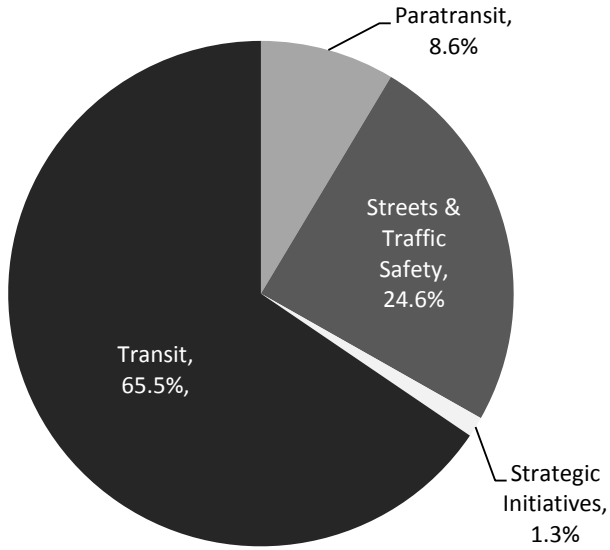
<sup>1</sup> See Attachment 1 for footnotes.

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

<b>PROP K SALES TAX</b>							
	<b>Total</b>	<b>FY 2018/19</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>	<b>FY 2022/23</b>	<b>FY 2023/24</b>
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**

