



Agenda

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY Meeting Notice

DATE: Tuesday, June 25, 2024, 10:00 a.m.
LOCATION: Legislative Chamber, Room 250, City Hall
 Watch SF Cable Channel 26 or 99
 (depending on your provider)
 Watch www.sfgovtv.org

PUBLIC COMMENT CALL-IN: 1-415-655-0001; Access Code: 2660 020 1584 # #

To make public comment on an item, when the item is called, dial '*3' to be added to the queue to speak. Do not press *3 again or you will be removed from the queue. When the system says your line is unmuted, the live operator will advise that you will be allowed 2 minutes to speak. When your 2 minutes are up, we will move on to the next caller. Calls will be taken in the order in which they are received.

COMMISSIONERS: Mandelman (Chair), Melgar (Vice Chair), Chan, Dorsey, Engardio, Peskin, Preston, Ronen, Safaí, Stefani, and Walton

CLERK: Amy Saeyang

Remote Participation

Members of the public may attend the meeting to observe and provide public comment at the physical meeting location listed above or may watch SF Cable Channel 26 or 99 (depending on your provider) or may visit the SFGovTV website (www.sfgovtv.org) to stream the live meeting or may watch them on demand.

Members of the public may comment on the meeting during public comment periods in person or remotely. In-person public comment will be taken first; remote public comment will be taken after.

Written public comment may be submitted prior to the meeting by emailing the Clerk of the Transportation Authority at clerk@sfcta.org or sending written comments to Clerk of the Transportation Authority, 1455 Market Street, 22nd Floor, San Francisco, CA 94103. Written comments received by 5 p.m. on the day before the meeting will be distributed to Board members before the meeting begins.

1. Roll Call
2. Chair's Report – **INFORMATION**
3. Executive Director's Report – **INFORMATION**



4. Approve the Minutes of the June 11, 2024 Meeting – **ACTION*** **5**

Consent Agenda

5. **[Final Approval]** State and Federal Legislation Update – **ACTION*** **9**

Support: Senate Bill 960 (Wiener)

6. **[Final Approval]** Adopt the 2023 Prop L 5-Year Prioritization Programs for Mission Bay Ferry Landing and Transformative Freeway and Major Street Projects and Amend the Prop L Strategic Plan Baseline – **ACTION*** **15**

7. **[Final Approval]** Appropriate \$601,000 in Prop L Funds, with Conditions, and Approve Memorandum of Agreements with the San Francisco Planning Department in an Amount Not to Exceed \$150,000, and with the San Francisco Municipal Transportation Agency in an Amount Not to Exceed \$190,800 for the Fillmore-Geary Underpass Community Planning Study – **ACTION*** **35**

8. **[Final Approval]** Board Meeting: Allocate \$49,510,637 in Prop L Funds and \$2,460,572 in Prop AA Funds, with Conditions, for 11 Requests – **ACTION*** **59**

Projects: SFPW: Street Repair and Cleaning Equipment (\$435,000 Prop L), Various Locations Pavement Renovation No. 68 (\$1,800,000 Prop L), Public Sidewalk and Curb Repair (\$551,000 Prop L), 8th St, Clay St and Leavenworth St Pavement Renovation (\$2,360,572 Prop AA), Japantown Buchanan Mall Improvements (\$100,000 Prop AA). SFMTA: 40' Hybrid Motor Coach Replacement (94 Vehicles) (\$32,300,000 Prop L), 60' and 40' Battery Electric Bus Procurement Replacing Motor Coaches (18 Vehicles) (\$10,000,000 Prop L), Traffic Signal Contract Upgrade 36 - Additional Funds (\$1,758,637 Prop L), Safe Routes to School Non-Infrastructure (\$466,000 Prop L), School Traffic Calming Program (\$2,000,000 Prop L), Central Embarcadero Safety Project (\$200,000 Prop L).

9. **[Final Approval]** Adopt the Proposed Fiscal Year 2024/25 Budget and Work Program – **ACTION*** **73**

10. **[Final Approval]** Approve Revised Administrative Code; Debt and Fiscal Policies; and Ratify the Investment Policy – **ACTION*** **117**

End of Consent Agenda

Other Items

11. Introduction of New Items – **INFORMATION**

During this segment of the meeting, Commissioners may make comments on items not specifically listed above or introduce or request items for future consideration.

12. Public Comment

13. Adjournment



*Additional Materials

Items considered for final approval by the Board shall be noticed as such with **[Final Approval]** preceding the item title.

The meeting proceedings can be viewed live or on demand after the meeting at www.sfgovtv.org. To know the exact cablecast times for weekend viewing, please call SFGovTV at (415) 554-4188 on Friday when the cablecast times have been determined.

The Legislative Chamber (Room 250) and the Committee Room (Room 263) in City Hall are wheelchair accessible. Meetings are real-time captioned and are cablecast open-captioned on SFGovTV, the Government Channel 26 or 99 (depending on your provider). Assistive listening devices for the Legislative Chamber and the Committee Room are available upon request at the Clerk of the Board's Office, Room 244. To request sign language interpreters, readers, large print agendas, or other accommodations, please contact the Clerk of the Transportation Authority at (415) 522-4800. Requests made at least 48 hours in advance of the meeting will help to ensure availability. Attendees at all public meetings are reminded that other attendees may be sensitive to various chemical-based products.

If any materials related to an item on this agenda have been distributed to the Board after distribution of the meeting packet, those materials are available for public inspection at the Transportation Authority at 1455 Market Street, 22nd Floor, San Francisco, CA 94103, during normal office hours.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; (415) 252-3100; www.sfethics.org.

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DRAFT MINUTES

San Francisco County Transportation Authority

Tuesday, June 11, 2024

1. Roll Call

Chair Mandelman called the meeting to order at 10:06 a.m.

Present at Roll Call: Commissioners Chan, Dorsey, Engardio, Mandelman, Preston, and Ronen (6)

Absent at Roll Call: Commissioners Melgar (entered during Item 4), Peskin, Safai, Stefani (entered during Item 5), and Walton (entered during Item 7) (5)

2. Approve the Minutes of the May 21, 2024 Meeting - ACTION

There was no public comment.

Commissioner Dorsey moved to approve the minutes, seconded by Commissioner Ronen.

The minutes were approved without objection by the following vote:

Ayes: Commissioners Chan, Dorsey, Engardio, Mandelman, Preston, and Ronen (6)

Absent: Commissioners Melgar, Peskin, Safai, Stefani, and Walton (5)

3. Community Advisory Committee Report – INFORMATION

Kat Siegal, Community Advisory Committee (CAC) Chair, reported that CAC members supported adoption of the Prop L 5-Year Prioritization Programs for Mission Bay Ferry Landing and Transformative Freeway and Major Street Projects, with two members abstaining who had expressed concern about the benefits of the Mission Bay Ferry Landing project to the community and whether large employers in the area should contribute funding.

CAC Chair Siegal stated that CAC members unanimously voted to support the allocation Fillmore-Geary Underpass community planning study. She said the members expressed support for this project, and she was personally glad to hear that there were plans to include members of displaced communities who may no longer be living in the project area.

CAC Chair Siegal reported that unsurprisingly, there was a long discussion on the 11 allocation requests for \$49 million in Prop L and \$2.5 million in Prop AA funding. She said the District 9 representative wanted assurances that the school Walk Audit program selection criteria would not penalize schools with high attrition rates and that the program would consider population characteristics including low-income and no-income children, and multi-ethnic populations. She noted that CAC member's concerns were satisfied by staff's explanation, and ultimately, the item was unanimously passed.

CAC Chair Siegal stated the CAC meeting concluded with a long discussion regarding



Senate Bill (SB) 1031 (Wiener, Wahab), which she said at the time was still an active bill and had not been pulled from consideration by the authors. She said CAC members voted unanimously to urge the San Francisco County Transportation Authority (SFCTA) to seek amendments to SB 1031 to increase the bike commuter subsidy and make highway-related projects ineligible for funding. She said that despite the bill having been pulled, she wanted to elevate that unanimous statement to the Transportation Authority Board. She concluded by stating she believed a similar discussion would be had by CAC members on the next iteration of regional funding they discuss.

Chair Mandelman thanked CAC Chair Siegal and the CAC for their work.

There was no public comment.

4. State and Federal Legislation Update – ACTION

Support: Senate Bill 960 (Wiener)

Mark Watts, Sacramento Advocate, and Martin Reyes, Principal Transportation Planner, presented the item per the staff memorandum.

Commissioner Preston moved to approve the item, seconded by Commissioner Ronen.

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Chan, Dorsey, Engardio, Mandelman, Melgar, Preston, and Ronen (7)

Absent: Commissioners Peskin, Safai, Stefani, and Walton (4)

5. Adopt the 2023 Prop L 5-Year Prioritization Programs (5YPPs) for Mission Bay Ferry Landing and Transformative Freeway and Major Street Projects – ACTION

Amelia Walley, Program Analyst, presented the item per the staff memorandum.

There was no public comment.

Commissioner Dorsey moved to approve the item, seconded by Commissioner Preston.

The item was approved without objection by the following vote:

Ayes: Commissioners Chan, Dorsey, Engardio, Mandelman, Melgar, Preston, Ronen, and Stefani (8)

Absent: Commissioners Peskin, Safai, and Walton (3)

6. Appropriate \$601,000 in Prop L Funds, with conditions for the Fillmore-Geary Underpass Community Planning Study, and Approve a Memorandum of Agreement (MOA) with the San Francisco Planning Department (SF Planning) in an amount not to exceed \$150,000, and Approve an MOA with the San Francisco Municipal Transportation Agency (SFMTA) in an amount not to exceed \$190,800, and Authorize the Executive Director to negotiate agreement payment terms and non-material agreement terms and conditions – ACTION

Aliza Paz, Principal Transportation Planner, presented the item per the staff memorandum.

Commissioner Preston expressed support for the project, highlighting the transformative nature of the scope, an approach that ensures community involvement, and an



opportunity to correct past harms. He expressed appreciation for staff, agency and community partners.

There was no public comment.

Commissioner Preston moved to approve the item, seconded by Commissioner Dorsey.

The item was approved without objection by the following vote:

Ayes: Commissioners Chan, Dorsey, Engardio, Mandelman, Melgar, Preston, Ronen, and Stefani (8)

Absent: Commissioners Peskin, Safai, and Walton (3)

7. Allocate \$46,724,637 in Prop L Funds and \$2,786,000 in Prop AA Funds, with Conditions, for 11 Requests – ACTION

Amelia Walley, Program Analyst and Anna LaForte, Deputy Director for Policy and Programming presented the item per the staff memorandum.

Vice Chair Melgar noted a previous presentation from the San Francisco Municipal Transportation Agency (SFMTA) on the Active Communities Plan (ACP) and asked SFMTA if there was a connection between the ACP and School Walk Audit Program. Damon Curtis, SFMTA Program Manager, responded that walk audits focus on implementing low-cost improvements, but higher cost efforts could be referred to the ACP program, and both programs would be coordinated to ensure efforts are not duplicated.

Commissioner Engardio questioned why funds were being spent on the Safe Routes to School (SRTS) Non-Infrastructure Program and conducting walk audits rather than improving what was already known as the problem - street safety. He provided the example of students at A.P. Giannini Middle School and Jose Ortega Elementary School conducting their own walk audits and presenting their findings that cars routinely ran stops signs to himself and SFMTA Director Tumlin, and suggested crossing guards could better address these known problems. Deputy Director LaForte responded that education was one of the three legs of the Vision Zero stool, and that the Transportation Authority has been supporting education for decades through SRTS. She added that the walk audit program would result directly in street safety improvements.

During public comment, Josie Dominguez-Chan of WalkSF shared that she finished the school year as WalkSF's school coordinator and said that in her experience, one of parents' biggest concerns when letting their kids walk to school was high traffic speeds and commented that making streets safer was the best way to address this. She added that programs like walking school buses and Walk & Bike to School days also made parents feel safer letting their kids walk. She noted that WalkSF had worked with SFMTA on the walk audit guidelines, particularly around promoting improvements in Equity Priority Communities.

Jodie Medeiros, WalkSF Executive Director, shared that this year's tenth pedestrian death occurred the day prior. She observed that other cities were making strides in coordinating their repaving programs with safety improvements and said that San Francisco needed to move in this direction and said that WalkSF was currently working on what it would take to push the city toward this as part of Vision Zero 2.0.



Francisco Da Costa noted the lack of prior public comment, and said the community needed to give input. He gave the example of Burrows Street and San Bruno Avenue as an intersection the SFMTA needed to focus on. He indicated a lack of leadership at SFMTA and said presentations to the Board were too long.

Commissioner Dorsey moved to approve the item, seconded by Commissioner Preston.

The item was approved without objection by the following vote:

Ayes: Commissioners Chan, Dorsey, Engardio, Mandelman, Melgar, Preston, Ronen, Safai, and Walton (9)

Absent: Commissioners Peskin and Stefani (2)

8. Adopt the Proposed Fiscal Year 2024/25 Annual Budget and Work Program – ACTION

Lily Yu, Finance Manager, presented the item per the staff memorandum.

There was no public comment.

Commissioner Walton moved to approve the item, seconded by Commissioner Preston.

The item was approved without objection by the following vote:

Ayes: Commissioners Chan, Dorsey, Engardio, Mandelman, Melgar, Preston, Ronen, Safai, and Walton (9)

Absent: Commissioners Peskin and Stefani (2)

9. Approve Revised Administrative Code; Debt and Fiscal Policies; and Ratify the Investment Policy – ACTION

Cynthia Fong, Deputy Director for Finance and Administration, presented the item per the staff memorandum.

There was no public comment.

Commissioner Engardio moved to approve the item, seconded by Commissioner Chan.

The item was approved without objection by the following vote:

Ayes: Commissioners Chan, Dorsey, Engardio, Mandelman, Melgar, Preston, Ronen, Safai, and Walton (9)

Absent: Commissioners Peskin and Stefani (2)

Other Items

10. Introduction of New Items - INFORMATION

There were no new items introduced.

11. Public Comment

There was no public comment.

12. Adjournment

The meeting was adjourned at 11:15 a.m.



AGENDA ITEM 5

State Legislation - June 2024

(Updated June 5, 2024)

To view documents associated with the bill, click the bill number link.

Staff is recommending a new support position on Senate Bill (SB) 960 (Wiener) and is recommending adding SB 961 (Wiener) to the watch list, as shown in **Table 1**.

Table 2 provides updates on SB 1031 (Wiener, Wahab), on which the Transportation Authority previously approved a support and seek amendments position.

Table 3 shows the status of active bills on which the Board has already taken a position or that staff has been monitoring as part of the Watch list.

Table 1. Recommended New Positions

Recommended Positions	Bill # Author	Title and Summary
Support	SB 960 Wiener D	<p>Transportation: planning: complete streets facilities: transit priority projects.</p> <p>SB 960 would strengthen requirements that state of good repair projects on the state highway system, including state-owned surface streets such as 19th Avenue, accommodate all road users (e.g., pedestrians, cyclists, and those using public transit), with some exceptions. It also requires Caltrans to develop a transit priority policy. Mayor Breed took a Support position on this bill.</p> <p>We are recommending a support position on SB 960 because it could increase road safety, consistent with the City’s Vision Zero Policy, and require Caltrans to deliver projects that better align with San Francisco’s Complete Streets Policy. It would also encourage Caltrans to develop a process to expedite and simplify the implementation of complete streets and transit priority projects and make the project approval process more predictable.</p>



AGENDA ITEM 5

<p>Watch</p>	<p>SB 961 Wiener D</p>	<p>Vehicles: safety equipment: speed governors</p> <p>SB 961 would require new passenger vehicles and large trucks to be equipped with a passive intelligent speed limiter assistance system (also known as a “speed governor”) that would provide a brief, one-time, visual and audio signal to alert the driver each time the speed of the vehicle is more than 10 miles per hour over the speed limit. Researchers estimated that if all vehicles had these speed governor systems, road injuries in urban areas could be reduced by as much as 20%. The time frame in the bill would require 50% implementation for model year 2029 or later and 100% for model year 2032 and later. It would only apply to cars sold in California. WalkSF is listed as a source of the bill, with support from a number of bicycle, pedestrian, transit, and environmental advocacy organizations. Opposition includes car industry organizations and privacy advocates.</p> <p>We are recommending adding SB 961 to the watch list. While the research results are promising, there are technological and privacy concerns, such as availability of accurate Global Positioning System (GPS) mapping of speed limits and the need to install GPS systems on all vehicles. There is also a question of whether California could legally preempt the federal government in imposing the requirement. The National Highway Transportation Safety Board is currently studying the implementation of a speed governor requirement at the federal level.</p>
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Table 2. Notable Updates on Bills in the 2023-2024 Session

Adopted Positions	Bill # Author	Title and Update
<p>Support and Seek Amendments</p>	<p>SB 1031 Wiener, Wahab D</p>	<p>San Francisco Bay Area: local revenue measure: transportation improvements.</p> <p>SB 1031 authorizes the MTC to place a regional revenue measure on the ballot as soon as November 2026, assigns duties and authorities to the MTC for regional transit network management, requires preparation of an assessment and report for consolidation of Bay Area transit agencies, and modifies existing statute related to the Bay Area commute benefits ordinance.</p> <p>On May 31, Senators Wiener and Wahab announced that they will pause SB 1031 and introduce new legislation in 2025. While SB 1031 passed the Senate and advanced into the Assembly, the bill authors would like additional time to work through various issues raised by stakeholders across the Bay Area since the bill was introduced in March 2024. Notably, there were significant concerns about provisions in the bill related to return to source levels, expenditure plan approval processes, funding contributions from counties to transit agencies that primarily serve other counties, regional network management authorities and transit consolidation. MTC, in partnership with the authors, will convene a stakeholder engagement process later this year to discuss these issues and guide the development of the next iteration of legislation.</p>



Table 3. Bill Status for Positions Taken in the 2023-24 Session

Below are updates for the two-year bills for which the Transportation Authority have taken a position or identified as a bill to watch. Updates to bills since the Board’s last state legislative update are italicized.

Adopted Positions / Monitoring Status	Bill # Author	Bill Title	Update to Bill Status ¹ (as of 06/05/2024)
Support	SB 532 Wiener D	<p>San Francisco Bay area toll bridges: tolls: transit operating expenses.</p> <p>Raise tolls on Bay Area bridges by \$1.50 for four years and direct funding to maintain transit services and help operators address the pending transit fiscal cliff.</p>	Assembly Appropriations
	SB 915 Cortese D	<p>Local government: autonomous vehicles.</p> <p>Authorizes jurisdictions, as specified, to adopt a local ordinance governing the deployment of autonomous vehicles for commercial services within that jurisdiction.</p>	<i>Assembly Transportation</i>
Support and Seek Amendments	AB 1777 Ting D	<p>Autonomous vehicles.</p> <p>Requires AV manufacturers to comply with the Vehicle Code, to meet specific standards interactions with first responders, and to provide information that advances transparency. Allows the DMV to suspend, revoke, or impose incremental enforcement measures if these provisions are violated.</p> <p>We continue to work closely with the author, SFMTA, and the City Attorney’s Office, and have proposed substantive language to the Assemblymember’s office to address concerns around AV enforcement, permitting, and data transparency.</p>	<i>Senate Transportation</i>
	AB 3061 Haney D	<p>Vehicles: Autonomous vehicle (AV) incident reporting.</p> <p>Requires AV manufacturers to report to the California DMV any vehicle collision, traffic violation, unplanned stop, or barrier to access for persons with a disability as well as vehicle miles traveled during AV testing and deployment. Authorizes the DMV to impose fines for violations of the bill’s provisions and suspend testing and deployment permits.</p> <p>We continue to work closely with the author on language regarding data transparency.</p>	<i>Senate Transportation</i>



AGENDA ITEM 5

	SB 1031 Wiener, Wahab D	San Francisco Bay Area: local revenue measure: transportation improvements. Authorizes the MTC to place a regional revenue measure on the ballot as soon as November 2026, assigns duties and authorities to the MTC for regional transit network management, requires preparation of an assessment and report for consolidation of Bay Area transit agencies, and modifies existing statute related to the Bay Area commute benefits ordinance.	<i>Held at the request of the authors</i>
Watch	AB 6 Friedman D	Transportation planning: regional transportation plans: Solutions for Congested Corridors Program (SCCP) reduction of greenhouse gas emissions. Increases state involvement in regional Sustainable Communities Strategy development and requires projects nominated to receive SCCP funds to demonstrate how it would contribute to achieving the state's greenhouse gas emission reduction targets.	Senate Transportation
	AB 7 Friedman D	Transportation: planning: project selection processes. Requires state transportation agencies to incorporate a wide range of principles into their project identification processes (including vision zero, resiliency, Zero-Emission Vehicle infrastructure, not increasing passenger Vehicle Miles Traveled) and requires the next update to the California Transportation Plan include a financial element.	Senate Inactive File
	AB 1837 Papan D	San Francisco Bay area: public transportation. Establishes an 11-member Regional Network Management Council to serve as an advisory body to MTC.	<i>Senate Transportation</i>
	AB 2813 Aguiar-Curry D	Government Investment Act. Details the types of eligible affordable housing programs that could be funded through a measure approved under ACA 1 (if approved by voters), requires the California State Auditor to establish best practices for audits, and establishes requirements regarding the appointment and function of a citizens oversight committee.	<i>Assembly Inactive File</i>

¹Under this column, "Chaptered" means the bill is now law, "Dead" means the bill is no longer viable this session, and "Enrolled" means it has passed both Houses of the Legislature. Bill status at a House's "Desk" means it is pending referral to a Committee.



RESOLUTION ADOPTING A SUPPORT POSITION ON SENATE BILL 960 (WIENER)

WHEREAS, The Transportation Authority approves a set of legislative principles to guide transportation policy advocacy in the sessions of the federal and state legislatures; and

WHEREAS, With the assistance of the Transportation Authority's legislative advocate in Sacramento, staff has reviewed pending legislation for the current Legislative Session and analyzed it for consistency with the Transportation Authority's adopted legislative principles and for impacts on transportation funding and program implementation in San Francisco and recommended adopting a new support position for Senate Bill (SB) 960 (Wiener), as shown in Attachment 1, Table 1; and

WHEREAS, At its June 11, 2024, meeting, the Board reviewed and discussed SB 960 (Wiener); now, therefore, be it

RESOLVED, That the Transportation Authority hereby adopts a new support position on SB 960 (Wiener); and be it further

RESOLVED, That the Executive Director is directed to communicate this position to all relevant parties.

Attachment:

1. State Legislation - June 2024

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Memorandum

AGENDA ITEM 6

DATE: May 23, 2024

TO: Transportation Authority Board

FROM: Anna LaForte - Deputy Director for Policy and Programming

SUBJECT: 6/11/2024 Board Meeting: Adopt the 2023 Prop L 5-Year Prioritization Programs for Mission Bay Ferry Landing and Transformative Freeway and Major Street Projects and Amend the Prop L Strategic Plan Baseline

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Adopt the 2023 Prop L 5-Year Prioritization Programs (5YPPs) for Mission Bay Ferry Landing and Transformative Freeway and Major Street Projects</p> <p>Amend the Prop L Strategic Plan Baseline</p> <p>SUMMARY</p> <p>The Prop L Expenditure Plan requires development of a 30-year Strategic Plan and for each of the 28 Expenditure Plan programs (Attachment 1), a 5YPP to identify the specific projects that will be funded over the next five years. Board adoption of these documents is a prerequisite for allocation of Prop L funds from the relevant programs. We are recommending adoption of the 5YPPs for Mission Bay Ferry Landing and Transformative Freeway and Major Street Projects. We recommend fully advancing Prop L funds to program \$4.5 million to support the \$74.3 million construction phase for the Mission Bay Ferry Landing, the sole project that is eligible for the corresponding Prop L program. The Transformative Freeway and Major Street Projects 5YPP features one project, the Fillmore-Geary Underpass Community Planning Study, which is leveraging a \$2 million Federal Reconnecting Communities and Neighborhoods grant, and two placeholders that could fund recommendations from that study or planning and project development for other eligible projects consistent with recommendations from the San Francisco Transportation Plan or its updates. This recommended 5YPP does not require advancement of funds. In all, these changes would result in a 0.4% (\$2.5 million) increase in debt costs compared to the Strategic Plan Baseline as amended, from \$674.9 million to \$677.4</p>	<ul style="list-style-type: none"> <input 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"/> Contract/Agreement <input type="checkbox"/> Other: ____
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million. Additional details on these programs are in the memo below and in the enclosed 5YPPs.	
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BACKGROUND

The 5YPPs result in multi-year project lists with associated sales tax programming commitments that support a steady project pipeline, enabling project sponsors to plan ahead, facilitating their ability to secure other funding sources to leverage Prop L and fully fund projects and to line up staff resources to deliver projects. The 5-year look ahead also enables coordination between projects. When a project is ready to advance, the project sponsor can request allocation of funds from the Board based on the programming commitment in the relevant 5YPP.

The 5YPPs also provide transparency about how Prop L projects are prioritized. We work in close collaboration with project sponsors eligible for Prop L funds from a particular program, as well as any other interested agencies, to develop each 5YPP. Input from the Board, sponsors, and the public inform the 5YPP process.

In June 2023, the Board adopted the Prop L Strategic Plan Baseline. The Baseline establishes the amount of sales tax revenues that will be available on an annual basis to each of the 28 programs, by fiscal year, through 2053 based on their proportional share of available revenues established in the Expenditure Plan. For 23 of the 28 programs, the Baseline set the pay-as-you-go annual funding levels for each program which project sponsors will use to identify their proposed lists of projects to fund in the next five years as part of 5YPP development. Through the 5YPP process, project sponsors can make requests to advance sales tax funds for specific projects, as needed to support project delivery. For five programs (BART Core Capacity, Caltrain Downtown Rail Extension (The Portal), Muni Maintenance, Caltrain Maintenance, and Paratransit) the Baseline advanced cash flow in anticipation of the need to advance funds to accommodate the programming requests in the 5YPP. This approach provides a more realistic picture of financing costs for these five programs, which are among the largest programs in the Prop L Expenditure Plan, while ensuring we can meet other programs' requests for advancing funds.

Attachment 1 shows the status of the 28 5YPPs, including those which have been adopted thus far and those that are still under development.

DISCUSSION

Each 5YPP document includes the following sections, the content for which is detailed in the [staff memorandum](#) to the Board for its July 11, 2023, meeting:

- Eligibility and Expected Fund Leveraging
- Public Engagement



- Performance Measures
- Project Delivery Snapshot
- Project Prioritization
- Project List (covering Fiscal Year (FY) 2023/24 - FY 2027/28)
- Project Information Forms (e.g., scope, schedule, cost, funding)

It is important to keep in mind that the pay-go funding levels in the first five years of Prop L are about half that in year six and subsequent years, due to the carryforward of Prop K remaining grant balances and debt. Thus, we anticipate that most Prop L programs will request at least a modest level of advancement in this 5YPP period. For each project, we look closely at project readiness, whether there is full funding for the requested phase or phases, the amount of leveraging, timely use of funds requirements, and other factors that inform our recommendation to program funds to the project and whether to support advancement of funds beyond pay-go to support project delivery.

We are recommending adoption of the enclosed 5YPPs summarized below. Attachment 2 lists the proposed projects with information such as a brief project description, amount of Prop L funds requested, proposed project phase, and fiscal year of programming, and Attachment 3 summarizes leveraging. The enclosed 5YPPs contain more detail, including the project information forms.

Mission Bay Ferry Landing (MBFL) 5YPP. This Prop L program was established to fund one project, the MBFL. The MBFL is a new ferry terminal located on San Francisco Bay adjacent to the intersection of Terry A. Francois Boulevard and 16th Street in Mission Bay, intended to provide ferry services for one of the fastest growing neighborhoods in the city, helping reduce trips by car to these new jobs and housing hub, and easing crowding on regional transit.

The Port and WETA currently are pursuing competitive grants for the MBFL, including a \$55 million federal EPA Clean Ports Program grant to support the electrification components of the MBFL project (\$20.8 million) and other elements of their electrification program. If the EPA grant is awarded, the recommended \$4.5 million in Prop L funds would help provide local match to the EPA grant, and the permanent MBFL project could proceed with construction. The project would need to be completed by December 1, 2028 to comply with the timely use of funds deadlines for the EPA grant.

In the event that the EPA grant is not awarded to the MBFL project, the Port, in close coordination with WETA, would request amendment of the 5YPP to reprogram Prop L funds for a passenger float that would be used at an interim landing at Pier 48.5. The passenger float would be consistent with WETA's standard float footprint and pile configuration as designed for the MBFL. When the permanent MBFL is



constructed and the fixed pier component is complete, the passenger float would be relocated from Pier 48.5 and installed at MBFL.

Transformative Freeway and Major Street Projects 5YPP. This program is one of the new equity-focused programs included in Prop L. It is intended to fund planning and project development for transformative multi-modal improvements designed to improve safety, enhance multi-modal connectivity, and/or reconnect communities and repair the harm created by past freeway and street projects. The Fillmore-Geary Underpass Community Planning Study is exactly the type of project this 5YPP is meant to fund. The study is a community-driven process that will re-envision the areas around Geary Boulevard at Fillmore Street to reconnect Japantown and Fillmore/Western Addition. We are recommending \$601,000 in Prop L funds to leverage a \$2 million federal Reconnecting Communities and Neighborhoods grant from the U.S. Department of Transportation that has been awarded to the Transportation Authority for this purpose. There is a concurrent allocation request proceeding to the Board under a separate agenda item, which has additional details on the proposed study scope, including the community-engagement approach.

We also recommend programming a total of \$1.29 million in Prop L funds to two placeholders, one in Fiscal Year (FY) 2025/26 and the other in FY 2027/28. The placeholders could fund recommendations from the Fillmore-Geary study or planning and project development for other eligible projects that are consistent with the San Francisco Transportation Plan (SFTP) 2050, SFTP 2050+ (minor update underway), ConnectSF, and the Streets and Freeways Study.

Strategic Plan Baseline Amendment. Concurrent with Board adoption of the 5YPPs, we make corresponding updates to the Strategic Plan Baseline to reflect the recommended programming and cash flow schedules for the proposed projects. The Strategic Plan model estimates financing costs for programs that advance funds. Consistent with Strategic Plan policies, financing costs are distributed proportionally across those programs that request acceleration of funds. If in future Strategic Plan updates, actual financing costs are lower, the delta is returned to the respective programs and is available for programming to eligible project costs.

The proposed Transformative Freeway and Major Street Projects 5YPP does not require advancement of funds. Our recommendation for the Mission Bay Ferry Landing 5YPP does require significant advancement of about \$4 million for construction of the only eligible project for this program, the MBFL. This would result in a minor 0.4% (\$2.5 million) increase in estimated debt costs over the 30-year Expenditure Plan period compared to the Strategic Plan Baseline, as amended.



Attachment 4 summarizes the sources and uses for the Baseline as amended and adopted in March 2024 and Attachment 5 shows the proposed programming and cash flow by program by fiscal year, reflecting the recommended 5YPPs.

Next Steps. We are working with project sponsors to develop the remaining five 5YPPs and hope to bring them to the Board for adoption in July, followed by adoption of the final Prop L Strategic Plan in Fall 2024.

FINANCIAL IMPACT

There is no impact on the adopted Fiscal Year 2023/24 agency budget or the proposed Fiscal Year 2024/25 agency budget. The Prop L Strategic Plan is an important long-range financial planning tool for the Transportation Authority as it forecasts sales tax revenues and establishes the maximum annual reimbursement for each of the Expenditure Plan programs, and estimates debt needs to advance funds to support project delivery. The 5YPPs program funds specific projects over the five fiscal years starting in FY 2023/24. However, allocation of funds and issuance of any debt are subject to separate approval actions by the Board.

CAC POSITION

The Community Advisory Committee considered this item at its May 22, 2024, meeting and adopted a motion of support for the staff recommendation.

SUPPLEMENTAL MATERIALS

- Attachment 1 - List of the 28 Programs in the Prop L Expenditure Plan
- Attachment 2 - Recommended 5YPPs List of Projects
- Attachment 3 - Recommended 5YPPs Program Summary: Fund Leveraging
- Attachment 4 - Prop L Strategic Plan Baseline as Amended Sources and Uses
- Attachment 5 - Strategic Plan Baseline as Amended - Programming & Cash Flow by FY
- Enclosures (2):
 - Draft 2023 Prop L Mission Bay Ferry Landing 5 Year Prioritization Program
 - Draft 2023 Prop L Transformative Freeway and Major Street Projects 5 Year Prioritization Program
- Attachment 6 - Resolution

Prop L's 28 Programs

Each requires a Board-adopted 5-Year Prioritization Program (5YPP) before funds can be allocated.

Approved

Proposed for approval in June 2024

Under development

*No 5YPP required since program has no Priority 1 sales tax funds

1. Muni Reliability and Efficiency Improvements
2. Muni Rail Core Capacity
3. BART Core Capacity
4. Caltrain Service Vision: Capital System Capacity Investments*
5. Caltrain Downtown Rail Extension and Pennsylvania Alignment
6. Muni Maintenance
7. BART Maintenance
8. Caltrain Maintenance
9. Ferry Maintenance
10. Transit Enhancements
11. Bayview Caltrain Station
- 12. Mission Bay Ferry Landing**
13. Next Generation Transit Investments
14. Paratransit
15. Street Resurfacing, Rehabilitation and Maintenance
16. Pedestrian and Bicycle Facilities Maintenance
17. Traffic Signs and Signals Maintenance
18. Safer and Complete Streets
19. Curb Ramps
20. Tree Planting
21. Vision Zero Ramps
22. Managed Lanes and Express Bus
- 23. Transformative Freeway and Major Street Projects**
24. Transportation Demand Management
25. Neighborhood Transportation Program
26. Equity Priority Transportation Program
27. Development Oriented Transportation
28. Citywide/Modal Planning

Attachment 2 5-Year Prioritization Programs - List of Projects

#	Program	Project Name: Sponsor	Brief Description	District(s)	Phase	Prop L Amount	Fiscal Year of Programming
1	Mission Bay Ferry Landing	Mission Bay Ferry Landing: Port of SF	<p>The Mission Bay Ferry Landing (MBFL) project is located on the San Francisco Bay adjacent to the intersection of Terry A. Francois Boulevard and 16th Street. The project would create a new ferry terminal in the southern waterfront of San Francisco, providing a regional ferry service and access to the underserved Mission Bay neighborhood and surrounding areas.</p> <p>Prop L funds would be used to help fund the \$74.3 million construction phase of the project, which includes installation of piles, floats, gangways, fixed piers, canopies, utilities, and landside improvements. The Port of SF and WETA are jointly applying for a \$55 million U.S. Environmental Protection Agency (US EPA) Clean Ports grant to support the electrification components of the MBFL project (\$20.8 million) and other elements of their electrification program. Prop L would match the federal grant if the project is awarded funds.</p> <p>In the event that the EPA grant is not awarded to the MBFL project, the Port, in close coordination with WETA, would request to amend this 5YPP to reprogram Prop L funds for a passenger float that would be used at an interim landing at Pier 48.5 until the permanent MBFL is constructed.</p>	6	Construction	\$4,500,000	FY25
2	Transformative Freeway and Major Street Projects	Fillmore-Geary Underpass Community Planning Study: SFCTA	<p>The Fillmore-Geary Underpass Community Planning Study is a community-driven process to re-envision the area of Geary Boulevard at Fillmore Street, along with streets in surrounding neighborhoods. This process will bring together transportation and land use to create more connected and vibrant communities, while also working towards the long-term goals to repair neighborhoods, create transit-oriented housing opportunities, and support economic and cultural stability in communities that face risks of displacement.</p> <p>Outreach will include contracted partnerships with community-based organizations and stipends for community participation. A range of outreach activities will be developed in English, Korean, Spanish, Chinese, Japanese, and other relevant languages for the surrounding communities to reduce barriers to participation.</p> <p>Prop L funds leverage a \$2 million Reconnecting Communities and Neighborhoods grant from the U.S. Department of Transportation. SFMTA and the Planning Department (latter will contribute in-kind to the study) are our partners on this study.</p>	5	Planning	\$601,000	FY25
3		Planning and Project Development Placeholders: TBD	<p>These placeholders can fund planning and project development for a project or projects that are consistent with the San Francisco Transportation Plan, ConnectSF, and the Streets and Freeways Study and/or updates thereof. They may also fund follow-up activities recommended in the Fillmore-Geary Underpass Community Planning Study, anticipated to be completed by Fall 2026.</p>	TBD	TBD	\$646,000	FY26
4						\$645,000	FY28

Attachment 3
5-Year Prioritization Programs - Summary

#	Program	Programming Amount Requested in 5YPP	Amount of Prop L Cash Flow Advanced in 5YPP	Expected Leveraging	Anticipated Leveraging	Notes
1	Mission Bay Ferry Landing	\$4,500,000	\$3,796,120	90.7%	94.5%	<p>We recommend advancing nearly Prop L funds in the Mission Bay Ferry Landing program to make funds available for allocation in Fiscal Year 2024/25. There is only one eligible project from this small Expenditure Plan program (\$5 million in 2020's) and requested Prop L funds would provide an important local funding commitment that significantly leverages other sources to make the project fully funded in the near term.</p> <p>Leveraging exceed expectations in the Expenditure Plan for this program. Prop L funds would leverage almost \$78M in funds from other sources.</p>
2	Transformative Freeway and Major Street Projects	\$1,892,000	\$0	91.1%	TBD	<p>We are not recommending to advance funds beyond the pay-as-you-go amounts in the Strategic Plan Baseline for this program. The Fillmore-Geary Underpass Community Planning Study leverages a \$2 million federal Reconnecting Communities and Neighborhoods grant, which requires a minimum 20% local match; therefore, the current leveraging is at 78.2%. We expect that the study will help position recommended projects to be competitive for other discretionary funding and leveraging will improve with future projects in this program.</p> <p>Leveraging for projects funded through the Planning and Project Development Placeholders will be evaluated once projects are identified. We expect that leveraging will improve over the five year period as non-Prop L funds are secured. We will evaluate specific projects for leveraging when we receive allocation requests for placeholder funds.</p>

Attachment 4: Prop L Strategic Plan Baseline Amendment Sources and Uses (5.16.24)

SOURCES		USES	
	(YOES\$)		(YOES\$)
Sales Tax Revenue	\$4,674.6 M	Funds Available for Projects	\$3,027.4 M
Investment Income	\$4.5 M	Long Term Bond Principal	\$977.6 M
Long Term Bond Proceeds	\$769.3 M	Financing Costs	\$677.4 M
Loans - Yerba Buena Island Capital Projects	\$126.8 M	Capital Reserve	\$468.0 M
TOTAL	\$5,575.2 M	Program Administration and Operating Costs	\$304.6 M
		Loans - Yerba Buena Island Capital Projects	\$120.2 M
		TOTAL	\$5,575.2 M

Attachment 5

Amended 2023 Strategic Plan Baseline Programming
Pending June 2024 Board Action

Table with columns for EP No., EP Line Item, Total Available Funds, Percent of Available Funds Spent on Financing, Total Programming & Interest Costs, and 20 fiscal year columns (FY2022/23 to FY2038/39). Includes sub-sections: II. Safer and Complete Streets, III. Freeway Safety and Operational Improvements, E. TRANSPORTATION SYSTEM DEVELOPMENT AND MANAGEMENT, and I. Transportation Demand Management.

Attachment 5

Amended 2023 Strategic Plan Baseline Programming
Pending June 2024 Board Action

EP No.	EP Line Item	FY2039/40	FY2040/41	FY2041/42	FY2042/43	FY2043/44	FY2044/45	FY2045/46	FY2046/47	FY2047/48	FY2048/49	FY2049/50	FY2050/51	FY2051/52	FY2052/53
A. MAJOR CAPITAL PROJECTS															
I. Muni															
201	Muni Reliability and Efficiency Improvements	\$ 6,046,102	\$ 6,142,839	\$ 6,241,124	\$ 6,340,980	\$ 6,443,785	\$ 6,549,600	\$ 6,657,420	\$ 6,767,276	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 691,119	\$ 677,489	\$ 659,215	\$ 635,675	\$ 606,508	\$ 571,310	\$ 530,608	\$ 488,836	\$ 385,677	\$ 219,109	\$ 81,324	\$ -	\$ -	\$ -
		\$ 6,737,221	\$ 6,820,328	\$ 6,900,339	\$ 6,976,655	\$ 7,050,293	\$ 7,120,910	\$ 7,188,028	\$ 7,256,112	\$ 4,385,677	\$ 219,109	\$ 81,324	\$ -	\$ -	\$ -
202	Muni Rail Core Capacity	\$ 2,748,228	\$ 2,792,200	\$ 2,836,875	\$ 2,882,264	\$ 2,928,993	\$ 2,977,091	\$ 3,026,100	\$ 3,076,035	\$ 3,126,911	\$ 3,364,622	\$ 3,479,572	\$ 3,544,147	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 2,748,228	\$ 2,792,200	\$ 2,836,875	\$ 2,882,264	\$ 2,928,993	\$ 2,977,091	\$ 3,026,100	\$ 3,076,035	\$ 3,126,911	\$ 3,364,622	\$ 3,479,572	\$ 3,544,147	\$ -	\$ -
II. BART															
203	BART Core Capacity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 1,839,501	\$ 1,607,441	\$ 1,377,697	\$ 1,152,284	\$ 934,147	\$ 726,538	\$ 534,105	\$ 363,812	\$ 212,125	\$ 79,664	\$ -	\$ -	\$ -	\$ -
		\$ 1,839,501	\$ 1,607,441	\$ 1,377,697	\$ 1,152,284	\$ 934,147	\$ 726,538	\$ 534,105	\$ 363,812	\$ 212,125	\$ 79,664	\$ -	\$ -	\$ -	\$ -
III. Caltrain															
204	Caltrain Service Vision: Capital System Capacity Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
205	Caltrain Downtown Rail Extension and Pennsylvania Alignment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 6,300,263	\$ 5,587,260	\$ 4,876,060	\$ 4,172,030	\$ 3,483,591	\$ 2,820,035	\$ 2,195,948	\$ 1,637,235	\$ 1,124,716	\$ 660,460	\$ 271,243	\$ 6,317	\$ -	\$ -
		\$ 6,300,263	\$ 5,587,260	\$ 4,876,060	\$ 4,172,030	\$ 3,483,591	\$ 2,820,035	\$ 2,195,948	\$ 1,637,235	\$ 1,124,716	\$ 660,460	\$ 271,243	\$ 6,317	\$ -	\$ -
TOTAL MAJOR CAPITAL PROJECTS		\$ 8,794,331	\$ 8,935,039	\$ 9,077,999	\$ 9,223,244	\$ 9,372,778	\$ 9,526,691	\$ 9,683,519	\$ 9,843,311	\$ 7,126,911	\$ 3,364,622	\$ 3,479,572	\$ 3,544,147	\$ -	\$ -
		\$ 8,830,883	\$ 7,872,189	\$ 6,912,972	\$ 5,959,988	\$ 5,024,245	\$ 4,117,882	\$ 3,260,661	\$ 2,489,882	\$ 1,722,518	\$ 959,232	\$ 352,568	\$ 6,317	\$ -	\$ -
		\$ 17,625,214	\$ 16,807,228	\$ 15,990,971	\$ 15,183,232	\$ 14,397,024	\$ 13,644,573	\$ 12,944,181	\$ 12,333,193	\$ 8,849,430	\$ 4,323,855	\$ 3,832,140	\$ 3,550,464	\$ -	\$ -
B. TRANSIT MAINTENANCE AND ENHANCEMENTS															
I. Transit Maintenance, Rehabilitation, and															
206	Muni Maintenance	\$ 22,000,000	\$ 22,500,000	\$ 23,000,000	\$ 23,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 30,000,000	\$ 38,000,000	\$ 38,000,000	\$ 39,500,000	\$ 40,000,000	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 22,000,000	\$ 22,500,000	\$ 23,000,000	\$ 23,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 30,000,000	\$ 38,000,000	\$ 38,000,000	\$ 39,500,000	\$ 40,000,000	\$ -	\$ -
207	BART Maintenance	\$ 1,923,760	\$ 1,954,540	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 601,720	\$ 589,167	\$ 535,657	\$ 454,763	\$ 375,966	\$ 300,372	\$ 229,654	\$ 166,609	\$ 109,384	\$ 58,211	\$ 16,829	\$ -	\$ -	
		\$ 2,525,479	\$ 2,543,707	\$ 1,385,657	\$ 454,763	\$ 375,966	\$ 300,372	\$ 229,654	\$ 166,609	\$ 109,384	\$ 58,211	\$ 16,829	\$ -	\$ -	
208	Caltrain Maintenance	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 909,033	\$ 870,340	\$ 824,492	\$ 771,473	\$ 711,684	\$ 645,625	\$ 575,009	\$ 401,420	\$ 245,774	\$ 108,705	\$ 2,785	\$ -	\$ -	
		\$ 5,909,033	\$ 5,870,340	\$ 5,824,492	\$ 5,771,473	\$ 5,711,684	\$ 5,645,625	\$ 5,575,009	\$ 401,420	\$ 245,774	\$ 108,705	\$ 2,785	\$ -	\$ -	
209	Ferry Maintenance	\$ 274,823	\$ 279,220	\$ 283,687	\$ 288,226	\$ 292,899	\$ 297,709	\$ 302,610	\$ 307,603	\$ 312,691	\$ 336,462	\$ 347,957	\$ 354,415	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 274,823	\$ 279,220	\$ 283,687	\$ 288,226	\$ 292,899	\$ 297,709	\$ 302,610	\$ 307,603	\$ 312,691	\$ 336,462	\$ 347,957	\$ 354,415	\$ -	\$ -
II. Transit Enhancements															
210	Transit Enhancements	\$ 1,593,972	\$ 1,619,476	\$ 1,645,387	\$ 1,671,713	\$ 1,698,816	\$ 1,726,713	\$ 1,755,138	\$ 1,784,100	\$ 1,813,609	\$ 1,951,481	\$ 750,000	\$ -	\$ -	
		\$ 80,370	\$ 78,968	\$ 77,012	\$ 74,426	\$ 71,169	\$ 67,195	\$ 62,560	\$ 57,778	\$ 51,925	\$ 45,022	\$ 20,407	\$ -	\$ -	
		\$ 1,674,343	\$ 1,698,444	\$ 1,722,400	\$ 1,746,139	\$ 1,769,985	\$ 1,793,908	\$ 1,817,698	\$ 1,841,878	\$ 1,865,533	\$ 1,996,503	\$ 770,407	\$ -	\$ -	
211	Bayview Caltrain Station	\$ 1,484,043	\$ 1,507,788	\$ 1,531,912	\$ 1,556,422	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 357,036	\$ 349,658	\$ 339,906	\$ 327,467	\$ 284,620	\$ 226,628	\$ 172,445	\$ 124,191	\$ 80,502	\$ 41,557	\$ 10,350	\$ -	\$ -	
		\$ 1,841,080	\$ 1,857,446	\$ 1,871,819	\$ 1,883,889	\$ 884,620	\$ 226,628	\$ 172,445	\$ 124,191	\$ 80,502	\$ 41,557	\$ 10,350	\$ -	\$ -	
212	Mission Bay Ferry Landing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 94,975	\$ 83,308	\$ 71,736	\$ 60,359	\$ 49,321	\$ 38,785	\$ 28,983	\$ 20,285	\$ 12,480	\$ 5,601	\$ 269	\$ -	\$ -	
		\$ 94,975	\$ 83,308	\$ 71,736	\$ 60,359	\$ 49,321	\$ 38,785	\$ 28,983	\$ 20,285	\$ 12,480	\$ 5,601	\$ 269	\$ -	\$ -	
213	Next Generation Transit Investments	\$ 1,209,220	\$ 1,228,568	\$ 1,248,225	\$ 1,268,196	\$ 1,288,757	\$ 1,309,920	\$ 1,331,484	\$ 1,353,455	\$ 1,375,841	\$ 1,480,434	\$ 1,531,012	\$ 1,559,425	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 1,209,220	\$ 1,228,568	\$ 1,248,225	\$ 1,268,196	\$ 1,288,757	\$ 1,309,920	\$ 1,331,484	\$ 1,353,455	\$ 1,375,841	\$ 1,480,434	\$ 1,531,012	\$ 1,559,425	\$ -	\$ -
TOTAL TRANSIT MAINTENANCE AND ENHANCEMENTS		\$ 33,485,819	\$ 34,089,591	\$ 33,559,212	\$ 32,784,558	\$ 34,880,472	\$ 34,334,342	\$ 34,389,232	\$ 33,445,159	\$ 41,502,141	\$ 41,768,377	\$ 42,128,969	\$ 41,913,840	\$ -	\$ -
		\$ 2,043,134	\$ 1,971,441	\$ 1,848,804	\$ 1,688,488	\$ 1,492,760	\$ 1,278,605	\$ 1,068,651	\$ 770,283	\$ 500,066	\$ 259,096	\$ 50,640	\$ -	\$ -	
		\$ 35,528,953	\$ 36,061,032	\$ 35,408,016	\$ 34,473,045	\$ 36,373,232	\$ 35,612,947	\$ 35,457,883	\$ 34,215,442	\$ 42,002,207	\$ 42,027,473	\$ 42,179,609	\$ 41,913,840	\$ -	\$ -
C. PARATRANSIT															
214	Paratransit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 4,459,480	\$ 3,926,595	\$ 3,397,102	\$ 2,875,324	\$ 2,367,800	\$ 1,881,741	\$ 1,427,932	\$ 1,024,001	\$ 658,812	\$ 333,848	\$ 74,797	\$ -	\$ -	
		\$ 4,459,480	\$ 3,926,595	\$ 3,397,102	\$ 2,875,324	\$ 2,367,800	\$ 1,881,741	\$ 1,427,932	\$ 1,024,001	\$ 658,812	\$ 333,848	\$ 74,797	\$ -	\$ -	
TOTAL PARATRANSIT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 4,459,480	\$ 3,926,595	\$ 3,397,102	\$ 2,875,324	\$ 2,367,800	\$ 1,881,741	\$ 1,427,932	\$ 1,024,001	\$ 658,812	\$ 333,848	\$ 74,797	\$ -	\$ -	
		\$ 4,459,480	\$ 3,926,595	\$ 3,397,102	\$ 2,875,324	\$ 2,367,800	\$ 1,881,741	\$ 1,427,932	\$ 1,024,001	\$ 658,812	\$ 333,848	\$ 74,797	\$ -	\$ -	
D. STREETS AND FREEWAYS															
I. Maintenance, Rehabilitation, and Repla															
215	Street Resurfacing, Rehabilitation and Maintenance	\$ 5,771,279	\$ 5,863,619	\$ 5,957,437	\$ 6,052,754	\$ 6,150,886	\$ 6,251,891	\$ 6,354,810	\$ 6,459,673	\$ 6,566,514	\$ 7,065,707	\$ 7,307,101	\$ 7,442,710	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 5,771,279	\$ 5,863,619	\$ 5,957,437	\$ 6,052,754	\$ 6,150,886	\$ 6,251,891	\$ 6,354,810	\$ 6,459,673	\$ 6,566,514	\$ 7,065,707	\$ 7,307,101	\$ 7,442,710	\$ -	\$ -
216	Pedestrian and Bicycle Facilities Maintenance	\$ 1,044,327	\$ 1,061,036	\$ 1,078,012	\$ 1,095,260	\$ 1,113,017	\$ 1,131,295	\$ 1,149,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 163,017	\$ 159,724	\$ 155,341	\$ 149,723	\$ 142,786	\$ 134,432	\$ 124,790	\$ 90,556	\$ 59,480	\$ 31,686	\$ 9,203	\$ -	\$ -	
		\$ 1,207,344	\$ 1,220,759	\$ 1,233,353	\$ 1,244,984	\$ 1,255,803	\$ 1,265,727	\$ 1,274,708	\$ 90,556	\$ 59,480	\$ 31,686	\$ 9,203	\$ -	\$ -	

Attachment 5

Amended 2023 Strategic Plan Baseline Programming
Pending June 2024 Board Action

EP No.	EP Line Item	FY2039/40	FY2040/41	FY2041/42	FY2042/43	FY2043/44	FY2044/45	FY2045/46	FY2046/47	FY2047/48	FY2048/49	FY2049/50	FY2050/51	FY2051/52	FY2052/53	
217	Traffic Signs & Signals Maintenance	\$ 2,500,000	\$ 2,750,000	\$ 3,250,000	\$ 4,000,000	\$ 5,272,188	\$ 5,325,000	\$ 5,411,000	\$ 5,501,000	\$ 5,593,000	\$ 3,250,000	\$ -	\$ -	\$ -	\$ -	
		\$ 598,489	\$ 507,721	\$ 433,691	\$ 382,337	\$ 365,028	\$ 343,209	\$ 318,149	\$ 292,571	\$ 261,835	\$ 183,200	\$ 69,627	\$ -	\$ -	\$ -	\$ -
		\$ 3,098,489	\$ 3,257,721	\$ 3,683,691	\$ 4,382,337	\$ 5,637,216	\$ 5,668,209	\$ 5,729,149	\$ 5,793,571	\$ 5,854,835	\$ 3,433,200	\$ 69,627	\$ -	\$ -	\$ -	\$ -
II. Safer and Complete Streets																
218	Safer and Complete Streets	\$ 7,000,000	\$ 7,250,000	\$ 7,750,000	\$ 8,500,000	\$ 8,850,919	\$ 8,950,000	\$ 7,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 1,570,192	\$ 1,495,189	\$ 1,425,435	\$ 1,365,710	\$ 1,300,728	\$ 1,221,853	\$ 1,083,037	\$ 802,339	\$ 545,525	\$ 313,634	\$ 120,919	\$ -	\$ -	\$ -	\$ -
		\$ 8,570,192	\$ 8,745,189	\$ 9,175,435	\$ 9,865,710	\$ 10,151,648	\$ 10,171,853	\$ 8,083,037	\$ 802,339	\$ 545,525	\$ 313,634	\$ 120,919	\$ -	\$ -	\$ -	\$ -
219	Curb Ramps	\$ 1,593,972	\$ 1,619,476	\$ 1,645,387	\$ 1,671,713	\$ 1,698,816	\$ 1,726,713	\$ 1,755,138	\$ 1,784,100	\$ 1,813,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 141,156	\$ 138,446	\$ 134,782	\$ 130,035	\$ 124,132	\$ 116,991	\$ 108,718	\$ 100,217	\$ 89,896	\$ 47,596	\$ 13,444	\$ -	\$ -	\$ -	\$ -
		\$ 1,735,129	\$ 1,757,922	\$ 1,780,169	\$ 1,801,748	\$ 1,822,948	\$ 1,843,704	\$ 1,863,856	\$ 1,884,317	\$ 1,903,504	\$ 47,596	\$ 13,444	\$ -	\$ -	\$ -	\$ -
220	Tree Planting	\$ 1,099,291	\$ 1,116,880	\$ 1,134,750	\$ 1,152,905	\$ 1,171,597	\$ 1,190,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 213,350	\$ 208,985	\$ 203,198	\$ 195,801	\$ 186,681	\$ 175,712	\$ 135,004	\$ 98,675	\$ 65,609	\$ 35,942	\$ 11,723	\$ -	\$ -	\$ -	\$ -
		\$ 1,312,641	\$ 1,325,865	\$ 1,337,948	\$ 1,348,706	\$ 1,358,278	\$ 1,366,549	\$ 135,004	\$ 98,675	\$ 65,609	\$ 35,942	\$ 11,723	\$ -	\$ -	\$ -	\$ -
III. Freeway Safety and Operational Imp																
221	Vision Zero Ramps	\$ 439,717	\$ 446,752	\$ 453,900	\$ 461,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 104,570	\$ 102,410	\$ 99,555	\$ 95,913	\$ 78,284	\$ 61,463	\$ 45,825	\$ 31,952	\$ 19,517	\$ 8,571	\$ 124	\$ -	\$ -	\$ -	\$ -
		\$ 544,287	\$ 549,162	\$ 553,455	\$ 557,075	\$ 78,284	\$ 61,463	\$ 45,825	\$ 31,952	\$ 19,517	\$ 8,571	\$ 124	\$ -	\$ -	\$ -	\$ -
222	Managed Lanes and Express Bus	\$ 549,646	\$ 558,440	\$ 567,375	\$ 576,453	\$ 585,799	\$ 595,418	\$ 605,220	\$ 615,207	\$ 625,382	\$ 672,924	\$ 695,914	\$ 708,829	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 549,646	\$ 558,440	\$ 567,375	\$ 576,453	\$ 585,799	\$ 595,418	\$ 605,220	\$ 615,207	\$ 625,382	\$ 672,924	\$ 695,914	\$ 708,829	\$ -	\$ -	\$ -
223	Transformative Freeway and Major Street Projects	\$ 1,099,291	\$ 1,116,880	\$ 1,134,750	\$ 1,152,905	\$ 1,171,597	\$ 1,190,836	\$ 1,210,440	\$ 1,230,414	\$ 1,250,765	\$ 1,345,849	\$ 1,391,829	\$ 1,417,659	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 1,099,291	\$ 1,116,880	\$ 1,134,750	\$ 1,152,905	\$ 1,171,597	\$ 1,190,836	\$ 1,210,440	\$ 1,230,414	\$ 1,250,765	\$ 1,345,849	\$ 1,391,829	\$ 1,417,659	\$ -	\$ -	\$ -
TOTAL STREETS AND FREEWAYS		\$ 21,097,523	\$ 21,783,083	\$ 22,971,612	\$ 24,663,153	\$ 26,014,820	\$ 26,361,989	\$ 23,486,525	\$ 15,590,394	\$ 15,849,269	\$ 12,334,480	\$ 9,394,844	\$ 9,569,198	\$ -	\$ -	
		\$ 2,790,774	\$ 2,612,475	\$ 2,452,001	\$ 2,319,520	\$ 2,197,639	\$ 2,053,661	\$ 1,815,523	\$ 1,416,309	\$ 1,041,862	\$ 620,629	\$ 225,041	\$ -	\$ -	\$ -	
		\$ 23,888,298	\$ 24,395,558	\$ 25,423,613	\$ 26,982,672	\$ 28,212,459	\$ 28,415,650	\$ 25,302,048	\$ 17,006,702	\$ 16,891,131	\$ 12,955,110	\$ 9,619,886	\$ 9,569,198	\$ -	\$ -	
E. TRANSPORTATION SYSTEM DEVELOPMENT AND MANA																
I. Transportation Demand Management																
224	Transportation Demand Management	\$ 989,362	\$ 1,005,192	\$ 1,021,275	\$ 1,037,615	\$ 1,054,438	\$ 1,071,753	\$ 1,089,396	\$ 1,107,372	\$ 1,125,688	\$ 1,211,264	\$ 1,252,646	\$ 1,275,893	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 989,362	\$ 1,005,192	\$ 1,021,275	\$ 1,037,615	\$ 1,054,438	\$ 1,071,753	\$ 1,089,396	\$ 1,107,372	\$ 1,125,688	\$ 1,211,264	\$ 1,252,646	\$ 1,275,893	\$ -	\$ -	
II. Transportation, Land Use, and Commu																
225	Neighborhood Transportation Program	\$ 2,253,547	\$ 2,289,604	\$ 2,326,237	\$ 2,363,456	\$ 2,401,774	\$ 2,441,215	\$ 2,481,402	\$ 2,522,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 296,118	\$ 290,209	\$ 282,315	\$ 272,172	\$ 259,624	\$ 244,498	\$ 227,022	\$ 209,096	\$ 140,595	\$ 78,942	\$ 28,169	\$ -	\$ -	\$ -	
		\$ 2,549,665	\$ 2,579,813	\$ 2,608,553	\$ 2,635,628	\$ 2,661,399	\$ 2,685,713	\$ 2,708,424	\$ 2,731,444	\$ 140,595	\$ 78,942	\$ 28,169	\$ -	\$ -	\$ -	
226	Equity Priority Transportation Program	\$ 2,308,512	\$ 2,345,448	\$ 2,382,975	\$ 2,421,101	\$ 2,460,354	\$ 2,500,756	\$ 2,541,924	\$ 2,583,869	\$ 2,626,606	\$ 2,826,283	\$ 2,922,840	\$ 2,977,084	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 2,308,512	\$ 2,345,448	\$ 2,382,975	\$ 2,421,101	\$ 2,460,354	\$ 2,500,756	\$ 2,541,924	\$ 2,583,869	\$ 2,626,606	\$ 2,826,283	\$ 2,922,840	\$ 2,977,084	\$ -	\$ -	
227	Development-Oriented Transportation	\$ 1,099,291	\$ 1,116,880	\$ 1,134,750	\$ 1,152,905	\$ 1,171,597	\$ 1,190,836	\$ 1,210,440	\$ 1,230,414	\$ 1,250,765	\$ 1,345,849	\$ 1,391,829	\$ 1,417,659	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 1,099,291	\$ 1,116,880	\$ 1,134,750	\$ 1,152,905	\$ 1,171,597	\$ 1,190,836	\$ 1,210,440	\$ 1,230,414	\$ 1,250,765	\$ 1,345,849	\$ 1,391,829	\$ 1,417,659	\$ -	\$ -	
228	Citywide / Modal Planning	\$ 549,646	\$ 558,440	\$ 567,375	\$ 576,453	\$ 585,799	\$ 595,418	\$ 605,220	\$ 615,207	\$ 625,382	\$ 672,924	\$ 695,914	\$ 708,829	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 549,646	\$ 558,440	\$ 567,375	\$ 576,453	\$ 585,799	\$ 595,418	\$ 605,220	\$ 615,207	\$ 625,382	\$ 672,924	\$ 695,914	\$ 708,829	\$ -	\$ -	
TOTAL TRANSPORTATION SYSTEM DEVELOPMENT AND MANAGEMENT		\$ 7,200,358	\$ 7,315,563	\$ 7,432,612	\$ 7,551,531	\$ 7,673,962	\$ 7,799,978	\$ 7,928,381	\$ 8,059,211	\$ 8,268,306	\$ 8,579,035	\$ 8,935,263	\$ 9,349,988	\$ 9,823,645	\$ 10,368,115	
		\$ 296,118	\$ 290,209	\$ 282,315	\$ 272,172	\$ 259,624	\$ 244,498	\$ 227,022	\$ 209,096	\$ 140,595	\$ 78,942	\$ 28,169	\$ -	\$ -		
		\$ 7,496,476	\$ 7,605,772	\$ 7,714,927	\$ 7,823,703	\$ 7,933,587	\$ 8,044,476	\$ 8,155,404	\$ 8,268,306	\$ 8,419,806	\$ 8,658,205	\$ 8,963,452	\$ 9,378,157	\$ 9,853,645		
TOTAL PROP L STRATEGIC PLAN		\$ 70,578,031	\$ 72,123,277	\$ 73,041,435	\$ 74,222,485	\$ 75,942,033	\$ 78,023,000	\$ 75,487,658	\$ 66,938,075	\$ 70,106,762	\$ 63,523,800	\$ 61,266,615	\$ 61,406,650	\$ -	\$ -	
		\$ 18,420,390	\$ 16,672,909	\$ 14,893,194	\$ 13,115,492	\$ 11,342,068	\$ 9,576,386	\$ 7,799,790	\$ 5,909,570	\$ 4,063,853	\$ 2,251,747	\$ 731,215	\$ 6,317	\$ -	\$ -	
		\$ 88,998,421	\$ 88,796,186	\$ 87,934,629	\$ 87,337,977	\$ 87,284,102	\$ 87,599,387	\$ 83,287,448	\$ 72,847,645	\$ 74,170,615	\$ 65,775,548	\$ 61,997,830	\$ 61,412,967	\$ -	\$ -	
Prop. K Related Programming (since 7/1/22)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 15,044,470	\$ 14,720,746	\$ 14,297,961	\$ 13,763,163	\$ 13,108,337	\$ 12,324,519	\$ 11,424,115	\$ 10,503,586	\$ 9,397,803	\$ 8,110,908	\$ 6,377,440	\$ 1,839,636	\$ -	\$ -	
		\$ 15,044,470	\$ 14,720,746	\$ 14,297,961	\$ 13,763,163	\$ 13,108,337	\$ 12,324,519	\$ 11,424,115	\$ 10,503,586	\$ 9,397,803	\$ 8,110,908	\$ 6,377,440	\$ 1,839,636	\$ -	\$ -	

Attachment 5

Amended 2023 Strategic Plan Baseline Cashflow¹

Pending June 2024 Board Action

EP No.	EP Line Item	FY2039/40	FY2040/41	FY2041/42	FY2042/43	FY2043/44	FY2044/45	FY2045/46	FY2046/47	FY2047/48	FY2048/49	FY2049/50	FY2050/51	FY2051/52	FY2052/53	
A. MAJOR CAPITAL PROJECTS																
I. Muni																
201	Muni Reliability and Efficiency Improvements	\$ 6,046,102	\$ 6,142,839	\$ 6,241,124	\$ 6,340,980	\$ 6,443,785	\$ 6,549,600	\$ 6,657,420	\$ 6,767,276	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 691,119	\$ 677,489	\$ 659,215	\$ 635,675	\$ 606,508	\$ 571,310	\$ 530,608	\$ 488,836	\$ 385,677	\$ 219,109	\$ 81,324	\$ -	\$ -	\$ -	
		\$ 6,737,221	\$ 6,820,328	\$ 6,900,339	\$ 6,976,655	\$ 7,050,293	\$ 7,120,910	\$ 7,188,028	\$ 7,256,112	\$ 4,385,677	\$ 219,109	\$ 81,324	\$ -	\$ -	\$ -	
202	Muni Rail Core Capacity	\$ 2,748,228	\$ 2,792,200	\$ 2,836,875	\$ 2,882,264	\$ 2,928,993	\$ 2,977,091	\$ 3,026,100	\$ 3,076,035	\$ 3,126,911	\$ 3,364,622	\$ 3,479,572	\$ 3,544,147	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 2,748,228	\$ 2,792,200	\$ 2,836,875	\$ 2,882,264	\$ 2,928,993	\$ 2,977,091	\$ 3,026,100	\$ 3,076,035	\$ 3,126,911	\$ 3,364,622	\$ 3,479,572	\$ 3,544,147	\$ -	\$ -	
II. BART																
203	BART Core Capacity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 1,839,501	\$ 1,607,441	\$ 1,377,697	\$ 1,152,284	\$ 934,147	\$ 726,538	\$ 534,105	\$ 363,812	\$ 212,125	\$ 79,664	\$ -	\$ -	\$ -	\$ -	
		\$ 1,839,501	\$ 1,607,441	\$ 1,377,697	\$ 1,152,284	\$ 934,147	\$ 726,538	\$ 534,105	\$ 363,812	\$ 212,125	\$ 79,664	\$ -	\$ -	\$ -	\$ -	
III. Caltrain																
204	Caltrain Service Vision: Capital System Capacity Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
205	Caltrain Downtown Rail Extension and Pennsylvania Alignment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 6,300,263	\$ 5,587,260	\$ 4,876,060	\$ 4,172,030	\$ 3,483,591	\$ 2,820,035	\$ 2,195,948	\$ 1,637,235	\$ 1,124,716	\$ 660,460	\$ 271,243	\$ 6,317	\$ -	\$ -	
		\$ 6,300,263	\$ 5,587,260	\$ 4,876,060	\$ 4,172,030	\$ 3,483,591	\$ 2,820,035	\$ 2,195,948	\$ 1,637,235	\$ 1,124,716	\$ 660,460	\$ 271,243	\$ 6,317	\$ -	\$ -	
TOTAL MAJOR CAPITAL PROJECTS		\$ 8,794,331	\$ 8,935,039	\$ 9,077,999	\$ 9,223,244	\$ 9,372,778	\$ 9,526,691	\$ 9,683,519	\$ 9,843,311	\$ 7,126,911	\$ 3,364,622	\$ 3,479,572	\$ 3,544,147	\$ -	\$ -	
		\$ 8,830,883	\$ 7,872,189	\$ 6,912,972	\$ 5,959,988	\$ 4,117,882	\$ 3,260,661	\$ 2,489,882	\$ 1,722,518	\$ 959,232	\$ 352,568	\$ 6,317	\$ -	\$ -	\$ -	
		\$ 17,625,214	\$ 16,807,228	\$ 15,990,971	\$ 15,183,232	\$ 14,397,024	\$ 13,644,573	\$ 12,944,181	\$ 12,333,193	\$ 8,849,430	\$ 4,323,855	\$ 3,832,140	\$ 3,550,464	\$ -	\$ -	
B. TRANSIT MAINTENANCE AND ENHANCEMENTS																
I. Transit Maintenance, Rehabilitation, and																
206	Muni Maintenance	\$ 22,000,000	\$ 22,500,000	\$ 23,000,000	\$ 23,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 30,000,000	\$ 38,000,000	\$ 38,000,000	\$ 39,500,000	\$ 40,000,000	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 22,000,000	\$ 22,500,000	\$ 23,000,000	\$ 23,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 30,000,000	\$ 38,000,000	\$ 38,000,000	\$ 39,500,000	\$ 40,000,000	\$ -	\$ -
207	BART Maintenance	\$ 1,923,760	\$ 1,954,540	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 601,720	\$ 589,167	\$ 535,657	\$ 454,763	\$ 375,966	\$ 300,372	\$ 229,654	\$ 166,609	\$ 109,384	\$ 58,211	\$ 16,829	\$ -	\$ -	\$ -	
		\$ 2,525,479	\$ 2,543,707	\$ 1,385,657	\$ 454,763	\$ 375,966	\$ 300,372	\$ 229,654	\$ 166,609	\$ 109,384	\$ 58,211	\$ 16,829	\$ -	\$ -	\$ -	
208	Caltrain Maintenance	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 909,033	\$ 870,340	\$ 824,492	\$ 771,473	\$ 711,684	\$ 645,625	\$ 575,009	\$ 401,420	\$ 245,774	\$ 108,705	\$ 2,785	\$ -	\$ -	\$ -	
		\$ 5,909,033	\$ 5,870,340	\$ 5,824,492	\$ 5,771,473	\$ 5,711,684	\$ 5,645,625	\$ 5,575,009	\$ 401,420	\$ 245,774	\$ 108,705	\$ 2,785	\$ -	\$ -	\$ -	
209	Ferry Maintenance	\$ 274,823	\$ 279,220	\$ 283,687	\$ 288,226	\$ 292,899	\$ 297,709	\$ 302,610	\$ 307,603	\$ 312,691	\$ 336,462	\$ 347,957	\$ 354,415	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 274,823	\$ 279,220	\$ 283,687	\$ 288,226	\$ 292,899	\$ 297,709	\$ 302,610	\$ 307,603	\$ 312,691	\$ 336,462	\$ 347,957	\$ 354,415	\$ -	\$ -	
II. Transit Enhancements																
210	Transit Enhancements	\$ 1,593,972	\$ 1,619,476	\$ 1,645,387	\$ 1,671,713	\$ 1,698,816	\$ 1,726,713	\$ 1,755,138	\$ 1,784,100	\$ 1,813,609	\$ 1,951,481	\$ 750,000	\$ -	\$ -	\$ -	
		\$ 80,370	\$ 78,968	\$ 77,012	\$ 74,426	\$ 71,169	\$ 67,195	\$ 62,560	\$ 57,778	\$ 51,925	\$ 45,022	\$ 20,407	\$ -	\$ -	\$ -	
		\$ 1,674,343	\$ 1,698,444	\$ 1,722,400	\$ 1,746,139	\$ 1,769,985	\$ 1,793,908	\$ 1,817,698	\$ 1,841,878	\$ 1,865,533	\$ 1,996,503	\$ 770,407	\$ -	\$ -	\$ -	
211	Bayview Caltrain Station	\$ 1,484,043	\$ 1,507,788	\$ 1,531,912	\$ 1,556,422	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 357,036	\$ 349,658	\$ 339,906	\$ 327,467	\$ 284,620	\$ 226,628	\$ 172,445	\$ 124,191	\$ 80,502	\$ 41,557	\$ 10,350	\$ -	\$ -	\$ -	
		\$ 1,841,080	\$ 1,857,446	\$ 1,871,819	\$ 1,883,889	\$ 884,620	\$ 226,628	\$ 172,445	\$ 124,191	\$ 80,502	\$ 41,557	\$ 10,350	\$ -	\$ -	\$ -	
212	Mission Bay Ferry Landing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 94,975	\$ 83,308	\$ 71,736	\$ 60,359	\$ 49,321	\$ 38,785	\$ 28,983	\$ 20,285	\$ 12,480	\$ 5,601	\$ 269	\$ -	\$ -	\$ -	
		\$ 94,975	\$ 83,308	\$ 71,736	\$ 60,359	\$ 49,321	\$ 38,785	\$ 28,983	\$ 20,285	\$ 12,480	\$ 5,601	\$ 269	\$ -	\$ -	\$ -	
213	Next Generation Transit Investments	\$ 1,209,220	\$ 1,228,568	\$ 1,248,225	\$ 1,268,196	\$ 1,288,757	\$ 1,309,920	\$ 1,331,484	\$ 1,353,455	\$ 1,375,841	\$ 1,480,434	\$ 1,531,012	\$ 1,559,425	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 1,209,220	\$ 1,228,568	\$ 1,248,225	\$ 1,268,196	\$ 1,288,757	\$ 1,309,920	\$ 1,331,484	\$ 1,353,455	\$ 1,375,841	\$ 1,480,434	\$ 1,531,012	\$ 1,559,425	\$ -	\$ -	
TOTAL TRANSIT MAINTENANCE AND ENHANCEMENTS		\$ 33,485,819	\$ 34,089,591	\$ 33,559,212	\$ 32,784,558	\$ 34,880,472	\$ 34,334,342	\$ 34,389,232	\$ 33,445,159	\$ 41,502,141	\$ 41,768,377	\$ 42,128,969	\$ 41,913,840	\$ -	\$ -	
		\$ 2,043,134	\$ 1,971,441	\$ 1,848,804	\$ 1,688,488	\$ 1,492,760	\$ 1,278,605	\$ 1,068,651	\$ 770,283	\$ 500,066	\$ 259,096	\$ 50,640	\$ -	\$ -	\$ -	
		\$ 35,528,953	\$ 36,061,032	\$ 35,408,016	\$ 34,473,045	\$ 36,373,232	\$ 35,612,947	\$ 35,457,883	\$ 34,215,442	\$ 42,002,207	\$ 42,027,473	\$ 42,179,609	\$ 41,913,840	\$ -	\$ -	
C. PARATRANSIT																
214	Paratransit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 4,459,480	\$ 3,926,595	\$ 3,397,102	\$ 2,875,324	\$ 2,367,800	\$ 1,881,741	\$ 1,427,932	\$ 1,024,001	\$ 658,812	\$ 333,848	\$ 74,797	\$ -	\$ -	\$ -	
		\$ 4,459,480	\$ 3,926,595	\$ 3,397,102	\$ 2,875,324	\$ 2,367,800	\$ 1,881,741	\$ 1,427,932	\$ 1,024,001	\$ 658,812	\$ 333,848	\$ 74,797	\$ -	\$ -	\$ -	
TOTAL PARATRANSIT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 4,459,480	\$ 3,926,595	\$ 3,397,102	\$ 2,875,324	\$ 2,367,800	\$ 1,881,741	\$ 1,427,932	\$ 1,024,001	\$ 658,812	\$ 333,848	\$ 74,797	\$ -	\$ -	\$ -	
		\$ 4,459,480	\$ 3,926,595	\$ 3,397,102	\$ 2,875,324	\$ 2,367,800	\$ 1,881,741	\$ 1,427,932	\$ 1,024,001	\$ 658,812	\$ 333,848	\$ 74,797	\$ -	\$ -	\$ -	
D. STREETS AND FREEWAYS																
I. Maintenance, Rehabilitation, and Repl																
215	Street Resurfacing, Rehabilitation and Maintenance	\$ 5,771,279	\$ 5,863,619	\$ 5,957,437	\$ 6,052,754	\$ 6,150,886	\$ 6,251,891	\$ 6,354,810	\$ 6,459,673	\$ 6,566,514	\$ 7,065,707	\$ 7,307,101	\$ 7,442,710	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 5,771,279	\$ 5,863,619	\$ 5,957,437	\$ 6,052,754	\$ 6,150,886	\$ 6,251,891	\$ 6,354,810	\$ 6,459,673	\$ 6,566,514	\$ 7,065,707	\$ 7,307,101	\$ 7,442,710	\$ -	\$ -	
216	Pedestrian and Bicycle Facilities Maintenance	\$ 1,044,327	\$ 1,061,036	\$ 1,078,012	\$ 1,095,260	\$ 1,113,017	\$ 1,131,295	\$ 1,149,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 163,017	\$ 159,724	\$ 155,341	\$ 149,723	\$ 142,786	\$ 134,432	\$ 124,790	\$ 90,556	\$ 59,480	\$ 31,686	\$ 9,203	\$ -	\$ -	\$ -	
		\$ 1,207,344	\$ 1,220,759	\$ 1,233,353	\$ 1,244,984	\$ 1,255,803	\$ 1,265,727	\$ 1,274,708	\$ 90,556	\$ 59,480	\$ 31,686	\$ 9,203	\$ -	\$ -	\$ -	

Attachment 5

Amended 2023 Strategic Plan Baseline Cashflow¹
 Pending June 2024 Board Action

EP No.	EP Line Item	FY2039/40	FY2040/41	FY2041/42	FY2042/43	FY2043/44	FY2044/45	FY2045/46	FY2046/47	FY2047/48	FY2048/49	FY2049/50	FY2050/51	FY2051/52	FY2052/53	
217	Traffic Signs & Signals Maintenance	\$ 2,500,000	\$ 2,750,000	\$ 3,250,000	\$ 4,000,000	\$ 5,272,188	\$ 5,325,000	\$ 5,411,000	\$ 5,501,000	\$ 5,593,000	\$ 3,250,000	\$ -	\$ -	\$ -	\$ -	
		\$ 598,489	\$ 507,721	\$ 433,691	\$ 382,337	\$ 365,028	\$ 343,209	\$ 318,149	\$ 292,571	\$ 261,835	\$ 183,200	\$ 69,627	\$ -	\$ -	\$ -	\$ -
		\$ 3,098,489	\$ 3,257,721	\$ 3,683,691	\$ 4,382,337	\$ 5,637,216	\$ 5,668,209	\$ 5,729,149	\$ 5,793,571	\$ 5,854,835	\$ 3,433,200	\$ 69,627	\$ -	\$ -	\$ -	\$ -
II. Safer and Complete Streets																
218	Safer and Complete Streets	\$ 7,000,000	\$ 7,250,000	\$ 7,750,000	\$ 8,500,000	\$ 8,850,919	\$ 8,950,000	\$ 7,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 1,570,192	\$ 1,495,189	\$ 1,425,435	\$ 1,300,035	\$ 1,241,132	\$ 1,169,991	\$ 1,083,037	\$ 802,339	\$ 545,525	\$ 313,634	\$ 120,919	\$ -	\$ -	\$ -	\$ -
		\$ 8,570,192	\$ 8,745,189	\$ 9,175,435	\$ 9,865,710	\$ 10,151,648	\$ 10,171,853	\$ 8,083,037	\$ 802,339	\$ 545,525	\$ 313,634	\$ 120,919	\$ -	\$ -	\$ -	\$ -
219	Curb Ramps	\$ 1,593,972	\$ 1,619,476	\$ 1,645,387	\$ 1,671,713	\$ 1,698,816	\$ 1,726,713	\$ 1,755,138	\$ 1,784,100	\$ 1,813,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 141,156	\$ 138,446	\$ 134,782	\$ 130,035	\$ 124,132	\$ 116,991	\$ 108,718	\$ 100,217	\$ 89,896	\$ 47,596	\$ 13,444	\$ -	\$ -	\$ -	\$ -
		\$ 1,735,129	\$ 1,757,922	\$ 1,780,169	\$ 1,801,748	\$ 1,822,948	\$ 1,843,704	\$ 1,863,856	\$ 1,884,317	\$ 1,903,504	\$ 47,596	\$ 13,444	\$ -	\$ -	\$ -	\$ -
220	Tree Planting	\$ 1,099,291	\$ 1,116,880	\$ 1,134,750	\$ 1,152,905	\$ 1,171,597	\$ 1,190,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 213,350	\$ 208,985	\$ 203,198	\$ 195,801	\$ 186,681	\$ 175,712	\$ 135,004	\$ 98,675	\$ 65,609	\$ 35,942	\$ 11,723	\$ -	\$ -	\$ -	\$ -
		\$ 1,312,641	\$ 1,325,865	\$ 1,337,948	\$ 1,348,706	\$ 1,358,278	\$ 1,366,549	\$ 135,004	\$ 98,675	\$ 65,609	\$ 35,942	\$ 11,723	\$ -	\$ -	\$ -	\$ -
III. Freeway Safety and Operational Imp																
221	Vision Zero Ramps	\$ 439,717	\$ 446,752	\$ 453,900	\$ 461,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 104,570	\$ 102,410	\$ 99,555	\$ 95,913	\$ 78,284	\$ 61,463	\$ 45,825	\$ 31,952	\$ 19,517	\$ 8,571	\$ 124	\$ -	\$ -	\$ -	\$ -
		\$ 544,287	\$ 549,162	\$ 553,455	\$ 557,075	\$ 78,284	\$ 61,463	\$ 45,825	\$ 31,952	\$ 19,517	\$ 8,571	\$ 124	\$ -	\$ -	\$ -	\$ -
222	Managed Lanes and Express Bus	\$ 549,646	\$ 558,440	\$ 567,375	\$ 576,453	\$ 585,799	\$ 595,418	\$ 605,220	\$ 615,207	\$ 625,382	\$ 672,924	\$ 695,914	\$ 708,829	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 549,646	\$ 558,440	\$ 567,375	\$ 576,453	\$ 585,799	\$ 595,418	\$ 605,220	\$ 615,207	\$ 625,382	\$ 672,924	\$ 695,914	\$ 708,829	\$ -	\$ -	\$ -
223	Transformative Freeway and Major Street Projects	\$ 1,099,291	\$ 1,116,880	\$ 1,134,750	\$ 1,152,905	\$ 1,171,597	\$ 1,190,836	\$ 1,210,440	\$ 1,230,414	\$ 1,250,765	\$ 1,345,849	\$ 1,391,829	\$ 1,417,659	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 1,099,291	\$ 1,116,880	\$ 1,134,750	\$ 1,152,905	\$ 1,171,597	\$ 1,190,836	\$ 1,210,440	\$ 1,230,414	\$ 1,250,765	\$ 1,345,849	\$ 1,391,829	\$ 1,417,659	\$ -	\$ -	\$ -
TOTAL STREETS AND FREEWAYS		\$ 21,097,523	\$ 21,783,083	\$ 22,971,612	\$ 24,663,153	\$ 26,014,820	\$ 26,361,989	\$ 23,486,525	\$ 15,590,394	\$ 15,849,269	\$ 12,334,480	\$ 9,394,844	\$ 9,569,198	\$ -	\$ -	
		\$ 2,790,774	\$ 2,612,475	\$ 2,452,001	\$ 2,319,520	\$ 2,197,639	\$ 2,053,661	\$ 1,815,523	\$ 1,416,309	\$ 1,041,862	\$ 620,629	\$ 225,041	\$ -	\$ -	\$ -	\$ -
		\$ 23,888,298	\$ 24,395,558	\$ 25,423,613	\$ 26,982,672	\$ 28,212,459	\$ 28,415,650	\$ 25,302,048	\$ 17,006,702	\$ 16,891,131	\$ 12,955,110	\$ 9,619,886	\$ 9,569,198	\$ -	\$ -	\$ -
E. TRANSPORTATION SYSTEM DEVELOPMENT AND MAN/																
I. Transportation Demand Management																
224	Transportation Demand Management	\$ 989,362	\$ 1,005,192	\$ 1,021,275	\$ 1,037,615	\$ 1,054,438	\$ 1,071,753	\$ 1,089,396	\$ 1,107,372	\$ 1,125,688	\$ 1,211,264	\$ 1,252,646	\$ 1,275,893	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 989,362	\$ 1,005,192	\$ 1,021,275	\$ 1,037,615	\$ 1,054,438	\$ 1,071,753	\$ 1,089,396	\$ 1,107,372	\$ 1,125,688	\$ 1,211,264	\$ 1,252,646	\$ 1,275,893	\$ -	\$ -	\$ -
II. Transportation, Land Use, and Comm																
225	Neighborhood Transportation Program	\$ 2,253,547	\$ 2,289,604	\$ 2,326,237	\$ 2,363,456	\$ 2,401,774	\$ 2,441,215	\$ 2,481,402	\$ 2,522,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 296,118	\$ 290,209	\$ 282,315	\$ 272,172	\$ 259,624	\$ 244,498	\$ 227,022	\$ 209,096	\$ 140,595	\$ 78,942	\$ 28,169	\$ -	\$ -	\$ -	\$ -
		\$ 2,549,665	\$ 2,579,813	\$ 2,608,553	\$ 2,635,628	\$ 2,661,399	\$ 2,685,713	\$ 2,708,424	\$ 2,731,444	\$ 140,595	\$ 78,942	\$ 28,169	\$ -	\$ -	\$ -	\$ -
226	Equity Priority Transportation Program	\$ 2,308,512	\$ 2,345,448	\$ 2,382,975	\$ 2,421,101	\$ 2,460,354	\$ 2,500,756	\$ 2,541,924	\$ 2,583,869	\$ 2,626,606	\$ 2,826,283	\$ 2,922,840	\$ 2,977,084	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 2,308,512	\$ 2,345,448	\$ 2,382,975	\$ 2,421,101	\$ 2,460,354	\$ 2,500,756	\$ 2,541,924	\$ 2,583,869	\$ 2,626,606	\$ 2,826,283	\$ 2,922,840	\$ 2,977,084	\$ -	\$ -	\$ -
227	Development-Oriented Transportation	\$ 1,099,291	\$ 1,116,880	\$ 1,134,750	\$ 1,152,905	\$ 1,171,597	\$ 1,190,836	\$ 1,210,440	\$ 1,230,414	\$ 1,250,765	\$ 1,345,849	\$ 1,391,829	\$ 1,417,659	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 1,099,291	\$ 1,116,880	\$ 1,134,750	\$ 1,152,905	\$ 1,171,597	\$ 1,190,836	\$ 1,210,440	\$ 1,230,414	\$ 1,250,765	\$ 1,345,849	\$ 1,391,829	\$ 1,417,659	\$ -	\$ -	\$ -
228	Citywide / Modal Planning	\$ 549,646	\$ 558,440	\$ 567,375	\$ 576,453	\$ 585,799	\$ 595,418	\$ 605,220	\$ 615,207	\$ 625,382	\$ 672,924	\$ 695,914	\$ 708,829	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 549,646	\$ 558,440	\$ 567,375	\$ 576,453	\$ 585,799	\$ 595,418	\$ 605,220	\$ 615,207	\$ 625,382	\$ 672,924	\$ 695,914	\$ 708,829	\$ -	\$ -	\$ -
TOTAL TRANSPORTATION SYSTEM DEVELOPMENT AND MANAGEMENT		\$ 7,200,358	\$ 7,315,563	\$ 7,432,612	\$ 7,551,531	\$ 7,673,962	\$ 7,799,978	\$ 7,928,381	\$ 8,059,211	\$ 8,194,441	\$ 8,330,320	\$ 8,466,730	\$ 8,604,165	\$ 8,741,635	\$ 8,879,150	\$ 9,016,700
		\$ 296,118	\$ 290,209	\$ 282,315	\$ 272,172	\$ 259,624	\$ 244,498	\$ 227,022	\$ 209,096	\$ 140,595	\$ 78,942	\$ 28,169	\$ -	\$ -	\$ -	\$ -
		\$ 7,496,476	\$ 7,605,772	\$ 7,714,927	\$ 7,823,703	\$ 7,933,587	\$ 8,044,476	\$ 8,155,404	\$ 8,268,306	\$ 8,384,036	\$ 8,409,262	\$ 8,494,899	\$ 8,634,165	\$ 8,771,635	\$ 8,909,150	\$ 9,056,700
TOTAL PROP L STRATEGIC PLAN		\$ 70,578,031	\$ 72,123,277	\$ 73,041,435	\$ 74,222,485	\$ 77,942,033	\$ 78,023,000	\$ 75,487,658	\$ 66,938,075	\$ 70,106,762	\$ 63,523,800	\$ 61,266,615	\$ 61,406,650	\$ -	\$ -	\$ -
		\$ 18,420,390	\$ 16,672,909	\$ 14,893,194	\$ 13,115,492	\$ 11,342,068	\$ 9,576,386	\$ 7,799,790	\$ 5,909,570	\$ 4,063,853	\$ 2,251,747	\$ 731,215	\$ 6,317	\$ -	\$ -	\$ -
		\$ 88,998,421	\$ 88,796,186	\$ 87,934,629	\$ 87,337,977	\$ 89,284,102	\$ 87,599,387	\$ 83,287,448	\$ 72,847,645	\$ 74,170,615	\$ 65,775,548	\$ 61,997,830	\$ 61,412,967	\$ -	\$ -	\$ -
Prop. K Related Cashflow (since 7/1/22)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 15,044,470	\$ 14,720,746	\$ 14,297,961	\$ 13,763,163	\$ 13,108,337	\$ 12,324,519	\$ 11,424,115	\$ 10,503,586	\$ 9,397,803	\$ 8,110,908	\$ 6,377,440	\$ 1,839,636	\$ -	\$ -	\$ -
		\$ 15,044,470	\$ 14,720,746	\$ 14,297,961	\$ 13,763,163	\$ 13,108,337	\$ 12,324,519	\$ 11,424,115	\$ 10,503,586	\$ 9,397,803	\$ 8,110,908	\$ 6,377,440	\$ 1,839,636	\$ -	\$ -	\$ -

¹This table includes FY22/23 Quarters 1-3. Prop L took effect Quarter 4 (April 1, 2023). See Sources and Uses table for Prop L summary.



RESOLUTION ADOPTING TWO 2023 PROP L 5-YEAR PRIORITIZATION PROGRAMS
AND AMENDING THE PROP L STRATEGIC PLAN BASELINE

WHEREAS, The Prop L Expenditure Plan requires development of a 30-year Strategic Plan and for each of the 28 Expenditure Plan programs (Attachment 1), a 5-Year Prioritization Program (5YPP) to identify the specific projects that will be funded over the next five years; and

WHEREAS, Transportation Authority Board adoption of these documents is a prerequisite for allocation of Prop L funds from the relevant program; and

WHEREAS, The 5YPPs provide transparency about how Prop L projects are prioritized and the resulting 5-year project lists and associated sales tax programming commitments support a steady project development pipeline, enabling project sponsors to plan ahead, facilitating their ability to secure other funding sources to leverage Prop L and fully fund projects, to line up staff resources, and to coordinate with other planned projects; and

WHEREAS, In accordance with Expenditure Plan requirements, each 5YPP includes: a prioritization methodology to rank projects; a 5-year program or list of projects; information on scope, schedule, cost and funding (including leveraging of other fund sources); and performance measures to inform future 5YPP updates; and

WHEREAS, Through approval of Resolution 23-57, the Transportation Authority adopted the guidance to project sponsors and staff for developing the 2023 Prop L 5YPPs which cover Fiscal Years 2023/24 through 2027/28; and

WHEREAS, Through approval of Resolution 23-56, the Transportation Authority adopted the 2023 Prop L Strategic Plan Baseline which sets the amount of pay-go funding available for 23 of the 28 programs, by fiscal year, through the end of the Expenditure Plan (2053), and for the five remaining programs, including BART Core Capacity; Caltrain Downtown Rail Extension and Pennsylvania Alignment; and



Caltrain Maintenance, Rehabilitation, and Replacement, approved an accelerated cash flow schedule to support project delivery; and

WHEREAS, The Transportation Authority previously adopted 20 Prop L 5YPPs through approval of Resolutions 24-02, 24-13, 24-17, 24-22, 24-29 and 24-35; and

WHEREAS, Working in collaboration with project sponsors and taking into consideration input from public engagement supporting the 5YPP development process as well as prior engagement related to the Expenditure Plan and the San Francisco Transportation Plan, Transportation Authority staff has recommended approval of the two enclosed 2023 Prop L 5YPP for the following programs: Mission Bay Ferry Landing and Transformative Freeway and Major Street Projects; and

WHEREAS, Staff has prepared a proposed amendment to the Strategic Plan Baseline to reflect recommended programming and cash flow schedules for the proposed projects in the aforementioned 5YPPs (Attachments 2, 3); and

WHEREAS, At its May 22, 2024, meeting, the Community Advisory Committee was briefed on the proposed 5YPPs and Strategic Plan Baseline amendment and adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby adopts the amended Prop L Strategic Plan Baseline; and be it further

RESOLVED, That the Transportation Authority hereby adopts the two enclosed 2023 Prop L 5YPPs.

Attachments:

1. List of the 28 Programs in the Prop L Expenditures Plan
2. Strategic Plan Baseline Amendment - Programming & Cash Flow by FY
3. Prop L Strategic Plan Baseline Amendment Sources and Uses

Enclosures: 2023 Prop L 5-Year Prioritization Programs (2)

1. Mission Bay Ferry Landing
2. Transformative Freeway and Major Street Projects

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Memorandum

AGENDA ITEM 7

DATE: May 23, 2024

TO: Transportation Authority Board

FROM: Anna LaForte - Deputy Director for Policy and Programming

SUBJECT: 6/11/24 Board Meeting: Appropriate \$601,000 in Prop L Funds, with Conditions, and Approve Memorandum of Agreements with the San Francisco Planning Department in an Amount Not to Exceed \$150,000, and with the San Francisco Municipal Transportation Agency in an Amount Not to Exceed \$190,800 for the Fillmore-Geary Underpass Community Planning Study

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <ul style="list-style-type: none"> • Appropriate \$601,000 in Prop L Funds, with conditions for the Fillmore-Geary Underpass Community Planning Study • Approve a Memorandum of Agreement (MOA) with the San Francisco Planning Department (SF Planning) in an amount not to exceed \$150,000 • Approve an MOA with the San Francisco Municipal Transportation Agency (SFMTA) in an amount not to exceed \$190,800 • Authorize the Executive Director to negotiate agreement payment terms and non-material agreement terms and conditions <p>SUMMARY</p> <p>In 2023, the U.S. Department of Transportation awarded a \$2 million grant from Fiscal Year 2023 Reconnecting Communities and Neighborhood Program to the Transportation Authority’s Fillmore-Geary Underpass Community Planning Study (Study). We are the lead applicant and grant recipient for the Study. The SF Planning Department is a lead partner and will lead all tasks and efforts related to land use concepts. The SFMTA is a supporting partner and will work with the Transportation Authority on tasks related to</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Fund Allocation <input 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 checked="" type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
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<p>transportation concept development and implementation. Along with requesting allocation of local match funds from Prop L, we are requesting approval of an MOA between the Transportation Authority and each respective agency to allow us to reimburse their costs with federal grant and Prop L funds. Attachment 1 shows the Prop L request, including phase of work and supervisorial district. Attachment 2 provides a brief description of the project. Attachment 3 contains the staff recommendation. The recommended Prop L funds are conditioned upon Board adoption of the Prop L 5YPP for Transformative Freeway and Major Street Projects. This action is part of a separate item on this agenda.</p>	
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BACKGROUND

The Study will address past harms resulting from the widening of Geary into an expressway and the associated impacts that led to displacement. The Study will use a community-led process to develop alternatives, recommend transportation, and land use concepts that reconnect the Japantown and Fillmore/Western Addition neighborhoods and create a high-quality, multimodal transportation-oriented area.

The scope would result in 10% preliminary designs of recommended transportation capital projects along with a land use concept strategy. The recommendations would include interim transportation actions to serve as stepping stones to support the long-term vision, a feasibility analysis for potential affordable housing sites and economic development strategies, anti-displacement strategies, and concept-level neighborhood urban design opportunities. The Study is anticipated to be completed by fall 2026.

DISCUSSION

Attachment 1 summarizes the request for Prop L funds, including information on proposed leveraging (i.e., stretching Prop L sales tax dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop L Expenditure Plan. Attachment 2 includes the brief project description. Attachment 3 summarizes the staff recommendations for this request, highlighting special conditions and other items of interest. An Allocation Request Form for the project is included as Attachment 5, with more detailed information on scope, schedule, budget, funding, deliverables, and special conditions.



The Study requires coordination with SF Planning and SFMTA to complete the grant scope of work. An MOA is needed between the Transportation Authority and each respective agency to reimburse costs with the recommended Prop L appropriation and federal grant funds. Below are brief descriptions of the recommended services and amounts.

SF Planning. SF Planning will provide \$150,000 in in-kind funds and receive a total additional amount of \$150,000 in federal grant and Prop L funds to participate in Task 2 Community Collaboration and lead Task 4 Market and Feasibility Analysis, Task 6 Transportation and Land Use Concepts focusing on land use concepts, and Task 8 Urban and Architectural Guidance. By leading the land use related tasks, SF Planning will coordinate outreach materials as it related to land use considerations and participate in all outreach events, will document the feasibility of different land use types in the study area, develop draft and final land use concepts including cost estimates and policies and anti-displacement and community stabilization policies, and develop design guidance for future development and land use changes. SF Planning will lead the development of all deliverables for these tasks.

SFMTA. SFMTA will receive \$190,800 in federal grant and Prop L funds to support the following tasks, let by the Transportation Authority: Task 2 Community Collaboration, Task 3 Existing Conditions and Data Collection, Task 5 Transportation and Land Use concepts focusing on transportation concepts, Task 6 Concept Evaluation, Selection, Refinement, Task 7 Engineering and Cost Estimates, Task 8 Urban Design and Architectural Guidance, and Task 9 Funding Implementation Recommendations and Final Report. In supporting these tasks, the SFMTA will participate in community engagement events, provide technical review and input on draft and final concept designs including cost estimates, and coordinate with city agencies to develop an implementation plan that addresses project phasing. The SFMTA will have interim deliverables that will support the development of task deliverables.

FINANCIAL IMPACT

The recommended action would appropriate \$601,000 in Prop L funds, with conditions. The appropriation would be subject to the Fiscal Year Cash Flow Distribution Schedule contained in the attached Allocation Request Form.

Attachment 4 shows the Prop L Fiscal Year 2024/25 allocations and appropriations approved to date, with associated annual cash flow commitments as well as the



recommended allocation and cash flow amounts that are the subject of this memorandum.

The proposed memorandum of agreements with SF Planning and SFMTA will be funded by the federal Reconnecting Communities and Neighborhoods grant, awarded by the U.S. Department of Transportation, with in-kind and local matching funds from SF Planning and Prop L funds. Sufficient funds are included in the proposed Fiscal Year 2024/25 annual budget. Furthermore, sufficient funds will be included in future budgets to cover the recommended cash flow distributions in those fiscal years.

CAC POSITION

The CAC considered this item at its May 22, 2024 meeting and adopted a motion of support for the staff recommendation.

SUPPLEMENTAL MATERIALS

- Attachment 1 - Summary of Request
- Attachment 2 - Project Description
- Attachment 3 - Staff Recommendations
- Attachment 4 - Prop L Allocation Summary - FY 2024/25
- Attachment 5 - Allocation Request Form
- Attachment 6 - Resolution

Attachment 1: Summary of Requests Received

Source	EP Line No./Category ¹	Project Sponsor ²	Project Name	Current Prop L Request	Current Prop AA 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 L	23	SFCTA	Fillmore-Geary Underpass Community Planning Study	\$ 601,000	\$ -	\$ 2,750,800	91%	78%	Planning	5
TOTAL				\$ 601,000	\$ -	\$ 2,750,800				

Footnotes

¹ "EP Line No./Category" is either the Prop L Expenditure Plan line number referenced in the 2023 Prop L Strategic Plan Baseline or the Prop AA Expenditure Plan category referenced in the 2022 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit).

² Acronym: SFCTA (San Francisco County Transportation Authority)

³ "Expected Leveraging By EP Line" is calculated by dividing the total non-Prop L funds expected to be available for a given Prop L Expenditure Plan line item by the total expected funding for that Prop L Expenditure Plan line item over the 30-year Expenditure Plan period. For example, expected leveraging of 90% indicates that on average non-Prop L funds should cover 90% of the total costs for all projects in that program, and Prop L should cover only 10%.

⁴ "Actual Leveraging by Project Phase" is calculated by dividing the total non-Prop L, non-Prop AA, or non-TNC Tax 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 L 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 L Funds Requested	Prop AA Funds Requested	Project Description
23	SFCTA	Fillmore-Geary Underpass Community Planning Study	\$ 601,000	\$ -	This study will work to address past harms resulting from the widening of Geary into an expressway and the associated impacts that led to displacement. Through a community-driven process, the Transportation Authority, in partnership with the San Francisco Planning Department and the San Francisco Municipal Transportation Agency, will develop alternatives and recommend transportation and land use concepts that reconnect the Japantown and Fillmore/Western Addition neighborhoods and create a high-quality, multimodal transportation-oriented area. Transportation Authority staff anticipate presenting the final report to the Board for approval in Fall 2026. Prop L funds are matching a \$2 million federal Reconnecting Communities and Neighborhood Program grant awarded to SFCTA.
TOTAL			\$601,000	\$0	

¹ See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop L Funds Recommended	Prop AA Funds Recommended	Recommendations
23	SFCTA	Fillmore-Geary Underpass Community Planning Study	\$ 601,000	\$ -	Special Condition: The recommended allocation is contingent upon approval of the Transformative Freeway and Major Street Projects 5YPP and amendment of the Prop L Strategic Plan Baseline which is a separate item on this agenda.
TOTAL			\$ 601,000	\$ -	

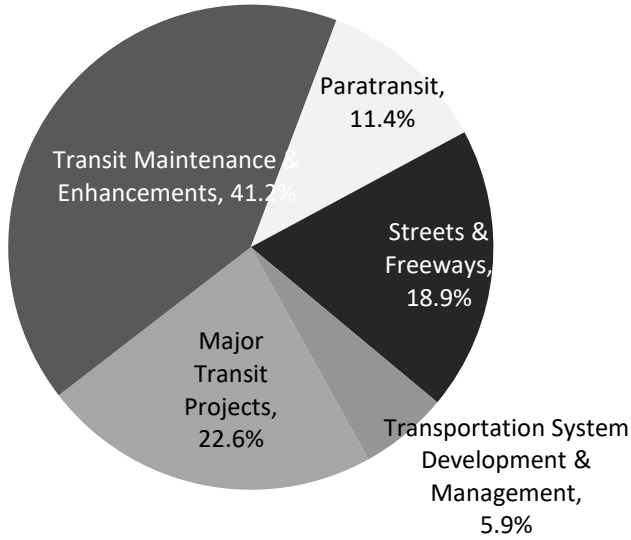
¹ See Attachment 1 for footnotes.

**Attachment 4.
Prop L Summary - FY2023/24**

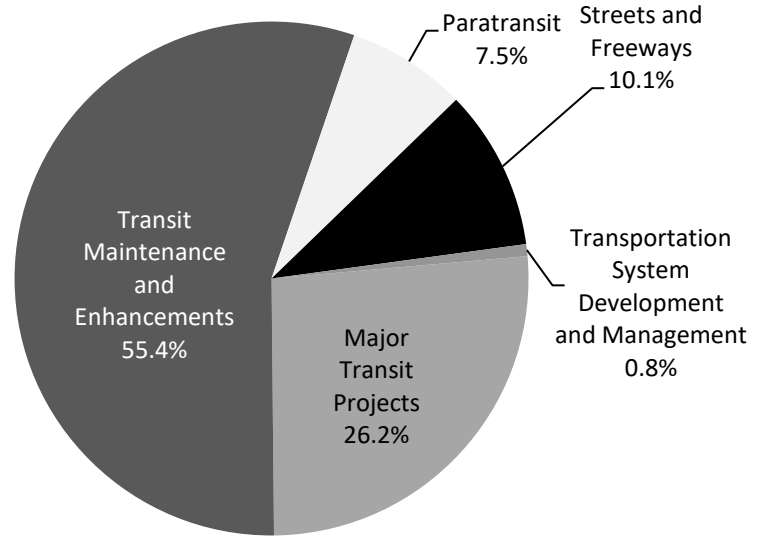
PROP L SALES TAX						
FY 2024/25	Total	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Prior Allocations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Request(s)	\$ 601,000	\$ 300,000	\$ 301,000	\$ -	\$ -	\$ -
New Total Allocations	\$ 601,000	\$ 300,000	\$ 301,000	\$ -	\$ -	\$ -

The above table shows maximum annual cash flow for all FY 2024/25 allocations and appropriations approved to date, along with the current recommended allocations.

Prop L Expenditure Plan



Prop L Investments To Date (Including Pending Allocations)



San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2024/25
Project Name:	Fillmore-Geary Underpass Community Planning Study
Primary Sponsor:	San Francisco County Transportation Authority

EXPENDITURE PLAN INFORMATION

PROP L Expenditure Plans	Transformative Freeway and Major Street Projects
Current PROP L Request:	\$601,000
Supervisory District	District 05

REQUEST

Brief Project Description

The Fillmore-Geary Underpass Community Planning Study will address past harms resulting from the widening of Geary into an expressway and the associated impacts that led to displacement. Through a community-driven process we will develop alternatives and recommend transportation and land use concepts that reconnect the Japantown and Fillmore/Western Addition neighborhoods and create a high-quality, multimodal transportation-oriented area.

Detailed Scope, Project Benefits and Community Outreach

Purpose

Starting in the late 1940s, local agencies identified San Francisco’s Fillmore/Western Addition as the site of one of the first federally funded urban renewal projects in the nation. Through the early 1960s, vast swaths of the Japantown/Fillmore area were cleared by the local redevelopment agency for new development. These actions displaced thousands of established residents and many businesses, destroyed hundreds of structures, and ruptured the social and economic fabric of the local Black, Jewish, and Japanese American communities.

The Fillmore-Geary Underpass Community Planning Study would conduct a community-driven process to re-envision the area of Geary Boulevard at Fillmore Street, along with streets in surrounding neighborhoods. Led by SFCTA in partnership with SF Planning and SFMTA this process would bring together transportation and land use to create more connected and vibrant communities, while also working towards the long-term goals to repair neighborhoods, create transit-oriented housing opportunities, and support economic and cultural stability in communities that face risks of displacement. The study would focus on an approximate one mile stretch of Geary, between Laguna and Divisadero and the neighborhoods immediately adjacent to this corridor.

Outreach for the proposed study would include contracted partnerships with community-based organizations and stipends for community participation. A diverse set of community groups from the Japantown and Fillmore/Western Addition neighborhoods support this study. A range of outreach activities would be developed in English, Korean, Spanish, Chinese, Japanese, and other relevant

languages for the surrounding communities to reduce barriers to participation. Community involvement would use a “co-creation” model, in which public agencies work as equal partners alongside stakeholder representatives to bring the community directly into the decision-making process. Centered on community outreach and input, the proposed study would use an engagement process to co-create solutions for the study area to reflect the community’s vision and transportation needs.

The scope would result in 10% preliminary designs of recommended transportation capital projects along with a land use concept strategy. The recommendations would include interim transportation actions to serve as stepping stones to support the long-term vision, a feasibility analysis for potential affordable housing sites and economic development strategies, anti-displacement strategies, and concept-level neighborhood urban design opportunities.

The study will result in a comprehensive plan that identifies a community vision and goals, a preferred design alternative for the Geary Expressway and Fillmore Underpass, complementary near- to long-term solutions to address circulation, connectivity, and safety, land use opportunities and priorities along Geary, and an implementation framework including, costs, agency roles, and a planning level funding strategy. The study will use a community-driven process to reimagine how to redesign Geary to re-connect the Japantown/ Fillmore area through transportation improvements and urban design/land use changes. Because significant changes to this corridor would also impact travel patterns in the surrounding area, the study will include safety and connectivity improvements to ensure benefits to communities that have carried the impacts of the expressway investment.

Prop L funds would leverage a \$2 million Reconnecting Communities and Neighborhoods grant from the U.S. Department of Transportation.

Task 1 Project Management (Fall 2024-2026)

The SFCTA will hold a kick-off meeting with USDOT and agency partners to discuss grant procedures and project expectations including invoicing, quarterly reporting, and all other relevant information for project management.

The SFCTA, in coordination with the Planning Department, will procure a consultant through a process that meets USDOT grant requirements. Although the consultant will assist with study tasks and deliverables, the SFCTA will remain primarily responsible for all deliverables and general project management.

The SFCTA will manage the project and the consultant on an ongoing basis, including submitting quarterly reports and invoices to USDOT as required by the grant.

Deliverables: Project kickoff meeting notes, Quarterly invoicing, Progress reports, Consultant contract

Task 2 Community Collaboration (Fall 2024-2026)

The community collaboration (engagement) will extend through the full length of the study to establish a corridor vision and goals, identify priorities for the area, and develop and refine study concepts.

The SFCTA will lead a competitive process to select representatives to contract with through a formal process to form a Community Council to provide guidance and liaise with the Japantown/Fillmore community throughout the project. Community Council participants will be compensated for their time, and this includes budget for these Partner Agreements. The community council will meet at key

project milestones and support the project team in shaping outreach, gaining community participation and input, and providing feedback on draft and final plan materials. Subcommittee(s) may also be established to further support and involvement in specific phases of work by allowing partners to opt-in for more involvement based on community priorities and staff capacity.

Community outreach will happen over multiple rounds: The first round will determine community vision, goals, priorities, and challenges for the project. The second round will focus on developing and refining concept designs and associated policies, discussions on benefits and tradeoffs, and understanding community preferences for future land uses. The third round will bring plan recommendations, costs, and benefits to hear final comments that will be documented to guide future phases of work that advance the recommendation into implementation.

Outreach activities will include, but not be not limited to, in-person and/or virtual meetings, SMS and/or online surveys, design charrettes, community focus groups, community briefings at regular intervals, and pop-up style events at community destinations and events. Costs for this task include stipends for additional CBOs that would like to support the study effort by promoting surveys, outreach efforts, and organizing meetings and presentation, but do not have a partner agreement to support the outreach efforts.

The Project Team will also form a Technical Advisory Committee (TAC), to facilitate collaboration between city agencies. The TAC will meet at study milestones to review and provide feedback on draft deliverables and study actions. The TAC is expected to meet up to six times during the study: 1. project understanding and existing conditions; 2. concept development; 3. outreach round 1; 4. concept evaluation; 5. outreach round 2; 6. draft recommendations including cost estimates, urban design and architectural guidelines, and implementation plan

Deliverables: Community Coalition Partner Agreements, Outreach materials

Task 3 Data Collection and Existing Conditions (Fall 2024 - Winter 2024)

Multimodal travel data will be collected and summarized and documented in an Existing Conditions report. The report will also include an inventory of infrastructure conditions and utilities that will be necessary to guide concept development and feasibility. Existing land use conditions will discuss opportunities, including existing housing stock, non-residential uses, demographic updates, development pipeline, existing zoning and development capacity, and identification of potential development sites.

Deliverables: Data collection summaries, Draft and Final Existing Conditions Report

Task 4 Market and Feasibility Analysis (Fall 2024 - Winter 2024)

Let by the Planning Department, this task will provide development feasibility analyses to community organizations on questions of housing development (especially affordable housing), commercial and mixed development, economic development, and value capture strategies. The task would also include a review the Community Stabilization Report completed by the San Francisco Planning Department in 2020. The Community Stabilization Report contains a comprehensive inventory of existing anti-displacement policies and programs. Analysis of these policies and programs will be documented in a Land Use Market and Feasibility Analysis and will determine whether they could be further enhanced or targeted to the project area population.

Deliverables: Draft and Final Land Use Market and Feasibility Analysis Memo

Task 5 Transportation and Land Use (Spring 2025)

Building on the community outreach process, up to 5 transportation and land use scenarios that consider the full study area will be developed. Concepts will demonstrate coordinated transportation and land use planning and the potential for high-quality transit-oriented changes around Geary and Fillmore to bring more daily services within a short walk, bike, or transit trip. The project team will develop conceptual designs, circulation plans, and supporting maps/graphics. Transportation and land use concepts will primarily focus on Geary between Laguna and Divisadero. Transportation concepts will extend into adjacent neighborhoods to ensure project benefits meet the needs of impacted communities, and do not create new transportation burdens within communities.

Deliverables: Draft concept designs (up to 5)

Task 6 Concept Evaluation, Selection, Refinement (Summer 2025 - Fall 2025)

The concepts presented in Task 5 will be refined based on community feedback. It is expected this process will reduce the total concepts based on relative level of support from the community. The project team will evaluate the remaining, refined land use and transportation scenarios, using a community-driven framework of goals and metrics. Evaluation will include an equity assessment to determine proportional benefits to the disadvantaged populations in the study area and to reduce disparities. Evaluation criteria are anticipated to include both quantitative and qualitative equity metrics. The evaluation process will be documented in a Memo of Concept Evaluation and Selection and guide the third round of outreach where a final preferred concept is presented for feedback. This concept will be further refined based on community feedback and will then be advanced into following Tasks.

Deliverables: Concept refinement of up to 5 initial concepts, Draft and Final Concept Evaluation and Selection Memo, Refined concept design of recommended scenario

Task 7 Engineering and Cost Estimates (Winter 2025 - Spring 2026)

The project team will develop 10% preliminary engineering of the recommended transportation concepts and corresponding planning-level implementation cost estimates for transportation infrastructure and land use components.

Deliverables: 10% engineering of recommended concept, Draft and final planning level cost estimates

Task 8 Urban Design and Architectural Guidance (Winter 2025 - Spring 2026)

Led by the Planning Department, this task will produce concept-level studies and guidance on site design, building massing/envelope, development yield and technical opportunities and constraints guidance on key sites and overall corridor and neighborhood urban design. All guidance will be documented in Urban Design Guidelines.

Deliverables: Draft and Final Urban Design Guidelines

Task 9 Funding Implementation Recommendations and Final Report (Summer 2026 - Fall 2026)

All project work, including outreach input, will be documented in a Final Report. The Final Report will

include an implementation and funding plan for all recommendations. The Final Report will be presented to the SF Planning Commission, SFMTA Board, and the SFCTA Board for endorsement or adoption.

Deliverables: Final Report, Board/Commission Materials

Project Location

In the Western Addition EPC neighborhood, the project would focus on an approximate one mile stretch of Geary Blvd., between Laguna and Divisadero and the neighborhoods immediately adjacent to this corridor.

Is this project in an Equity Priority Community?	Yes
Does this project benefit disadvantaged populations?	Yes

Project Phase(s)

Planning/Conceptual Engineering (PLAN)

5YPP/STRATEGIC PLAN INFORMATION

Type of Project in the Prop L 5YPP/Prop AA Strategic Plan?	Named Project
Is requested amount greater than the amount programmed in the relevant 5YPP or Strategic Plan?	Less than or Equal to Programmed Amount
PROP L Amount	\$601,000.00

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2024/25
Project Name:	Fillmore-Geary Underpass Community Planning Study
Primary Sponsor:	San Francisco County Transportation Authority

ENVIRONMENTAL CLEARANCE

Environmental Type:	EIR/EIS
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PROJECT DELIVERY MILESTONES

Phase	Start		End	
	Quarter	Calendar Year	Quarter	Calendar Year
Planning/Conceptual Engineering (PLAN)	Jul-Aug-Sep	2024	Jul-Aug-Sep	2026
Environmental Studies (PA&ED)				
Right of Way				
Design Engineering (PS&E)				
Advertise Construction				
Start Construction (e.g. Award Contract)				
Operations (OP)				
Open for Use				
Project Completion (means last eligible expenditure)				

SCHEDULE DETAILS

- Task 1 Project Management (Fall 2024-2026)
- Task 2 Community Collaboration (Fall 2024-2026)
- Task 3 Data Collection and Existing Conditions (Fall 2024 - Winter 2024)
- Task 4 Market and Feasibility Analysis (Fall 2024 - Winter 2024)
- Task 5 Transportation and Land Use (Spring 2025)
- Task 6 Concept Evaluation, Selection, Refinement (Summer 2025 - Fall 2025)
- Task 7 Engineering and Cost Estimates (Winter 2025 - Spring 2026)
- Task 8 Urban Design and Architectural Guidance (Winter 2025 - Spring 2026)
- Task 9 Funding Implementation Recommendations and Final Report (Summer 2026 - Fall 2026)

The Reconnecting Communities Grant timely use of funds deadline is an estimated 36 months from when the Transportation Authority executes the grant agreement to finish the grant.

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2024/25
Project Name:	Fillmore-Geary Underpass Community Planning Study
Primary Sponsor:	San Francisco County Transportation Authority

FUNDING PLAN - FOR CURRENT REQUEST

Fund Source	Planned	Programmed	Allocated	Project Total
EP-223: Transformative Freeway and Major Street Projects	\$601,000	\$0	\$0	\$601,000
DOT Reconnecting Communities Grant	\$0	\$0	\$2,000,000	\$2,000,000
In-Kind Funds (Planning Dept)	\$0	\$0	\$150,000	\$150,000
Phases In Current Request Total:	\$601,000	\$0	\$2,150,000	\$2,751,000

COST SUMMARY

Phase	Total Cost	PROP L - Current Request	Source of Cost Estimate
Planning/Conceptual Engineering	\$2,750,800	\$601,000	similar projects
Environmental Studies	\$0		
Right of Way	\$0		
Design Engineering	\$0		
Construction	\$0		
Operations	\$0		
Total:	\$2,750,800	\$601,000	

% Complete of Design:	N/A
As of Date:	N/A
Expected Useful Life:	N/A

**San Francisco County Transportation Authority
Prop L/Prop AA/Prop D TNC Allocation Request Form**

MAJOR LINE ITEM BUDGET

BUDGET SUMMARY

Agency	Task 1 - Project Management	Task 2 - Community Collaboration	Task 3 - Data Collection and Existing Conditions	Task 4 - Market and Feasibility Analysis	Task 5 - Transportation and Land Use	Task 6 - Concept Evaluation, Selection, Refinement	Task 7 - Engineering and Cost Estimates	Task 8 - Urban Design and Architectural Guidance	Task 9 - Funding Implementation Recommendations and Final	Total
SFCTA	\$ 39,237	\$ 249,612	\$ 116,910	\$ 20,058	\$ 166,910	\$ 84,072	\$ 154,370	\$ 35,029	\$ 35,029	\$ 901,227
SF Planning	\$ -	\$ 50,000	\$ -	\$ 75,000	\$ 100,000	\$ -	\$ -	\$ 75,000	\$ -	\$ 300,000
SFMTA	\$ -	\$ 20,803	\$ 8,500	\$ -	\$ 18,403	\$ 32,297	\$ 28,497	\$ 2,900	\$ 79,400	\$ 190,800
Consultant	\$ 40,000	\$ 500,000	\$ 115,692	\$ 75,000	\$ 75,000	\$ 100,000	\$ 75,000	\$ 150,000	\$ 50,000	\$ 1,180,692
Community Council Stipends	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Contingency	\$ 143,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,081 or 5.5%
Other Direct Costs *	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Total	\$ 222,318	\$ 855,415	\$ 241,102	\$ 170,058	\$ 360,313	\$ 216,369	\$ 257,867	\$ 262,929	\$ 164,429	\$ 2,750,800

* Direct Costs include mailing, reproduction costs room rental fees.

** \$150,000 in the total budget shown for the Planning Department are in-kind funds; remaining Planning Department budget will be paid for by DOT grant funds

DETAILED LABOR COST ESTIMATE - BY AGENCY

SFMTA	Hours	Base Hourly Rate	Overhead Multiplier	Fully Burdened Hourly Cost	FTE	Total
9182 Manager VIII	65	\$ 144.03	2.46	\$ 354.05	0.02	\$ 23,013
5502 Project Manager I	36	\$ 90.50	2.46	\$ 222.85	0.01	\$ 8,022
5290 Transportation Planner IV	202	\$ 82.63	2.48	\$ 204.62	0.05	\$ 41,334
5289 Transportation Planner III	112	\$ 69.69	2.51	\$ 174.68	0.03	\$ 19,564
5288 Transportation Planner II	48	\$ 58.73	2.55	\$ 149.79	0.01	\$ 7,190
5211 Engineer	101	\$ 106.48	2.44	\$ 259.83	0.02	\$ 26,243
5207 Associate Engineer	160	\$ 80.21	2.48	\$ 199.02	0.04	\$ 31,843
5203 Assistant Engineer	112	\$ 68.28	2.51	\$ 171.41	0.03	\$ 19,198
Contingency		\$ -	\$ -	\$ -		\$14,391 or 6%
Total	836.00				0.20	\$ 190,800

SF Planning	Hours	Base Hourly Rate	Overhead Multiplier	Fully Burdened Hourly Cost	FTE	Total
Planner IV Project Supervisor	200	\$ 83.59	\$ 3.08	\$ 257.46	0.05	\$ 51,491.44
Planner III Project Manager	580	\$ 70.50	\$ 3.08	\$ 217.14	0.14	\$ 125,941.20
Planner III Architect/Urban Designer	564	\$ 70.50	\$ 3.08	\$ 217.14	0.14	\$ 122,567.50
Total	2180.46				0.52	\$ 300,000

SFCTA	Hours	Base Hourly Rate	Overhead Multiplier	Fully Burdened Hourly Cost	FTE	Total
Deputy Director	407	\$ 106.56	\$ 2.42	\$ 257.88	0.10	\$ 104,955.21
Principal Planner	1404	\$ 77.85	\$ 2.42	\$ 188.40	0.34	\$ 264,509.39
Planner	1480	\$ 57.88	\$ 2.42	\$ 140.07	0.36	\$ 207,303.01
Senior Comms	900	\$ 68.93	\$ 2.42	\$ 166.81	0.22	\$ 150,129.54
Intern	1036	\$ 28.00	\$ 2.42	\$ 67.76	0.25	\$ 70,165.48
Senior Engineer	550	\$ 78.26	\$ 2.42	\$ 189.39	0.13	\$ 104,164.06
Total	5776.50				1.39	\$ 901,227

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2024/25
Project Name:	Fillmore-Geary Underpass Community Planning Study
Primary Sponsor:	San Francisco County Transportation Authority

SFCTA RECOMMENDATION

Resolution Number:		Resolution Date:	
Total PROP L Requested:	\$601,000	Total PROP L Recommended	\$601,000

SGA Project Number:		Name:	Fillmore-Geary Underpass Community Planning Study
Sponsor:	San Francisco County Transportation Authority	Expiration Date:	03/31/2027
Phase:	Planning/Conceptual Engineering	Fundshare:	16.02%

Cash Flow Distribution Schedule by Fiscal Year

Fund Source	FY2024/25	FY2025/26	Total
PROP L EP-223	\$300,000	\$301,000	\$601,000

Deliverables

1. Quarterly progress reports shall include % complete of the funded phase, work performed in the prior quarter, work anticipated to be performed in the upcoming quarter, and any issues that may impact schedule, in addition to all other requirements described in the Standard Grant Agreement.
2. Upon completion of Task 2: Community Collaboration (anticipated October 2026), provide documentation of community outreach feedback on recommendations.
3. Upon completion of Task: 3 Existing Conditions Report (anticipated October 2026), provide the final Existing Conditions report.
4. Upon completion of Task 4: Market and Feasibility Analysis (anticipated December 2024), provide the final Land Use Market and Feasibility Analysis Memo.
5. Upon completion of Task 5: Transportation and Land Use (anticipated April 2025), provide the five draft concept designs.
6. Upon completion of Task 6: Concept Evaluation, Selection, Refinement (anticipated October 2025), provide the final Concept Evaluation and Selection memo and the refined concept design of recommended scenario.
7. Upon completion of Task 7: Engineering and Cost Estimates (anticipated April 2026), provide the 10% engineering of recommended concept and the final planning level cost estimates.
8. Upon completion of Task 8: Urban Design and Architectural Guidance (anticipated Spring 2026), provide the final Urban Design Guidelines.
9. Upon completion (anticipated October 2026), SFCTA shall present the Final Report to the Board for adoption.

Special Conditions

1. The recommended allocation is contingent upon approval of the Transformative Freeway and Major Street Projects 5YPP and amendment of the Prop L Strategic Plan Baseline which is a separate item on this agenda.

Metric	PROP AA	TNC TAX	PROP L
Actual Leveraging - Current Request	No PROP AA	No TNC TAX	78.15%
Actual Leveraging - This Project	No PROP AA	No TNC TAX	78.15%

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2024/25
Project Name:	Fillmore-Geary Underpass Community Planning Study
Primary Sponsor:	San Francisco County Transportation Authority

EXPENDITURE PLAN SUMMARY

Current PROP L Request:	\$601,000
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- 1) The requested sales tax and/or vehicle registration fee revenues will be used to supplement and under no circumstance replace existing local revenues used for transportation purposes.

Initials of sponsor staff member verifying the above statement:

AP

CONTACT INFORMATION

	Project Manager	Grants Manager
Name:	Aliza Paz	Aliza Paz
Title:	Senior Planner	Senior Planner
Phone:	(415) 522-4803	(415) 522-4803
Email:	aliza.paz@sfcta.org	aliza.paz@sfcta.org

Fillmore-Gearry Underpass Image





RESOLUTION APPROPRIATING \$601,000 IN PROP L SALES TAX FUNDS, WITH CONDITIONS, APPROVING A MEMORANDUM OF AGREEMENT WITH THE SAN FRANCISCO PLANNING DEPARTMENT IN AN AMOUNT NOT TO EXCEED \$150,000, AND WITH THE SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY IN AN AMOUNT NOT TO EXCEED \$190,800 FOR THE FILLMORE-GEARY UNDERPASS COMMUNITY PLANNING STUDY, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AGREEMENT PAYMENT TERMS AND NON-MATERIAL AGREEMENT TERMS AND CONDITIONS

WHEREAS, Transportation Authority staff prepared an appropriation request for \$601,000 in Prop L transportation sales tax funds, as summarized in Attachments 1 and 2 and detailed in the attached allocation request form; and

WHEREAS, The request seeks funds from the Transformative Freeway and Major Street Projects Prop L Expenditure Plan Program; and

WHEREAS, As required by the voter-approved Expenditure Plan, the Transportation Authority Board has adopted a 5-Year Prioritization Program (5YPP) for the aforementioned Prop L program, and the subject request is consistent with the relevant 5YPP; and

WHEREAS, The U.S. Department of Transportation awarded a \$2 million grant from the Fiscal Year 2023 Reconnecting Communities and Neighborhood Program to the Transportation Authority for the Fillmore-Geary Underpass Community Planning Study (Study); and

WHEREAS, The Transportation Authority is the lead applicant and grant recipient for the Study, the San Francisco Planning Department is a lead partner and will lead all tasks and efforts related to land use concepts, and the San Francisco Municipal Transportation Agency (SFMTA) is a supporting partner and will work with the Transportation Authority on tasks related to transportation concept development and implementation; and



WHEREAS, Transportation Authority staff is seeking Board approval of a Memorandum of Agreement (MOA) between the Transportation Authority and each partner agency to allow the Transportation Authority to reimburse their costs with federal grant and Prop L funds; and

WHEREAS, Transportation Authority staff is recommending appropriation of \$601,000 in Prop L funds, with conditions, for the Fillmore-Geary Underpass Community Planning Study, as described in Attachment 3 and detailed in the attached allocation request form, which include staff recommendations for Prop L appropriation amount, required deliverables, timely use of funds requirements, special conditions, and Fiscal Year Cash Flow Distribution Schedule; and

WHEREAS, There are sufficient funds in the Capital Expenditures line item of the Transportation Authority's Fiscal Year 2024/25 budget to cover the proposed actions; and

WHEREAS, At its May 22, 2024, meeting, the Community Advisory Committee was briefed on the subject request and unanimously adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby appropriates \$601,000 in Prop L funds, with conditions, for the Fillmore-Geary Underpass Community Planning Study as summarized in Attachment 3 and detailed in the attached allocation request form; and be it further

RESOLVED, That the Transportation Authority finds the appropriation of these funds to be in conformance with the priorities, policies, funding levels, and prioritization methodologies established in the Prop L Expenditure Plan, the Prop L Strategic Plan Baseline, as amended, and the relevant 5YPP; 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 Schedule detailed in the attached allocation request form; and be it further



RESOLVED, That the Capital Expenditures line item for subsequent fiscal year (FY) 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 the Capital Improvement Program of the Congestion Management Program and the relevant 5YPP are hereby amended, as appropriate; and be it further

RESOLVED, That the Transportation Authority Board hereby approves an MOA with the San Francisco Planning Department in an amount not to exceed \$150,000; and be it further

RESOLVED, That the Transportation Authority Board hereby approves an MOA with the SFMTA in an amount not to exceed \$190,800; and be it further

RESOLVED, That the Executive Director is authorized to negotiate agreement payment and non-material agreement terms and conditions for the two MOAs; and

RESOLVED, That for the purposes of this resolution, "non-material" shall mean agreement terms and conditions other than provisions related to the overall agreement amount, terms of payment, and general scope of services; and be it further

RESOLVED, That notwithstanding the foregoing and any rule or policy of the Transportation Authority to the contrary, the Executive Director is expressly authorized to execute agreements and amendments to agreements that do not cause the total agreement value, as approved herein, to be exceeded and that do not expand the general scope of services.

Attachments:

1. Summary of Request Received
2. Brief Project Description
3. Staff Recommendations
4. Prop L Allocation Summary - FY 2024/25
5. Prop L Allocation Request Form

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Memorandum

AGENDA ITEM 8

DATE: May 23, 2024

TO: Transportation Authority Board

FROM: Anna LaForte - Deputy Director for Policy and Programming

SUBJECT: 6/11/2024 Board Meeting: Allocate \$49,510,637 in Prop L Funds and \$2,460,572 in Prop AA Funds, with Conditions, for 11 Requests

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Allocate \$2,786,000 in Prop L funds and \$2,460,572 in Prop AA, with conditions, to San Francisco Public Works (SFPW) for:</p> <ol style="list-style-type: none"> 1. Street Repair and Cleaning Equipment (\$435,000 Prop L) 2. Various Locations Pavement Renovation No. 68 (\$1,800,000 Prop L) 3. Public Sidewalk and Curb Repair (\$551,000 Prop L) 4. 8th St, Clay St and Leavenworth St Pavement Renovation (\$2,360,572 Prop AA) 5. Japantown Buchanan Mall Improvements (\$100,000 Prop AA) <p>Allocate \$46,724,637 in Prop L funds, with conditions to San Francisco Municipal Transportation Agency (SFMTA), for:</p> <ol style="list-style-type: none"> 6. 40' Hybrid Motor Coach Replacement (94 Vehicles) (\$32,300,000 Prop L) 7. 60' and 40' Battery Electric Bus Procurement Replacing Motor Coaches (18 Vehicles) (\$10,000,000 Prop L) 8. Traffic Signal Contract Upgrade 36 - Additional Funds (\$1,758,637 Prop L) 9. Safe Routes to School Non-Infrastructure (\$466,000 Prop L) 10. School Traffic Calming Program (\$2,000,000 Prop L) 11. Central Embarcadero Safety Project (\$200,000 Prop L) 	<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"/> Contract/Agreement <input type="checkbox"/> Other: _____
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SUMMARY

Attachment 1 lists the requests, including phase(s) of work and supervisorial district(s). Attachment 2 provides a brief description of the projects. Attachment 3 contains the staff recommendations. Project sponsors will attend the meeting to answer any questions the Board may have regarding these requests. We will also have the School Traffic Calming Program Manager at the meeting to present the school walk audit program guidelines, which is a condition in the Prop L Safer and Complete Streets 5-Year Prioritization Program prior to allocating funds.

DISCUSSION

Attachment 1 summarizes the subject requests, including information on proposed leveraging (i.e., stretching Prop L sales tax dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop L Expenditure Plan or the Prop AA Expenditure Plan category referenced in the 2022 Prop AA Strategic Plan. Attachment 2 includes brief project descriptions. Attachment 3 summarizes the staff recommendations for these 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, funding, deliverables, and special conditions.

School Traffic Calming Program. The Safer and Complete Streets 5-Year Prioritization Program, approved in Fall 2023, includes the following condition for the \$2 million in requested Prop L funds for the School Traffic Calming Program:

“Prior to allocation of Prop L funds, SFMTA shall present draft walk audit program guidelines to the Transportation Authority Board before finalizing. The guidelines shall include how the public can request a walk audit, how SFMTA prioritizes among schools to receive walk audits, and what to expect during and after the audit (e.g. types of recommendations, process for finalizing the recommendations, and implementation timeline).”

At the meeting, SFMTA staff will present the school walk audit guidelines and seek input from the CAC and Board.



FINANCIAL IMPACT

The recommended action would allocate \$49,510,637 in Prop L funds and allocate \$2,460,572 in Prop AA funds. The allocations would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the enclosed Allocation Request Forms.

Attachment 4 shows the Prop L and Prop AA Fiscal Year 2024/25 allocations and appropriations approved to date, with associated annual cash flow commitments as well as the recommended allocation and cash flow amounts that are the subject of this memorandum.

Sufficient funds are included in the proposed Fiscal Year (FY) 2024/25 annual budget. Furthermore, sufficient funds will be included in future budgets to cover the recommended cash flow distributions in those fiscal years.

CAC POSITION

The CAC considered this item at its May 22, 2024, meeting and unanimously adopted a motion of support for the staff recommendation.

SUPPLEMENTAL MATERIALS

- Attachment 1 - Summary of Requests
- Attachment 2 - Project Descriptions
- Attachment 3 - Staff Recommendations
- Attachment 4 - Prop L and Prop AA Allocation Summaries - FY 2024/25
- Enclosure - Allocation Request Forms (11)
- Attachment 5 - Resolution

Attachment 1: Summary of Requests Received

Source	EP Line No./Category ¹	Project Sponsor ²	Project Name	Current Prop L Request	Current Prop AA 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 L	6	SFMTA	40' Hybrid Motor Coach Replacement (94 Vehicles)	\$ 32,300,000	\$ -	\$ 145,147,000	90%	78%	Construction	Citywide
Prop L	6	SFMTA	60' and 40' Battery Electric Bus Procurement Replacing Motor Coaches (18 Vehicles)	\$ 10,000,000	\$ -	\$ 41,298,410	90%	76%	Construction	Citywide
Prop L	15	SFPW	Street Repair and Cleaning Equipment	\$ 435,000	\$ -	\$ 435,000	95%	0%	Construction	Citywide
Prop L	15	SFPW	Various Locations Pavement Renovation No. 68	\$ 1,800,000	\$ -	\$ 7,429,549	95%	76%	Construction	1, 5, 7, 10, 11
Prop L	16	SFPW	Public Sidewalk and Curb Repair	\$ 551,000	\$ -	\$ 942,760	78%	42%	Construction	Citywide
Prop L	17	SFMTA	Traffic Signal Upgrade Contract 36 - Additional Funds	\$ 1,758,637	\$ -	\$ 3,260,000	83%	46%	Construction	7, 8, 9
Prop L	18	SFMTA	Central Embarcadero Safety	\$ 200,000	\$ -	\$ 2,545,000	83%	92%	Design	6
Prop L	18	SFMTA	Safe Routes to School Non-Infrastructure	\$ 466,000	\$ -	\$ 4,007,000	83%	88%	Construction	Citywide
Prop L	18	SFMTA	School Traffic Calming Program	\$ 2,000,000	\$ -	\$ 2,000,000	83%	0%	Planning, Construction	Citywide
Prop AA	Streets	SFPW	8th St, Clay St and Leavenworth St Pavement Renovation		\$ 2,360,572	\$ 4,137,840	NA	43%	Construction	3, 5, 6
Prop AA	Ped	SFPW	Japantown Buchanan Mall Improvements		\$ 100,000	\$ 1,500,000	NA	93%	Design	5
TOTAL				\$ 49,510,637	\$ 2,460,572	\$ 212,702,559				

Footnotes

¹ "EP Line No./Category" is either the Prop L Expenditure Plan line number referenced in the 2023 Prop L Strategic Plan Baseline or the Prop AA Expenditure Plan category referenced in the 2022 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit).

² Acronym: SFMTA (San Francisco Municipal Transportation Agency), and SFPW (San Francisco Public Works)

³ "Expected Leveraging By EP Line" is calculated by dividing the total non-Prop L funds expected to be available for a given Prop L Expenditure Plan line item by the total expected funding for that Prop L Expenditure Plan line item over the 30-year Expenditure Plan period. For example, expected leveraging of 90% indicates that on average non-Prop L funds should cover 90% of the total costs for all projects in that program, and Prop L should cover only 10%.

⁴ "Actual Leveraging by Project Phase" is calculated by dividing the total non-Prop L, non-Prop AA, or non-TNC Tax 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 L 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 L Funds Requested	Prop AA Funds Requested	Project Description
6	SFMTA	40' Hybrid Motor Coach Replacement (94 Vehicles)	\$ 32,300,000	\$ -	Funds will be used to replace 94 40' hybrid vehicles that were procured in 2013 and have reached the end of their useful lives. The original scope of work was to replace these 94 vehicles with zero emission vehicles but due to impacts from COVID, facility upgrade progress is delayed and the SFMTA will purchase additional hybrid vehicles. SFMTA will be procuring the vehicles through a cooperative agreement through a state contract and expects all of the vehicles will in use by December 2026.
6	SFMTA	60' and 40' Battery Electric Bus Procurement Replacing Motor Coaches (18 Vehicles)	\$ 10,000,000	\$ -	This request will fund the purchase of 6 60' and 12 40' Battery Electric Buses and all required accessories, and deploy the vehicles in revenue service as replacements for 18 40' diesel electric hybrid buses. Replacing vehicles at the end of their useful life will keep the average fleet age down, which increases the reliability of service. Battery Electric Buses also generate zero greenhouse gas emissions because they are powered by a battery in their operating system rather than fuel and don't produce harmful exhaust. SFMTA will be procuring the vehicles through cooperative agreements through state contracts from Gillig and New Flyer and expects to have all of the new buses in service by June 2026.□
15	SFPW	Street Repair and Cleaning Equipment	\$ 435,000	\$ -	Requested funds will be used to purchase an asphalt utility truck that has exceeded its useful life. The equipment will be California Air Resources Board compliant and will meet current emissions standards. SFPW expects that the equipment will be received and in use by December 2024.
15	SFPW	Various Locations Pavement Renovation No. 68	\$ 1,800,000	\$ -	Funds will be used for the paving scope of work which includes demolition, pavement renovation of 38 blocks, construction and retrofit of approximately 140 curb ramps, new sidewalk construction, traffic control, and all related and incidental work within project limits. See the enclosed allocation request form for the list of candidate locations. SFPW expects the project to be open for use by March 2026.
16	SFPW	Public Sidewalk and Curb Repair	\$ 551,000	\$ -	Public Works is responsible for repairing sidewalks around City-maintained trees, adjacent to City properties, and at the angular returns of all intersections. The passage of Proposition E (2016) resulted in annual funding set-aside to maintain all street trees in the public right-of-way and for sidewalk repairs due to City-maintained trees. Any other damaged public sidewalks, curb and gutters, and angular returns, not due to tree damage, will be repaired with Prop L funds and State Transportation Development Act, Article 3 funds. See the enclosed list of backlog locations. SFPW requests Prop L funds to address approximately 200 sidewalk and curb repair requests. SFPW expects to complete the work funded by this request by June 2025.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop L Funds Requested	Prop AA Funds Requested	Project Description
17	SFMTA	Traffic Signal Upgrade Contract 36 - Additional Funds	\$ 1,758,637	\$ -	The Embarcadero is a busy multi-modal boulevard on the San Francisco Vision Zero High Injury-Network. Requested Prop L funds would fund the design phase to extend a two-way, protected (Class IV) waterside bikeway from Folsom Street to Brannan Street (three additional blocks), upgrade existing quick-build bikeway buffer areas between Broadway and Mission, modify traffic signals and shorten pedestrian roadway crossings at four intersections, and add a variable message sign for northbound drivers. SFMTA expects the project to be open for use by December 2026.
18	SFMTA	Central Embarcadero Safety	\$ 200,000	\$ -	The Embarcadero is a busy multi-modal boulevard on the San Francisco Vision Zero High-Injury Network. Requested Prop L funds would fund the design phase to extend a two-way, protected (Class IV) waterside bikeway from Folsom Street to Brannan Street (three additional blocks), upgrade existing quick-build bikeway buffer areas between Broadway and Mission, modify traffic signals and shorten pedestrian roadway crossings at four intersections, and add a variable message sign for northbound drivers. SFMTA expects the project to be open for use by December 2026.
18	SFMTA	Safe Routes to School Non-Infrastructure	\$ 466,000	\$ -	Requested funds are for the San Francisco Safe Routes to School (SRTS) Non-Infrastructure program. This program delivers educational, encouragement, and experiential activities aimed at decreasing commuting in single-family vehicles to San Francisco's 113 public schools, improving safety of walking and bicycling, reducing city congestion and air pollution, and inspiring the next generations of walkers, bicyclists, and transit users. Prop L funds would provide the required local matching funds to the federal One Bay Area Grant 3 grant for the period of July 1, 2023 through June 30, 2025.
18	SFMTA	School Traffic Calming Program	\$ 2,000,000	\$ -	This request will fund walk audits at up to 10 schools, proactive daylighting at up to 50 intersections around the walk audit schools, and additional traffic calming measures as recommended in the walk audits. SFMTA plans to identify the ten schools that will receive walk audits by January 2025, conduct the walk audits between March and June 2025, and finalize the walk audit reports by December 2025. SFMTA will start implementing proactive daylighting at walk audit school locations starting in January 2025. SFMTA will implement other traffic calming measures on a rolling basis, as walk audits are completed through June 2027. See Walk Audit Guidelines attached to the attached request for details.

Attachment 2: Brief Project Descriptions¹

EP Line No./ Category	Project Sponsor	Project Name	Prop L Funds Requested	Prop AA Funds Requested	Project Description
Streets	SFPW	8th St, Clay St and Leavenworth St Pavement Renovation	\$ -	\$ 2,360,572	Requested Prop AA funds are for the paving scope of work which includes demolition and pavement renovation of 29 blocks, construction and retrofit of approximately 31 curb ramps, new sidewalk construction, traffic control, and all related and incidental work within project limits. See the enclosed allocation request form for the list of candidate locations. SFPW expects the project to be open for use by September 2026.
Ped	SFPW	Japantown Buchanan Mall Improvements	\$ -	\$ 100,000	This Prop AA request will fund the design phase for improvements to the Japantown Buchanan Mall, a culturally significant public plaza. The scope of the project includes repaving the uneven walkways, planting more trees, landscaping with culturally relevant plants, enhancing the existing historic public art, installing new pedestrian lighting, and other ADA compliant improvements to curb ramps and seating. SFPW expects the project to be open for use by December 2026.
TOTAL			\$49,510,637	\$2,460,572	

¹ See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop L Funds Recommended	Prop AA Funds Recommended	Recommendations
6	SFMTA	40' Hybrid Motor Coach Replacement (94 Vehicles)	\$ 32,300,000	\$ -	<p>Special Conditions: Our recommendation is contingent upon a waiver to the Prop L policy that at the time of a Prop L allocation request, all funding for the subject project phase(s) is committed to the project. SFMTA's funding plan has \$72,770,654 in planned federal transit formula funds that MTC anticipates it will program by December 2024 and MTC staff has indicated that this is a reasonable assumption.</p> <p>The recommendation is contingent upon a commitment by the SFMTA to maintain the new motor coaches in a state of good repair, including a mid-life overhaul program to allow them to meet or exceed expectations for their useful lives per FTA guidelines.</p>
6	SFMTA	60' and 40' Battery Electric Bus Procurement Replacing Motor Coaches (18 Vehicles)	\$ 10,000,000	\$ -	<p>Special Conditions: Our recommendation is contingent upon a waiver to the Prop L policy that at the time of a Prop L allocation request, all funding for the subject project phase(s) are committed to the project. SFMTA's funding plan has \$18,378,528 in planned federal transit formula funds that they anticipate MTC will program by December 2024 and MTC staff has indicated that this is a reasonable assumption. The funding plan also includes TBD funding in the amount of \$497,272. SFMTA will not seek additional Prop L funds to fulfill this TBD amount.</p> <p>The recommendation is contingent upon a commitment by the SFMTA to maintain the new motor coaches in a state of good repair, including a mid-life overhaul program to allow them to meet or exceed expectations for their useful lives per FTA guidelines.</p>
15	SFPW	Street Repair and Cleaning Equipment	\$ 435,000	\$ -	
15	SFPW	Various Locations Pavement Renovation No. 68	\$ 1,800,000	\$ -	

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop L Funds Recommended	Prop AA Funds Recommended	Recommendations
16	SFPW	Public Sidewalk and Curb Repair	\$ 551,000	\$ -	
17	SFMTA	Traffic Signal Upgrade Contract 36 Additional Funds	\$ 1,758,637	\$ -	<p>Special Conditions: The recommended allocation is contingent upon an amendment of the Traffic Signs and Signals Maintenance 5YPP to reprogram \$1,758,637 in funds from Traffic Signal Upgrade Contract 35 to Traffic Signal Upgrade Contract 36 - Additional Funds. See enclosed 5YPP amendment for details.</p> <p>The recommended allocation is also contingent upon an amendment to the Prop K Traffic Signal Upgrade Contract 34 - Additional Funds project to allow SFMTA to use \$301,363 in remaining Prop K funds for the Traffic Signal Upgrade Contract 36 - Additional Funds project. Contract 34 construction was completed under budget; thus, we are recommending applying cost savings toward construction of additional signal upgrades.</p> <p>The Transportation Authority will not reimburse SFPW for the construction phase until Transportation Authority staff releases the funds pending receipt of evidence of completion of design (e.g. copy of certifications page).</p>
18	SFMTA	Central Embarcadero Safety	\$ 200,000	\$ -	
18	SFMTA	Safe Routes to School Non-Infrastructure	\$ 466,000	\$ -	<p>Special Condition: The recommendation includes a waiver to Prop L policy to allow funds to be used for retroactive expenses incurred since July 1, 2023. For administrative efficiencies, this allocation combines two fiscal years of Prop L programming for local match to the federal OBAG grant, for the period of July 1, 2023 - June 30, 2025, into one allocation request.</p>

Attachment 3: Staff Recommendations ¹

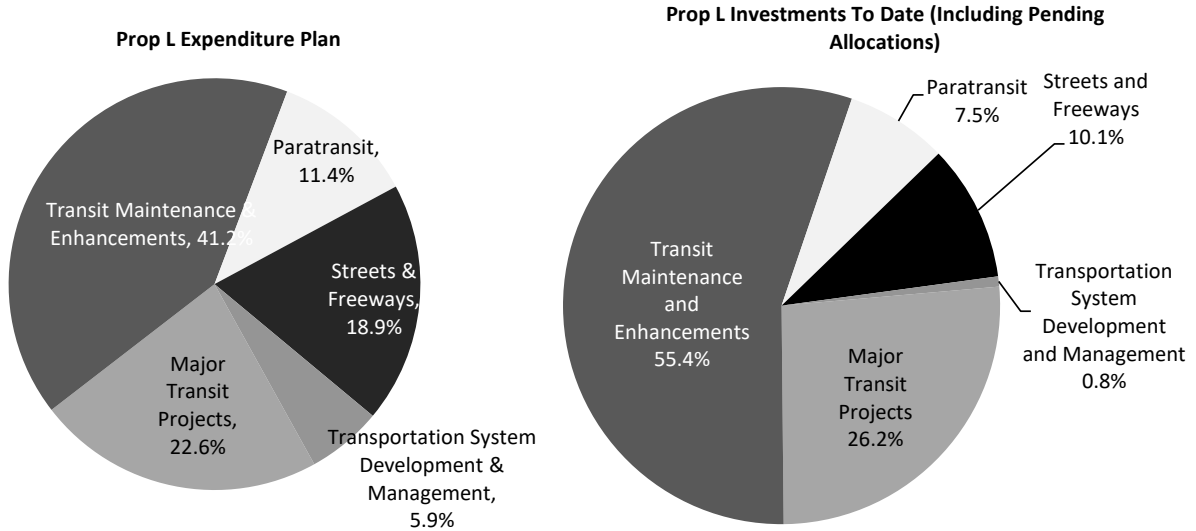
EP Line No./ Category	Project Sponsor	Project Name	Prop L Funds Recommended	Prop AA Funds Recommended	Recommendations
18	SFMTA	School Traffic Calming Program	\$ 2,000,000	\$ -	<p>Special Conditions: The Safer and Complete Streets 5YPP includes the following condition for the requested School Traffic Calming Program funds: Prior to allocation of Prop L funds, SFMTA shall present draft walk audit program guidelines to the Transportation Authority Board before finalizing. The guidelines shall include how the public can request a walk audit, how SFMTA prioritizes among schools to receive walk audits, and what to expect during and after the audit (e.g. types of recommendations, process for finalizing the recommendations, and implementation timeline). The SFMTA is presenting the walk audit guidelines as part of the subject item, which satisfies the condition in the 5YPP.</p> <p>We recommend a multi-phase allocation given that the planning and construction phases will be occurring concurrently.</p>
Streets	SFPW	8th St, Clay St and Leavenworth St Pavement Renovation	\$ -	\$ 2,360,572	<p>Special Condition: The Transportation Authority will not reimburse SFPW for the construction phase until Transportation Authority staff releases the funds pending receipt of evidence of completion of design (e.g. copy of certifications page).</p>
Ped	SFPW	Japantown Buchanan Mall Improvements	\$ -	\$ 100,000	
TOTAL			\$ 49,510,637	\$ 2,460,572	

¹ See Attachment 1 for footnotes.

**Attachment 4.
Prop L Summary - FY2024/25**

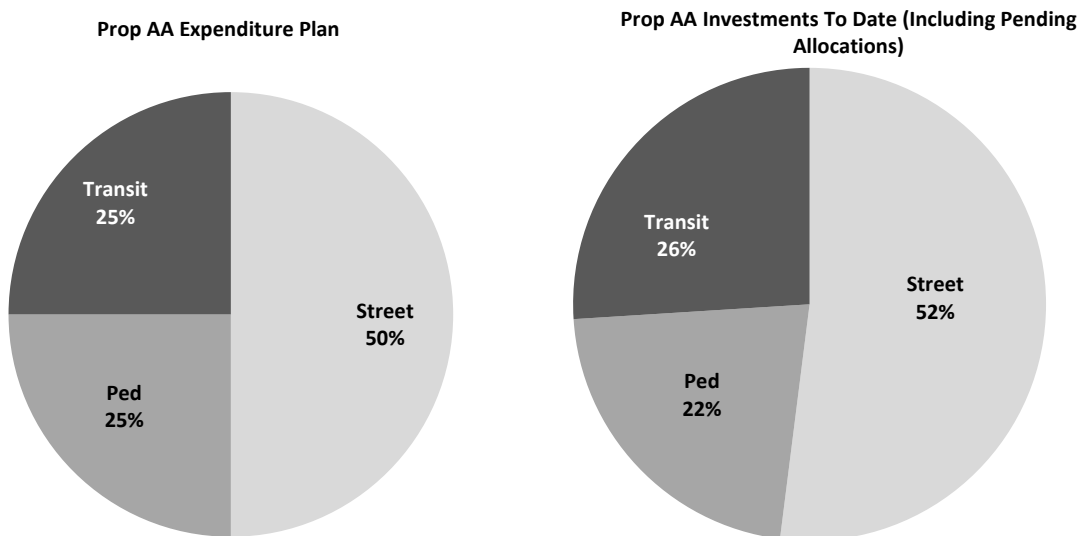
PROP L SALES TAX						
FY 2024/25	Total	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Prior Allocations	\$ 601,000	\$ 300,000	\$ 301,000	\$ -	\$ -	\$ -
Current Request(s)	\$ 49,510,637	\$ 2,073,000	\$ 27,128,319	\$ 17,509,318	\$ 2,800,000	\$ -
New Total Allocations	\$ 50,111,637	\$ 2,373,000	\$ 27,429,319	\$ 17,509,318	\$ 2,800,000	\$ -

The above table shows maximum annual cash flow for all FY 2024/25 allocations and appropriations approved to date, along with the current recommended allocations.



PROP AA VEHICLE REGISTRATION FEE						
FY 2024/25	Total	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Prior Allocations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Request(s)	\$ 2,460,572	\$ 1,516,343	\$ 708,172	\$ 236,057	\$ -	\$ -
New Total Allocations	\$ 2,460,572	\$ 1,516,343	\$ 708,172	\$ 236,057	\$ -	\$ -

The above table shows total cash flow for all FY 2024/25 allocations approved to date, along with the current recommended allocations.





RESOLUTION ALLOCATING \$49,510,637 IN PROP L SALES TAX FUNDS AND \$2,460,572 IN PROP AA VEHICLE REGISTRATION FEE FUNDS, WITH CONDITIONS, FOR ELEVEN REQUESTS

WHEREAS, The Transportation Authority received eleven requests for a total of \$49,510,637 in Prop L transportation sales tax funds and \$2,460,572 in Prop AA vehicle registration fee 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 L Expenditure Plan Programs: Muni Maintenance; Street Resurfacing, Rehabilitation, and Maintenance; Pedestrian and Bicycle Facilities Maintenance; Traffic Signs and Signals Maintenance; and Safer and Complete Streets and from the Prop AA Expenditure Plan Street Repair and Reconstruction and Pedestrian Safety categories; and

WHEREAS, As required by the voter-approved Prop L and Prop AA Expenditure Plans, the Transportation Authority Board has adopted a 5-Year Prioritization Program (5YPP) for the aforementioned Prop L program and Prop AA category; and

WHEREAS, Eight of the nine Prop L requests are both Prop AA requests are consistent with the relevant 5YPP; and

WHEREAS, The San Francisco Municipal Transportation Agency's request for the Traffic Signal Upgrade Contract 36 - Additional Funds requires amendment of the Prop L Traffic Signs and Signals Maintenance 5YPP to reprogram \$1,758,637 in funds from Traffic Signal Upgrade Contract 35 to Traffic Signal Contract 36 - Additional Funds as summarized in Attachment 3 and detailed in the enclosed allocation request form; and

WHEREAS, After reviewing the requests, Transportation Authority staff recommended allocating \$49,510,437 in Prop L funds and \$2,460,572 in Prop AA funds, with conditions, for eleven requests, as described in Attachment 3 and



detailed in the enclosed allocation request forms, which include staff recommendations for Prop L and Prop AA allocation 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 Fiscal Year 2024/25 budget to cover the proposed actions; and

WHEREAS, At its May 22, 2024, meeting, the Community Advisory Committee was briefed on the subject requests and unanimously adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby amends the Prop L Traffic Signs and Signals Maintenance 5YPP as detailed in the enclosed allocation request form; and be it further

RESOLVED, That the Transportation Authority hereby allocates \$49,510,437 in Prop L funds and \$2,460,572 in Prop AA funds, with conditions for eleven requests 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 of these funds to be in conformance with the priorities, policies, funding levels, and prioritization methodologies established in the Prop L and Prop AA Expenditure Plans, the Prop L Strategic Plan Baseline, as amended, the Prop AA Strategic Plan, and 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 (FY) 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 AA Strategic Plan and the relevant 5YPPs are hereby amended, as appropriate.

Attachments:

1. Summary of Requests Received
2. Brief Project Descriptions
3. Staff Recommendations
4. Prop L and Prop AA Allocation Summaries - FY 2024/25

Enclosure

1. Prop L and Prop AA Allocation Request Forms (11)



Memorandum

AGENDA ITEM 9

DATE: May 23, 2024
TO: Transportation Authority Board
FROM: Cynthia Fong - Deputy Director for Finance and Administration
SUBJECT: 06/11/24 Board Meeting: Adopt the Proposed Fiscal Year 2024/25 Budget and Work Program

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Adopt the proposed Fiscal Year (FY) 2024/25 Annual Budget and Work Program.</p> <p>SUMMARY</p> <p>The purpose of this memorandum is to present the proposed FY 2024/25 annual budget and work program and seek adoption. The June 11 Board meeting will serve as the official public hearing prior to final consideration of the annual budget and work program at the June 25 Board meeting. There have been no changes made to the proposed annual budget and work program since the item was included in the Community Advisory Committee’s April 24 meeting agenda as an information item.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input checked="" type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
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DISCUSSION

The proposed FY 2024/25 Work Program includes activities in four major functional areas: 1) Plan, 2) Fund, 3) Deliver, and 4) Transparency and Accountability. These categories of activities are organized to efficiently address our designated mandates, including administering the Sales Tax program; functioning as the Congestion Management Agency (CMA) for San Francisco; acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program; administering the \$10 Prop AA vehicle registration fee program (Prop AA); administering the Prop D Traffic Congestion Mitigation Tax program (Transportation Network Company or TNC Tax); and operating as the Treasure Island Mobility Management Agency (TIMMA) for San



Francisco. Our work program reflects the multi-disciplinary and collaborative nature of our roles in planning, funding, and delivering transportation projects and programs across the city, while ensuring transparency and accountability in the use of taxpayer funds.

Attachment 1 contains a description of our proposed work program for FY 2024/25. Attachment 2 displays the proposed budget in a format described in our Fiscal Policy. The division of revenues and expenditures into the Sales Tax program, CMA program, TFCA program, Prop AA program, TIMMA, and TNC Tax program in Attachment 2 reflects our six distinct responsibilities and mandates. Attachment 3 shows a comparison of revenues and expenditures to the prior year's amended budgeted numbers. Attachment 4 shows a more detailed version of the proposed budget. Attachment 5 shows our Board adopted agency structure and job positions. Attachment 6 provides additional descriptions and analysis of line items in the budget.

We have segregated our TIMMA function as a separate legal and financial entity effective July 1, 2017. The TIMMA FY 2024/25 Budget and Work Program will be presented as a separate item at the June TIMMA Committee and TIMMA Board meetings.

Revenues. Total revenues are projected to be \$193.3 million and are budgeted to increase by an estimated \$4.5 million from the FY 2023/24 Amended Budget, or 2.4%. Sales tax revenues, net of interest earnings, are projected to be \$108.3 million or 56% of revenues. This is an increase of \$2.1 million, or 2.0%, compared to the budgeted sales tax revenues of \$106.2 million for FY 2023/24. This 2% increase represents a flattening in sales tax growth compared to the past few years of pandemic recovery. The return to the workplace, business travel, and international travel all have been returning slower than anticipated. TNC tax revenues are projected to be \$8.5 million or 4.4% of revenues. Program revenues are projected to be \$70.5 million or 36.4% of revenues. This is an increase of \$3 million compared to the budgeted program revenues of \$67.5 million for FY 2023/24, which is largely due to increased state and regional and other funding for construction activities for the Yerba Buena Island (YBI) Hillcrest Road Improvement Project, YBI West Side Bridges Project, and Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project, as well as design work for the YBI Multi-Use Path Project.



Expenditures. Total expenditures are projected to be about \$266.9 million. Of this amount, capital project costs, most of which are awarded as grants to agencies like the San Francisco Municipal Transportation Agency (SFMTA), are \$228.3 million. Capital projects costs are 85.5% of total projected expenditures, with another 3.8% of personnel expenditures and 1.3% of non-personnel expenditures budgeted for administrative operating costs, and 9.4% for debt service and interest costs. Capital project costs in FY 2024/25 are budgeted to increase by \$13.6 million, or 6.3%, from the FY 2023/24 amended budget, which is primarily due to CMA program capital expenditures related to construction activities for the YBI Hillcrest Road Improvement Project, YBI West Side Bridges Project, and Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project, as well as design work for the YBI Multi-Use Path Project.

Debt service costs of \$24.9 million are for costs related to the assumed fees and interests related to the expected \$65 million drawdown from the Revolving Credit Loan Agreement, anticipated bond principal and interest payments for our 2017 Sales Tax Revenue Bond, and other costs associated with our debt program. We have a \$125 million Revolving Credit Loan Agreement to support the Transportation Authority's interim borrowing program, which expires in October 2024. In FY 2024/25, we may enter into a new short-term borrowing facility. Our debt program has allowed us more flexibility and has enabled us to cost effectively accelerate delivery of the Prop K program than we could do on a pay-go basis.

Other Financing Sources/Uses. The Other Financing Sources/Uses section of Attachment 6 - Line Item Detail for the FY 2024/25 preliminary budget includes anticipated drawdown from the Revolving Credit Loan Agreement. We had budgeted for a \$60 million drawdown in our FY 2023/24 amended budget. The estimated level of sales tax capital expenditures for FY 2024/25 may trigger the need to drawdown up to an additional \$65 million from the Revolving Credit Loan Agreement. We will continue to monitor capital spending closely during the upcoming year by reviewing approved cash flow schedules for allocations, actual reimbursements, and progress reports in tandem with ongoing conversations with project sponsors, particularly our largest grant recipient, the SFMTA. This line item also includes inter-fund transfers among the sales tax and CMA funds. These transfers represent Sales Tax appropriations to projects such as the YBI Hillcrest Road Improvement Project, I-280 Ocean Avenue South Bound Off-Ramp Realignment, Bayview Caltrain Station Location Study, Inner Sunset Safety and Circulation Study, and Travel Demand Management Market Analysis projects.



Fund Balance. The budgetary fund balance is generally defined as the difference between assets and liabilities, and the ending balance is based on previous year's audited fund balance plus the current year's budget amendment and the budgeted year's activity. There is a positive amount of \$34 million in total fund balances, as a result of the anticipated \$65 million Revolving Credit Loan Agreement drawdown.

FINANCIAL IMPACT

As described above.

CAC POSITION

The Community Advisory Committee considered this item at its May 22, 2024, meeting and unanimously adopted a motion of support for the staff recommendation.

SUPPLEMENTAL MATERIALS

- Attachment 1 - Proposed Work Program
- Attachment 2 - Proposed Budget
- Attachment 3 - Proposed Budget - Comparison of Revenues and Expenditures
- Attachment 4 - Proposed Budget - Line Item Detail
- Attachment 5 - Agency Structure
- Attachment 6 - Line Item Descriptions
- Attachment 7 - Resolution

The Transportation Authority's Fiscal Year (FY) 2024/25 Work Program includes activities in five divisions overseen by the Executive Director: 1) Policy and Programming, 2) Capital Projects, 3) Planning, 4) Technology, Data, and Analysis, and 5) Finance and Administration. The Executive Director is responsible for directing the agency in keeping with the annual Board-adopted goals, for the development of the annual budget and work program, and for the efficient and effective management of staff and other resources. Further, the Executive Director is responsible for regular and effective communications with the Board, the Mayor's Office, San Francisco's elected representatives at the state and federal levels and the public, as well as for coordination and partnering with other city, regional, state, and federal agencies.

The agency's work program activities address the Transportation Authority's designated mandates and functional roles. These include: 1) serving as the transportation sales tax administrator; 2) serving as the Congestion Management Agency (CMA) for San Francisco; 3) acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program; 4) administering the \$10 Prop AA vehicle registration fee; and 5) administering the Prop D Traffic Congestion Mitigation Tax (TNC Tax) program. The Transportation Authority is also operating as the Treasure Island Mobility Management Agency (TIMMA). The TIMMA FY 2024/25 Work Program will be presented to the TIMMA Committee and TIMMA Board and highlights are included below.

Our work program reflects the multi-disciplinary and collaborative nature of our roles in planning, funding, and delivering transportation projects and programs across the city, while ensuring transparency and accountability in the use of taxpayer funds.

PLAN

Long-range, countywide transportation planning and CMA-related policy, planning, and coordination are at the core of the agency's planning functions. The San Francisco Transportation Plan (SFTP) 2050, adopted in 2022, serves as the long-range transportation policy and investment blueprint for the city. Recommendations from the SFTP 2050 provide the basis for our input into regional plans such as Plan Bay Area (PBA) 2050+ and Transit 2050+, seeking to position San Francisco projects for discretionary funds and to shape regional policy that helps to support San Francisco's goals. In FY 2024/25, as the region updates PBA 2050, we will launch an SFTP update, SFTP 2050+, a limited and focused update to SFTP 2050. SFTP 2050+ will incorporate region-wide revisions to projected population growth and reduced revenues, and will include strategies to address the transit fiscal cliff and support the new Housing Element adopted growth. Through SFTP 2050+, we will undertake technical analysis and stakeholder outreach to inform recommendations for local and/or regional revenue measures to implement the plan investments. We will also continue to implement recommendations from SFTP 2050 as corridor, neighborhood, and community-based transportation plans under our lead, while supporting efforts led by

partner agencies. We will undertake new planning efforts meant to inform and respond to emerging trends and policy areas including resilience planning and driverless ride-hail services.

Most of the FY 2024/25 activities listed below are multi-divisional efforts, often led by the Planning or Capital Projects divisions in close coordination with the Technology, Data, and Analysis, and Policy and Programming divisions. Proposed activities include:

Active Congestion Management

- **Congestion Management Program Microsite and COVID-Era Congestion Tracker Expansion.** We will release an on-line interactive version of our 2023 Congestion Management Program (CMP) that will allow decision-makers and the public to interactively access key citywide system performance metrics. We will expand the COVID-Era Congestion Tracker to incorporate new data sources such as roadway volumes at key cordons, as well as local and regional transit ridership, and report a wider range of metrics. We will continue with monthly updates to the COVID-Era Congestion Tracker (<https://covid-congestion.sfcta.org/>).
- **Downtown Travel Trends Study.** Office vacancy in San Francisco is at the highest levels in years, transit ridership continues to be historically low, and traffic congestion has returned to, and in some areas is worse than, pre-COVID levels. We will gather data to complete a profile of changes in downtown travel patterns before and after COVID, to help inform strategies for downtown congestion management and revitalization. This strategic area of focus for our planning work includes research on the factors underlying return of traffic to the Bay Bridge and downtown freeways even as office vacancy rates remain high and we observe the continued prevalence of remote work.
- **SF CHAMP Model Development (CHAMP 8.0). Innovative Travel Demand Management (TDM).** Implement 2021 Climate Action Plan (CAP) recommendations by completing the **Eco-Friendly (formerly “Decarbonizing”) Downtown Goods Movement Study**, funded by a Carbon Neutral Cities Alliance Grant. Through a working group of small business and freight sector representatives, this effort is on track to identify a set of pilots and policy measures to reduce emissions associated with deliveries. We will also complete the **TDM Market Analysis**, which will recommend corridor-based or neighborhood-based mode shift goals and identify neighborhood- or corridor -scale travel markets suited to TDM measures based on variation in land use, demographics, or transportation supply. The TDM Market Analysis will inform a parallel update of the **TDM Strategic Plan** which we have launched in collaboration with SFMTA, SF Environment, and the Planning Department. This plan will inform future programming of Prop L TDM funds and other funds prioritized by the Transportation Authority.

- **Treasure Island Mobility Management Program.** The Transportation Authority Board also sits as the TIMMA Board. This year, we will work with the Treasure Island Development Authority (TIDA) and other city partners to build on the momentum generated by current housing production to advance implementation of the TIMMA program, focused on accelerating transit expansion (ferry, intra-Islands shuttle, East bay, and SF proper shuttles), advancing transit pass and TDM (transportation demand management) programs and finalizing toll and affordability program policies. Pending program adoption, we will begin to remobilize system design and incorporate mobility wallet and affordability components. The TIMMA team will continue near- and long-term funding including federal, state, and regional grant pursuits to implement the congestion management program and recommendations from the D6 Supplemental Transportation Study.

SFTP Implementation and Board Support

- **Neighborhood Transportation Program (NTP) Cycle 3 (Fiscal Years 2023/24-2027/28).** We will continue to identify and advance new projects through Cycle 3 of the Prop L sales tax-funded NTP and monitor implementation of previously funded NTP projects. Funds for Cycle 3 include \$100,000 in planning funds and \$600,000 in local match funds for each district to advance NTP projects toward implementation. Scoping of new NTP planning and capital efforts, including advancing recommendations from recently completed or soon to be completed plans, will be done in coordination with Board members and SFMTA's NTP Coordinator. We will complete NTP projects in six City supervisorial districts including District 1 (Richmond Multimodal Transportation Plan), District 2 (Safety Study), District 3 (Walter U Lum Placemaking Study), District 4 (On-Demand Microtransit Business Plan), District 6 (Mission Bay School Access Plan), and District 7 (Inner Sunset Safety and Circulation Study). We will work with Commissioners to scope potential NTP planning efforts and/or seek other funding for neighborhood planning efforts such as District 7 (Monterey Boulevard Traffic Calming) and District 9 (Mission Community Based Transportation Plan (CBTP), targeting MTC CBTP grant funds matched with Prop L Equity Priority Transportation Program funds). We also will continue working with SFMTA to implement near term recommendations and seek funding to advance the medium to long-term recommendations of the D5 NTP, Octavia Circulation Study, regarding providing carpool and regional/local transit priority treatments and the D7 Ocean Avenue Mobility Action Plan.
- **Geary-Fillmore Underpass Community Planning Study.** In FY 2024/25, we will launch the Geary-Fillmore Underpass Community Planning Study, an effort to repair past harm and increase equitable access identified in our prior Streets and Freeways Study, with funding from the U.S. Department of Transportation Reconnecting Communities and Neighborhoods Program. The project will develop transportation and land use concept designs to better connect the Japantown and Fillmore/Western

Addition neighborhoods (Equity Priority Community) that were divided when the underpass was constructed in the 1960s. The study will engage neighborhoods through a community-led outreach process to rethink the urban renewal-era Geary Expressway and re-imagine adjacent land uses by establishing a Community Council with representatives of the Black, Japanese, and Jewish communities that were displaced when the underpass was constructed, as well as with newer community members.

- **Vision Zero Ramps Phase 3.** Funded by a federal Safe Streets and Roads for All grant, and a recommendation from the Streets and Freeways Study, this conceptual design effort will focus on safety at I-280 and US-101 on and off-ramps in the south and southeast parts of the city. The study will focus on freeway intersections on San Francisco's High Injury Network, which is highly correlated with Equity Priority Communities. The study launched in FY 2023/24.

Long Range, Countywide, and Inter-Jurisdictional Planning

- **SFTP 2050+.** As the region updates PBA 2050, discussed below, we will launch the San Francisco Transportation Plan (SFTP) update, SFTP 2050+, a limited and focused update to SFTP 2050. SFTP 2050+ will incorporate PBA 2050+ revisions to projected population growth and reduced revenues, including strategies to address the transit fiscal cliff and support the new Housing Element adopted growth. Through SFTP 2050+, we will undertake technical analysis and stakeholder outreach to inform recommendations for local and/or regional revenue measures to implement the plan investments.
- **PBA 2050+ and Transit 2050+.** We will use recommendations from SFTP 2050 (adopted December 2022), from the Streets and Freeways Study, the Transit Corridors Study, and other ConnectSF work, as well as other plans and studies led by the Transportation Authority and others as the basis for San Francisco's input into MTC's PBA 2050+ and Transit 2050+, which will conclude in Fall/Winter 2025/26. PBA 2050+ is a focused update of PBA 2050 that will include updated revenue estimates, targeted updates to major project recommendations, a call for new regional significant projects, and development of a climate resilience project list focused primarily on sea level rise adaptation projects. Transit 2050+ is intended to develop a customer-focused, fiscally constrained regional transit network vision, building off the region's Transit Transformation Plan. Transit 2050+ is being developed in parallel with PBA 2050+ and will provide input in the final investment plan known as the Blueprint. This work will be closely coordinated with Caltrans' District 4 (Bay Area) Transit Priority Study.
- **PBA 2050 Implementation.** We will continue to provide input to numerous regional efforts from MTC's piloting of more equitable toll policies, Transit Oriented

Communities policy, the Next Generation Bay Area Freeways Study, implementation of the Transit Transformation Plan and advancing Climate Initiatives (e.g., regional bikeshare coordination/e-bike incentives outreach). This work will be coordinated with MTC's Regional Network Manager and regional fare integration/BayPass proposals. These efforts involve close coordination with San Francisco agencies, the Mayor's office, our representatives on the Association of Bay Area Governments (ABAG) and MTC, and with Bay Area County Transportation Agencies, regional transit agencies, and other community stakeholders.

- **Geary/19th Ave Subway and Regional Connections Study.** This effort comprises the first phase of planning for a rail subway along the Geary and 19th Avenue corridors including regional connections to the east and south as identified in the Connect SF Transit Strategy. The first step of a multi-phase planning and development process, the current study is engaging the public and agency partners to establish the business case for the project and identify strategic considerations and project risks that will need to be explored in further phases. Public and stakeholder outreach will continue during FY 2024/25 concluding with presentation of the study's findings and recommendations to the Board.
- **Bayview Caltrain Station Location Study.** We will continue to advance a pre-environmental effort to identify a single preferred station location for the Bayview Caltrain Station, in collaboration with the Bayview community. Two potential locations at Evans Avenue and Oakdale Avenue are under consideration. The station location study includes broad public outreach and technical analyses to support a final recommendation. We are also continuing to coordinate with SF Planning and Caltrain to scope the environmental phase of work. This effort will complete in FY 2024/25.
- **Freeway Managed Lanes Projects and Policy Support.** Building on the Streets and Freeways Study recommendations, we continue to work on planning and regional coordination for the San Francisco freeway system seeking to inform other regional and county agencies' activities on this front, as we continue advancement of concepts for San Francisco's network. We will bring an approach for evaluating managed lanes options for the county's freeway network. We anticipate bringing a scope and funding request for this work to the Board in July 2024, which will inform our FY 2024/25 work program. We are also continuing to coordinate with regional agencies and advocate for San Francisco's priorities on the MTC Express Lane Strategic Plan; the MTC's Next Generation Freeway Study; the Bay Area Infrastructure Financing Authority's I-880 Express Lanes START pilot; Caltrans District 4's Transit Priority Study; and US 101 corridor managed lanes plans with San Mateo and Santa Clara counties.
- **Brotherhood Way Safety and Circulation Plan.** With support from a Caltrans Sustainable Transportation Planning grant, this community-driven planning process is developing concepts and conceptual designs for safety, traffic calming and corridor

redesign improvements that connect new recreational opportunities and housing near Lake Merced to the City's core active transportation network and the Daly City BART station near to Brotherhood Way in southwest San Francisco. The Brotherhood Way Safety and Circulation Plan is a recommendation from the Streets and Freeways Study. Concepts will integrate developer-funded street improvements west of the US 101 interchange. The study also engages community stakeholders through a working group appointed by the District 7 and District 11 offices.

- **Support Statewide and Regional Policy and Planning Efforts.** We will continue to support studies and planning efforts at the state and regional levels, including the California High-Speed Rail Authority's (CHSHRA) Business Plan and Environmental Impact Report; Caltrain and High-Speed Rail Business Plan coordination; California Transportation CPUC Commission (CTC)/California Air Resources Board (CARB) joint efforts on climate policy; State of California Public Utilities Commission (CPUC) data rulemaking and regulations for Autonomous Vehicles and Transportation Network Companies (TNC, like Uber and Lyft). We will also continue to coordinate with BART and other partner agencies to advance Link21, the study of a potential second Transbay rail crossing, and associated connection to San Francisco.
- **West Side Transportation Network Planning.** We propose to initiate a planning effort to develop the multimodal network on San Francisco's west side, in partnership with SFMTA, SF Planning Department, and Caltrans. This study will respond to and support the City's recently adopted Housing Element and propose multimodal network investments to better reach long range planning goals. The study will incorporate the effects of the Great Highway pilot, and planned improvements for state routes Sloat/Skyline Boulevards and intersections with Sunset Boulevard and 19th Avenue (Highway1).
- **Support Local Planning Efforts.** We will continue to support local studies and planning efforts led by partners, including continuing to oversee and participate in the SFMTA's Biking and Rolling Plan and coordinating with City and regional agencies to advance climate resilience/adaptation and electrification through various planning, policy, funding strategy/support, and project delivery efforts, such as: advocating for funding to implement the Climate Action Plan through federal, state, and regional (MTC and Air District) grant programs; participating in SFMTA's Embarcadero Mobility Resilience Plan and the Port's Sea Level Rise Coordinating Committee and Waterfront Resilience Plan; supporting adaptation efforts as described in the Ocean Beach Master Plan; providing funding and project delivery support for electrification of Muni's fleet and modernization of its transit facilities; and supporting the SFMTA's Curbside Electrification Feasibility Study. We will draw on all of the above to inform climate resilience and electrification initiatives and priorities for inclusion in SFTP 2050+ and PBA 2050+.

Transportation Forecasting, Data and Analysis

- **Travel Forecasting.** We will provide modeling and data analysis to support Transportation Authority planning efforts such as evaluating potential managed lanes options (including both carpool and express/tolled lanes); West Side Transportation Network Planning; and the SFTP 2050+ update to the county’s long range transportation plan. We also provide modeling, data analysis, and technical advice to City agencies and consultants through our Model Service Bureau in support of many projects and studies.
- **SF CHAMP Model Development.** We will complete our initial implementation of the next SF-CHAMP model (version 8) and also share analyses from our comprehensive 2023 Household Travel Diary survey that we deployed in collaboration with MTC and the Santa Clara Valley Transportation Authority, including comparisons to our 2019 Travel Diary survey effort. The travel diary serves as the basis for our travel demand estimates work, and provides other key information used to support Transportation Authority planning and capital projects, as well as updates to the CMP. We will implement updates to the current SF-CHAMP version 7 model to establish a new 2023 “baseline” that reflects changes in commuting and other travel behaviors such as increased levels of telework and reduced transit ridership. We will continue to work on the conversion and deployment of an open-source visitor travel model and an open-source commercial vehicle model.
- **Next Generation/Enhanced Congestion Management Program (CMP) Update.** Every two years, we prepare an update to the San Francisco CMP, which documents changes in multi-modal transportation system performance including average roadway speeds and reliability, transit reliability, and bicycle and pedestrian counts. The 2025 CMP will include continued monitoring and evaluation of land use/transportation strategy and select investment outcomes, and also expand performance tracking to include additional metrics and more frequent data reporting, including use of “big data” sources, and incorporating Equity Priority Community reporting where possible. We will lead CMP data collection efforts in spring 2025, and the CMP update will be completed in fall 2025.
- **2023 Travel Survey and Citywide Trends Report.** We will analyze and publish findings from our 2023 travel diary survey, undertaken in collaboration with the MTC and other Bay Area agencies, which will provide detailed information about post-COVID individual and household travel patterns. This will include comparisons with 2019 Travel Survey results and regional, citywide, and sub-area market trend analysis.
- **Transportation Sustainability Program Evaluation Study.** We will complete our research to quantify the effectiveness of the TDM strategies included in San Francisco’s Transportation Sustainability Program in reducing vehicle miles traveled

(VMT) and single-occupancy vehicle trips, using data collected in fall of 2023 to quantify the effects of TDM parking availability strategies on reducing VMT.

- AV/TNC Policy and Rulemaking.** We will continue to work with SFMTA, the Mayor's Office, the City Attorney, and with industry, regulatory and community stakeholders to provide San Francisco's input to state and federal Autonomous Vehicle (AV) policy (including proposed state legislation) and rulemaking opportunities addressing issues such as safety standards, traffic enforcement, and data sharing. We will continue to monitor and track on-street conditions, and support Board of Supervisors Resolution 529-99, and explore potential AV pilots or demonstration projects to evaluate technology or management strategies to manage impacts. We will also continue to work with agency partners on issues related to the CPUC's regulation of TNCs including data sharing; and CARB implementation of the TNC "Clean Miles" legislation. In addition, we will initiate an AV Safety Metrics & Standards Study to develop consensus AV Safety Metrics and Standards to inform regulators, San Francisco policymakers and the public about appropriate AV safety metrics and performance standards to guide AV Safety Analysis and deployment policies such as permitting.

FUND

The Transportation Authority was initially established to administer the Prop B half-cent transportation sales tax, superseded by the Prop K transportation sales tax in 2003 and by Prop L in 2023. This remains one of the agency's core functions, which has been complemented and expanded upon by several other roles including acting as the administrator for Prop AA, the Prop D TNC Tax program, the Transportation Fund for Clean Air (TFCA) county program, and serving as CMA for San Francisco. We serve as a funding and financing strategist for San Francisco projects; advocate for discretionary funds and legislative changes to advance San Francisco priorities; provide support to enable sponsor agencies to comply with timely-use-of-funds and other grant requirements; and seek to secure new revenues for transportation-related projects and programs. The work program activities highlighted below are typically led by the Policy and Programming Division with support from and close coordination with all agency divisions.

Implement Prop L. We will seek Board adoption of any remaining Prop L 5-Year Prioritization Programs (5YPPs) and the final Strategic Plan in fall 2024. We also plan to present a comprehensive amendment to the Muni Maintenance 5YPP to specify the projects to be funded from the annual placeholders for the remainder of the 5YPP period (through FY 2027/28), anticipated fall 2024. As noted in bullets below, ongoing work includes supporting sponsor efforts to secure discretionary funds to leverage Prop L, working with Board members to identify and scope new Neighborhood Transportation Program (NTP) projects and support ongoing NTPs; monitoring Prop L revenues; and closely tracking grant closeouts, invoicing, and project cash expenditures to inform financing needs. See *Customer*

Service and Efficiency Improvements section below for additional Prop L work program details.

Fund Programming and Allocations. We will continue to administer the Prop AA vehicle registration fee, TFCA, and TNC Tax programs through which the agency directly allocates and prioritizes projects for grant funding; and monitor and provide project delivery support and oversight for the Lifeline Transportation Program, One Bay Area Grant, and State Transportation Improvement Program in our role as CMA. We will continue to provide technical, strategic, and advocacy support for a host of other fund programs, such as revenues distributed under Senate Bill 1 (SB 1) (see below), California’s Cap-and-Trade and Active Transportation Programs, and federal competitive grant programs.

Senate Bill 1 (SB 1). This coming fiscal year, we will work with San Francisco project sponsors and MTC to advance strong candidates for the next funding cycles of SB 1 programs including the Local Partnership Program (LPP) Competitive and Formula programs and Solutions for Congested Corridors (SCCP). After seeking Board approval of project priorities for the Transportation Authority’s share of LPP formula funds, we will seek approval from the CTC and support allocation requests for projects recommended to receive funding by April 30, 2026. Applications for the next round of LPP and SCCP competitive programs are due to CTC by the end of 2024. We will work with the Bay Skyway Phase 1 project team, including MTC/BATA, to submit an SCCP application to implement the YBI Multi-use Path.

Regional Measure 3 (RM3) Implementation. We will continue to work with MTC/BATA and San Francisco project sponsors on the roll out of RM3, including working to coordinate the timing of RM3 and Prop L funds to support San Francisco priorities such as BART Core Capacity, The Portal, and Muni facilities needs; providing input on discretionary RM3 programs such as Regional Express Bus operations funding and Bay Trail/Safe Routes to Transit.

New Revenue Options. We are actively participating in discussions regarding a potential regional transportation measure and corresponding authorizing legislation (SB 1031 (Weiner, Wahab), as well as engaging in conversations with SFMTA about a potential local measure in upcoming election cycles. This work includes closely tracking the 4 initiatives within the bill and seeking amendments as adopted in the Transportation Authority’s “support and seek amendments” bill position. See also Legislative Advocacy below.

Legislative Advocacy. We will continue to monitor and take positions on state legislation affecting San Francisco’s transportation programs and develop strategies for advancing legislative initiatives beneficial to San Francisco’s interests and concerns at the state and federal level. Our advocacy builds off the agency’s adopted legislative program, and is done in coordination with the Mayor’s Office, the Self-Help Counties Coalition, and other city and regional agencies. This year we will continue to focus our efforts on two high priority policy areas: filling regulatory and data gaps in the growing Autonomous Vehicle

sector and advocacy for 'bridge funding' to address the fiscal cliff that transit agencies are facing as well as potential authorization for a regional measure(s)(e.g. SB 1031) that could be part of a sustainable solution for transit going forward; education and advocacy related to the need for extension of the Cap-and-Trade Program which expires in 2030. Extending this program would benefit projects such as The Portal and SFMTA's Train Control Upgrade project; and help leverage funding from the Infrastructure Investment and Jobs Act for SF priorities (e.g., The Portal).

Funding and Financing Strategy Opportunities. We will continue to provide funding and financing strategy support for signature projects in the Prop L Expenditure Plan, many of which are also included in MTC's Regional Transit Expansion Agreement and Major Projects Advancement Policy (MAP). Examples include: Caltrain Electrification, The Portal, SFMTA's Train Control Upgrade, and BART Core Capacity. Other ongoing funding efforts are supporting Treasure Island/Yerba Buena Island infrastructure needs and Treasure Island Mobility Management program as well as Port of SF's Seawall capital planning. We will help position San Francisco's projects to receive funding from the federal Infrastructure Investment and Jobs Act, Senate Bill 1, regional One Bay Area grant, and other fund programs. We serve as a funding resource for all San Francisco project sponsors (e.g., brokering fund exchanges).

Capital Financing/Debt Program Management. Led by the Finance and Administration Division in close collaboration with the Policy and Programming Division, and with the support of our financial advisors, we will continue to provide effective and efficient management of our debt program, including the outstanding sales tax revenues bonds, as well as the revolving credit loan agreement. Our goals are to enable accelerated delivery of Prop L sales tax-funded capital projects compared to what is supportable on a pay-go basis while achieving leveraging goals and minimizing financing costs so more funds remain available for projects. We will continue to engage in a variety of cash management activities including facilitating grant close-out and de-obligation of unneeded funds as well as closely tracking cash balances for the \$313.5 million in Prop K grants with peak cash flow needs in Fiscal Years 2024/25 and 2025/26 and seeking improved lookahead information about billings from our largest grant recipient, the SFMTA. We are preparing to come to the Board for approval to draw down on the \$125 million revolving credit loan agreement when funds are needed, which could be as soon as summer 2024.

Customer Service and Efficiency Improvements. This ongoing multi-division initiative will continue to improve our grant-related processes to make them more user-friendly and efficient for both internal and external customers, while maintaining a high level of transparency and accountability appropriate for administration of voter-approved revenue measures (Prop L, Prop K, Prop AA, and the TNC Tax). The initiative includes maintaining and enhancing the Portal, our web-based grants management database used by our staff and project sponsors. We will modify our grants Portal to track the distribution

of projects located in Equity Priority Communities and/or benefiting disadvantaged populations, which is required under Prop L. We are also exploring enhancements to the Portal including the potential for creating grant agreements and support tracking of projects for public promotion opportunities at key milestones in project delivery. We will maintain, and as needed, refine the MyStreetSF.com tool to support user-friendly features showcasing underway and completed projects, improved search features, and other customer enhancements.

DELIVER

Supporting the timely and cost-effective delivery of Transportation Authority-funded transportation projects and programs requires a multi-divisional effort, led primarily by the Capital Projects Division with support from other divisions. As in past years, the agency focuses on providing engineering support and oversight of sales tax-funded major capital investments, such as SFMTA's train control and facility upgrade projects; The Portal (Downtown Rail Extension); and Caltrain Modernization, including electrification as well as railyards planning coordination and oversight. We also serve as the lead agency for the delivery of certain capital projects, such as the I-80/Yerba Buena Island (YBI) West Side Bridges Project, which typically are multi-jurisdictional in nature and often involve significant coordination with Caltrans. Key activities supporting project delivery for FY 2024/25 include the following:

Transportation Authority - Lead Construction:

- **I-80/YBI East Bound Off Ramp/Southgate Road Realignment Project.** The Southgate Road Realignment Project is open to public traffic. Work on Torpedo Building preservation and Southgate contract closeout efforts, including the ultimate land transfer between United States Coast Guard and TIDA will continue in Fiscal Year 2024/25. We will combine the Torpedo Building preservation with the Pier E-2 parking lot reconstruction into one contract for the construction phase. We will complete contractor procurement and begin construction in FY 2024/25.
- **YBI West Side Bridges.** We are delivering this project using the Construction Management/General Contractor delivery method and the project is currently under construction. The construction is anticipated to be completed at the end of 2026. We are also coordinating with bicycle/pedestrian path plans adjacent to the West Side Bridges project. See YBI Multi-Use Path and Hillcrest Road Improvement below.
- **YBI Hillcrest Road Improvement Project.** We awarded the construction contract for the Hillcrest roadway improvement project between Forest Road and the I-80 Portal crossing on the west side of YBI at the April 23, 2024 Board meeting. The project will add sidewalks and a bike path and bring Hillcrest Road up to San Francisco Public Works (SFPW) standards and install safety features. Construction will start in June

2024 and last 3 years until Spring 2027. We will closely coordinate the Hillcrest project with the adjacent YBI Multi-Use Path and West Side Bridges projects (see entries for these projects).

Transportation Authority - Lead Project Development:

- **I-280/Ocean Avenue South Bound Off-Ramp Realignment and Geneva Avenue North Bound Ramp Optimization.** We are leading design of the Ocean Avenue Off-Ramp Realignment Project in coordination with Caltrans and local agencies. This work includes analyzing geotechnical conditions and geometric, traffic, and structural requirements. We plan to complete final design by June 2025. The Geneva Ave Northbound Ramp project team substantially completed the feasibility study and will undertake another round of engagement in fourth quarter of FY 2023/24 before bringing the study to the Board for adoption.
- **YBI Multi-Use Path.** The Multi-Use Path project will connect the western side of the Island from the San Francisco-Oakland Bay Bridge (SFOBB) East Span YBI viewing area down to the Treasure Island Ferry Terminal and provide an ultimate connection point to the planned BATA-led SFOBB West Span Skyway Path. The project team will award the design contract and start design in FY 2024/25. The team will continue to work to secure full funding for the project, working with MTC/BATA and TIDA, following on grant applications for the Active Transportation Program that we plan to submit in the last quarter of FY 2023/24 and for SB 1 SCCP in the first quarter of FY 2024/25.
- **Treasure Island Ferry Terminal Enhancements.** We will complete contractor procurement and secure funding obligation for the construction of restrooms and transit shelters for the Treasure Island Ferry Terminal. Construction will start in FY 2024/25.
- **Quint Street Connector Road.** We are working with SFPUC on the street vacation for Quint Street between Jerrold Avenue and the Caltrain berm and are also working with SFPW and the Office of Real Estate on developing an appraisal to acquire the Quint Connector Road right-of-way. This acquisition will allow SFPW to begin the design phase of the project. This project is a Racial Equity Plan priority from the 2012 closure of Jerrold Avenue.
- **Pennsylvania Avenue Extension (PAX).** We will advance the PAX Pre-Environmental Bridging Study in FY 2024/25. The PAX project is planned to grade-separate the remaining at-grade crossings of the Caltrain corridor, at 16th Street and Mission Bay Drive. Building on our completed PAX Project Initiation Study, the Bridging Study will update our assessment of the strategic context for PAX and will advance project concepts in preparation for future phases of project development. The study will

include further technical development of project alternatives, coordination with Caltrain and other agency partners, and public and stakeholder engagement.

Transportation Authority - Project Delivery Support:

- **Peninsula Corridor Electrification Project.** We anticipate completing our work to provide technical oversight and project development support to the Peninsula Corridor Electrification Project, which will electrify the passenger rail corridor between San Francisco and San Jose to serve a newly electrified Caltrain fleet and serve future California High-Speed Rail service in the blended corridor. Caltrain Electrification is scheduled to open for passenger service in Fall 2024. We will continue to lead funding partner oversight efforts through the Caltrain Modernization Configuration Management Board, and we will provide advice and support to San Francisco's representatives to the Peninsula Corridor Joint Powers Authority Board.
- **California High-Speed Rail Program (CHSRA).** We will continue to partner with the CHSRA and City agencies on high-speed rail issues affecting San Francisco, including project development and funding activities to bring the high-speed rail system from the Central Valley to the Bay Area. We will coordinate with CHSRA on state-level engagement to seek reauthorization of California's cap-and-trade program, to unlock funding for transit projects including The Portal. We will also collaborate with CHSRA on projects within San Francisco, including The Portal, PAX, and Fourth and King Railyards.
- **The Portal (Downtown Rail Extension).** We will continue to serve as an integral member of the six-agency team, led by the Transbay Joint Powers Authority (TJPA), that is advancing The Portal project toward full funding and construction. In FY 2024/25, we will continue to co-lead efforts to implement The Portal Governance Blueprint, with a new multi-agency memorandum of understanding (MOU) and refined organizational structure as the project prepares to advance to construction in the coming years. We will also continue to support progression through the Federal Transit Administration (FTA) process, including advancing the project's funding plan. Finally, we will continue our program oversight as TJPA progresses the procurement of the project's major contracts and initiates delivery of other pre-construction activities.
- **Fourth and King Railyards.** We will continue to actively participate in planning and project development for the Caltrain Railyards site at Fourth and King streets through our active participation in the Railyards MOU Working Group and the Preliminary Business Case (PBC) process for the site being led by Caltrain and the site owner. We will support San Francisco's representatives to the Caltrain Board as the PBC is brought forward for consideration. We will work with Caltrain and City agencies to develop work program priorities for planning and project development efforts to

follow the PBC. We will also coordinate PAX project planning activities with the MOU Working Group as the PAX Bridging Study advances.

- **22nd Street Station ADA Improvements.** We will support Caltrain in advancing design and engagement for planned upgrades to the 22nd Street Station, as recommended by the recently completed ADA Access Improvement Feasibility Study. We will continue to work with Caltrain to identify a funding strategy for these improvements, including support for grant applications to regional, state, and federal sources. We will coordinate short- and medium-term design improvements with any longer-term changes potentially necessitated by the future implementation of PAX.
- **Muni Metro Modernization Program Development.** We will continue providing enhanced oversight and planning/program development support to SFMTA in advancing its program of needed investments in the Muni Metro system, including state-of-good-repair and capacity expansion improvements. This includes the SFMTA-led Muni Metro Core Capacity Study, which is developing a program of investment to be put forward for FTA Core Capacity grant funds to be matched with Prop L funds. We will also support advancement of the **Muni Metro Train Control Upgrade Project**, including assistance with funding strategy, and the broader 10-year subway renewal program.
- **Potrero and Presidio Yards Modernization Projects.** We will continue to provide enhanced oversight of these two critical SFMTA facilities. The Potrero Yard Modernization Project, which will replace the existing site with a modern transit facility to serve Muni's bus fleet, with an integrated joint development housing component. The project is nearing completion of the pre-construction development phase, which will be followed by final design and construction. The Presidio Yard Modernization Project. The project is in the planning phase and is envisioned to rebuild the existing facility with a modern transit facility and provide for an adjacent development opportunity.
- **BART Core Capacity and Faregates/Station Modernization Oversight.** We will continue to provide enhanced oversight of BART's Core Capacity program, including participation in FTA's regular oversight meetings and process. We will also coordinate with MTC and other partners, as needed, on this Prop L major transit project. We will continue to oversee BART's implementation of new faregates, elevators, and other improvements at SF stations.
- **Vision Zero.** We will continue to convene quarterly presentations to the CAC and Board to highlight the work that city agencies are doing to advance the goals of Vision Zero, including updates on project delivery and the SFMTA's rollout of speed safety cameras, and program evaluation.

- **OTHER PROJECT DELIVERY SUPPORT AND OVERSIGHT.** Support and oversee project delivery of Better Market Street and continue coordinating and collaborating with major transportation infrastructure departments (SFMTA, Public Works, SFPUC) to improve project delivery. Work closely with Public Works, SFMTA, and Caltrans on near-term 19th Avenue paving improvements.

TRANSPARENCY AND ACCOUNTABILITY

This section of the work program highlights ongoing agency operational activities and administrative processes to ensure transparency and accountability in the use of taxpayer funds. This work includes ongoing efforts lead by the Finance and Administration Division (e.g., accounting, budgeting, human resources, procurement support), by the Technology, Data and Analysis Division (e.g., information technology and systems integration support), and by the Executive Office (e.g., Board operations and support, and communications) as listed below.

Board Operations and Support. Staff Board and CAC meetings including standing and ad hoc committees. Includes preparation of agenda packets and clerking/supporting hybrid meetings to enable remote public participation.

Communications and Community Relations. Execute the agency's communications and engagement strategy with the public, our Board, various interest groups, our Community, Business, and Labor Roundtables, and other government agencies. This is accomplished through various means, including fostering media and community relations; developing strategic communications plans for projects and policy initiatives; disseminating agency news and updates through 'The Messenger' electronic newsletter; social media and other web-based communications; supporting public outreach; and helping coordinate events to promote the agency's work. In FY 2024/25, we will endeavor to grow our following on various social media platforms (estimates are based in part on past performance trends):

- Instagram: Grow following by 20%
- LinkedIn: Grow following by 10%
- Website: Increase unique website hits by 5%
- Facebook, X (Twitter) and Messenger Newsletter: Grow following by 2%

Communications staff will continue participating in training to advance outreach skills. This year, we plan to continue to:

- Refine outreach and communications techniques by incorporating the latest engagement techniques for the public, with a focus on racial equity and seeking to engage Equity Priority Communities.

- Enhance/update the agency website and branding. Provide ongoing review of the agency's website (sfcta.org) ensuring content is updated and functionality and reporting features operate in alignment with best practices.
- Support Board and agency experts in thought leadership roles and speaking engagements.
- Support project delivery events (groundbreakings, ribbon cuttings).
- Nominate notable agency and SF projects for industry recognition/awards.

Audits. Prepare, procure, and manage fiscal compliance and management audits.

Budget, Reports, and Financial Statements. Develop and administer agency budget funds, including performance monitoring, internal program, and project tracking. Monitor internal controls and prepare reports and financial statements.

Accounting and Grants Management. Maintain payroll functions, general ledger, and accounting system, including paying, receiving, and recording functions. Manage grants and prepare invoices for reimbursement.

Debt Oversight and Compliance. Monitor financial and debt performance, prepare annual disclosures, and complete required compliance activities.

Systems Integration. Ongoing enhancement and maintenance of the newly migrated enterprise resource planning system (business management and accounting software) to improve accounting functions, general ledger reconciliations and financial reporting.

Contract Support. Oversee the procurement process for professional consultant contracts, prepare contracts, and manage compliance for contracts and associated Memoranda of Agreements and Understandings.

Racial Equity Action Plan. Continue work through the Racial Equity Working Group to advance the Racial Equity Action Plan created in 2020. The plan identifies over 80 actions for implementation over a multi-year period. This year, the Racial Equity Working Group continues to focus on completing elements of its Racial Equity Action Plan related to retention, promotion, and professional development.. Continue to identify opportunities to further advance racial equity on active projects by developing additional actions focused on outreach and project work.

Disadvantaged Business Enterprise (DBE) and Local Business Enterprise (LBE).

Administer our own DBE and LBE program, review and update policy for any new state and federal requirements, conduct outreach and review applications, and award certifications to qualifying businesses. Continue to participate in the multi-agency consortium of Bay Area transportation agencies with a common goal to assist small, disadvantaged, and local firms doing business with Bay Area transit and transportation agencies.

Policies. Maintain and update Administrative Code, Rules of Order, fiscal, debt, procurement, investment, travel, and other policies.

Human Resources. Administer recruitment, personnel, and benefits management and office procedures. We conduct or provide training for staff in multiple areas of project management, communication, and technical skills. We advance agency workplace excellence initiatives through staff working groups, training, and other means.

Office Management and Administrative Support. Work with the City's Office of Real Estate to establish a sublease agreement of our current office space under the anticipated City's 21-year lease agreement for multi-city departments as our lease expires June 2025. Maintain facilities and provide procurement of goods and services and administration of services contracts. Continue to document/update office policies, procedures, and guidance for new and existing staff. Staff front desk reception duties.

Legal Issues. Manage routine legal issues, claims, and public records requests.

Information Technology. Provide internal development and support; maintain existing technology systems including phone and data networks; develop new collaboration tools to further enhance efficiency and technological capabilities; and expand contact management capabilities.



	Proposed Annual Budget by Fund						Proposed Fiscal Year 2024/25 Annual Budget
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
Revenues:							
Sales Tax Revenues	\$ 108,308,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,308,000
Vehicle Registration Fee	-	-	-	4,545,508	-	-	4,545,508
Traffic Congestion Mitigation Tax	-	-	-	-	-	8,500,000	8,500,000
Interest Income	622,416	-	760	26,491	-	835,978	1,485,645
Program Revenues	-	65,918,659	681,176	-	3,889,812	-	70,489,647
Total Revenues	108,930,416	65,918,659	681,936	4,571,999	3,889,812	9,335,978	193,328,800
Expenditures							
Capital Project Costs	135,265,000	68,260,379	764,583	10,341,345	3,735,574	9,934,957	228,301,838
Administrative Operating Costs	7,826,196	4,917,804	47,445	227,275	368,926	180,000	13,567,646
Debt Service Costs	24,983,500	-	-	-	-	-	24,983,500
Total Expenditures	168,074,696	73,178,183	812,028	10,568,620	4,104,500	10,114,957	266,852,984
Other Financing Sources (Uses):	57,525,788	7,259,524	-	-	214,688	-	65,000,000
Net change in Fund Balance	\$ (1,618,492)	\$ -	\$ (130,092)	\$ (5,996,621)	\$ -	\$ (778,979)	\$ (8,524,184)
Budgetary Fund Balance, as of July 1	\$ 12,684,383	\$ -	\$ 221,078	\$ 10,177,756	\$ -	\$ 19,411,147	\$ 42,494,364
Budgetary Fund Balance, as of June 30	\$ 11,065,891	\$ -	\$ 90,986	\$ 4,181,135	\$ -	\$ 18,632,168	\$ 33,970,180



**San Francisco
County Transportation
Authority**

**Attachment 3
Proposed Fiscal Year 2024/25 Annual Budget
Comparison of Revenues and Expenditures**

Category	Fiscal Year 2023/24 Amended Budget	Proposed Fiscal Year 2024/25 Annual Budget	Variance from Fiscal Year 2023/24 Amended Budget	% Variance
Sales Tax Revenues	\$ 106,165,000	\$ 108,308,000	\$ 2,143,000	2.0%
Vehicle Registration Fee	4,645,521	4,545,508	(100,013)	-2.2%
Traffic Congestion Mitigation Tax	8,500,000	8,500,000	-	0.0%
Interest Income	1,966,680	1,485,645	(481,035)	-24.5%
Program Revenues				
Federal	49,664,388	34,084,667	(15,579,721)	-31.4%
State	12,931,746	24,891,514	11,959,768	92.5%
Regional and other	4,874,920	11,513,466	6,638,546	136.2%
Other Revenues	65,989	-	(65,989)	N/A
Total Revenues	188,814,244	193,328,800	4,514,556	2.4%
Capital Project Costs	214,743,316	228,301,838	13,558,522	6.3%
Administrative Operating Costs				
Personnel expenditures	9,753,583	10,231,638	478,055	4.9%
Non-Personnel expenditures	3,816,273	3,336,008	(480,265)	-12.6%
Debt Service Costs	21,825,439	24,983,500	3,158,061	14.5%
Total Expenditures	250,138,611	266,852,984	16,714,373	6.7%
Other Financing Sources (Uses)	60,000,000	65,000,000	5,000,000	8.3%
Net change in Fund Balance	\$ (1,324,367)	\$ (8,524,184)	\$ (7,199,817)	
Budgetary Fund Balance, as of July 1	\$ 43,818,731	\$ 42,494,364		
Budgetary Fund Balance, as of June 30	\$ 42,494,364	\$ 33,970,180		



**Attachment 4
Proposed Fiscal Year 2024/25 Annual
Budget Line Item Detail**

	Proposed Annual Budget by Fund						Proposed Fiscal Year 2024/25 Annual Budget
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
Revenues:							
Sales Tax Revenues	\$ 108,308,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,308,000
Vehicle Registration Fee	-	-	-	4,545,508	-	-	4,545,508
Traffic Congestion Mitigation Tax	-	-	-	-	-	8,500,000	8,500,000
Interest Income	622,416	-	760	26,491	-	835,978	1,485,645
Program Revenues							
Federal							
Advanced Transportation and Congestion Management Technologies Deployment	-	-	-	-	312,059	-	312,059
Congestion Mitigation and Air Quality Improvement Program - YBI Multi-Use Pathway Project	-	2,250,000	-	-	-	-	2,250,000
Ferry Boat Discretionary Funds - Treasure Island Ferry Terminal	-	-	-	-	2,612,555	-	2,612,555
Highway Bridge Program - Yerba Buena Island (YBI) Westside Bridges	-	20,000,000	-	-	-	-	20,000,000
Priority Conservation Area Program - YBI Multi-Use Path	-	239,718	-	-	-	-	239,718
Reconnecting Communities & Neighborhoods Program - Geary-Fillmore Underpass Study	-	697,076	-	-	-	-	697,076
Rebuilding American Infrastructure with Sustainability and Equity - YBI Westside Bridges	-	6,039,663	-	-	-	-	6,039,663
Safe Streets and Roads for All - Vision Zero Ramps Intersection Study Phase 3	-	183,762	-	-	-	-	183,762
Surface Transportation Program 3% Revenue and Augmentation	-	1,749,834	-	-	-	-	1,749,834
State							
Affordable Housing and Sustainable Communities - Treasure Island Ferry Terminal	-	-	-	-	653,139	-	653,139
Active Transportation Program - YBI Multi-Use Path	-	516,630	-	-	-	-	516,630
Planning, Programming & Monitoring SB45 Funds	-	199,000	-	-	-	-	199,000
Infill Infrastructure Grant Program - Hillcrest Road Improvement Project	-	15,615,423	-	-	-	-	15,615,423
Senate Bill 1 Local Partnership Program - I-280 SB Ocean Ave Off-Ramp Realignment Project	-	582,716	-	-	-	-	582,716
Senate Bill 1 Local Partnership Program - YBI Hillcrest Road Improvement Project	-	1,214,434	-	-	-	-	1,214,434
Senate Bill 1 Local Partnership Program - YBI Multi-Use Path	-	240,718	-	-	-	-	240,718
Senate Bill 1 Local Partnership Program - YBI Westside Bridges	-	3,038,436	-	-	-	-	3,038,436
Seismic Retrofit Proposition 1B - YBI Westside Bridges	-	2,591,212	-	-	-	-	2,591,212
Sustainable Communities - Brotherhood Way Safety and Circulation Plan	-	239,806	-	-	-	-	239,806
Regional and other							
BATA - I-80/YBI Interchange Improvement	-	7,860,680	-	-	-	-	7,860,680
BATA - YBI Westside Bridges	-	162,698	-	-	-	-	162,698
CNCA - Decarbonizing Downtown Business Deliveries Study	-	7,497	-	-	-	-	7,497
SFMTA - Travel Demand Modeling Assistance	-	75,000	-	-	-	-	75,000
SFPLN - In-Kind (Geary-Fillmore Underpass Study)	-	27,000	-	-	-	-	27,000
Treasure Island Community Development LLC - Ferry Exchange	-	-	-	-	312,059	-	312,059
TIDA - YBI Westside Bridges	-	2,387,356	-	-	-	-	2,387,356
Vehicle Registration Fee Revenues (TFCA)	-	-	681,176	-	-	-	681,176
Total Revenues	\$ 108,930,416	\$ 65,918,659	\$ 681,936	\$ 4,571,999	\$ 3,889,812	\$ 9,335,978	\$ 193,328,800



**Attachment 4
Proposed Fiscal Year 2024/25 Annual
BudgetLine Item Detail**

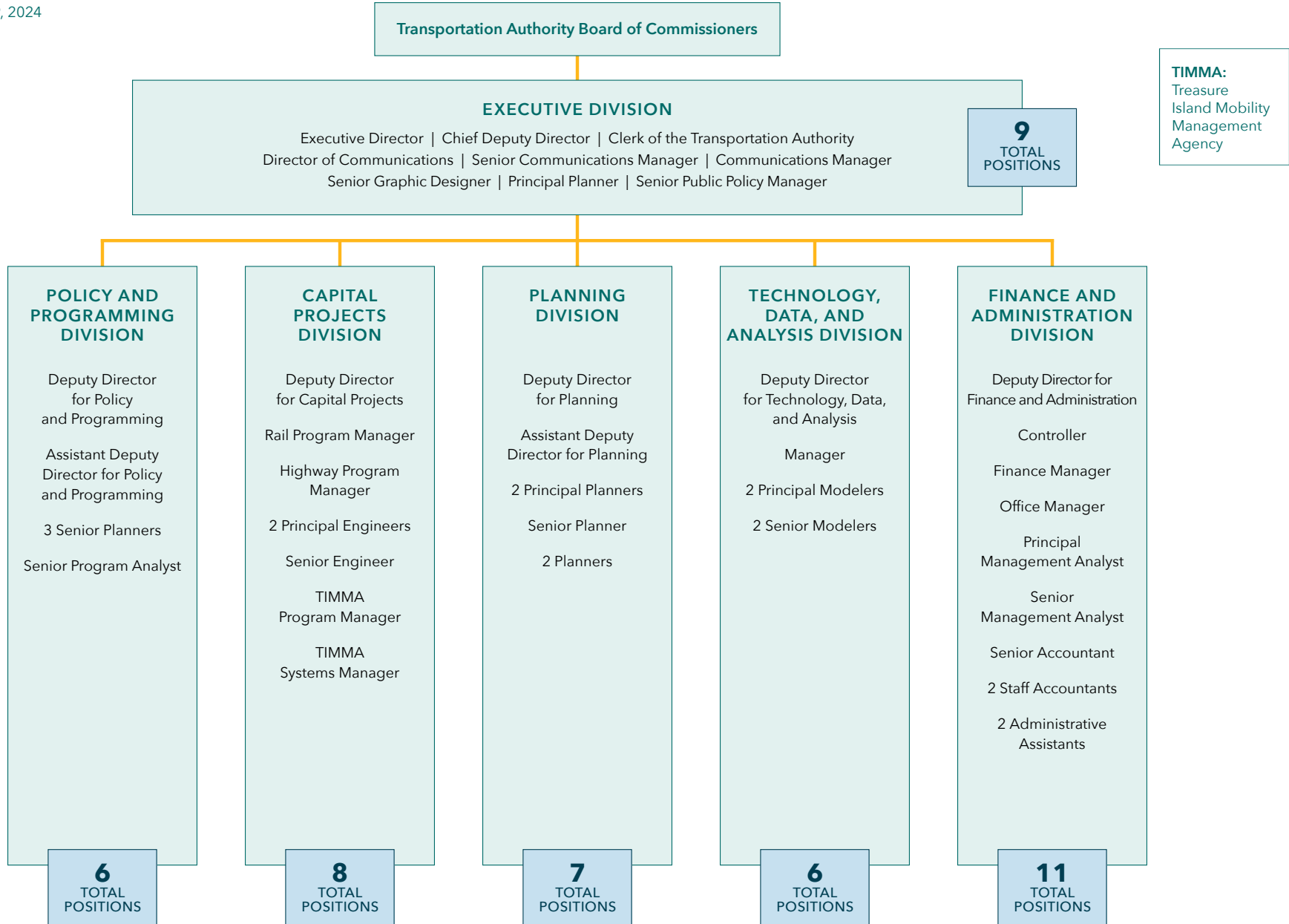
	Proposed Annual Budget by Fund						Proposed Fiscal Year 2024/25 Annual Budget
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Traffic Congestion Mitigation Tax Program	
Expenditures:							
Capital Project Costs							
Individual Project Grants, Programs & Initiatives	\$ 133,000,000	\$ -	\$ 764,583	\$ 10,341,345	\$ -	\$ 9,859,957	\$ 153,965,885
Technical Professional Services	2,265,000	68,260,379	-	-	3,735,574	75,000	74,335,953
Administrative Operating Costs							
Personnel Expenditures							
Salaries	2,859,997	3,280,512	31,778	152,227	216,896	120,563	6,661,973
Fringe Benefits	1,409,978	1,617,292	15,667	75,048	106,930	59,437	3,284,352
Pay for Performance	285,313	-	-	-	-	-	285,313
Non-personnel Expenditures							
Administrative Operations	2,989,008	20,000	-	-	42,000	-	3,051,008
Equipment, Furniture & Fixtures	221,900	-	-	-	-	-	221,900
Commissioner-Related Expenses	60,000	-	-	-	3,100	-	63,100
Debt Service Costs							
Fiscal Charges	255,000	-	-	-	-	-	255,000
Interest Expenses	9,603,500	-	-	-	-	-	9,603,500
Bond Principal Payment	15,125,000	-	-	-	-	-	15,125,000
Total Expenditures	\$ 168,074,696	\$ 73,178,183	\$ 812,028	\$ 10,568,620	\$ 4,104,500	\$ 10,114,957	\$ 266,852,984
Other Financing Sources (Uses):							
Transfers in - Prop K Match to Grant Funding	-	7,259,524	-	-	214,688	-	7,474,212
Transfers out - Prop K Match to Grant Funding	(7,474,212)	-	-	-	-	-	(7,474,212)
Draw on Revolving Credit Agreement	65,000,000	-	-	-	-	-	65,000,000
Total Other Financing Sources (Uses)	57,525,788	7,259,524	-	-	214,688	-	65,000,000
Net change in Fund Balance	\$ (1,618,492)	\$ -	\$ (130,092)	\$ (5,996,621)	\$ -	\$ (778,979)	\$ (8,524,184)
Budgetary Fund Balance, as of July 1	\$ 12,684,383	\$ -	\$ 221,078	\$ 10,177,756	\$ -	\$ 19,411,147	\$ 42,494,364
Budgetary Fund Balance, as of June 30	\$ 11,065,891	\$ -	\$ 90,986	\$ 4,181,135	\$ -	\$ 18,632,168	\$ 33,970,180
Fund Reserved for Program and Operating Contingency	\$ 10,830,800	\$ -	\$ 68,118	\$ 454,551	\$ -	\$ 850,000	\$ 12,203,468

Proposed Agency Structure 47 STAFF POSITIONS



San Francisco
County Transportation
Authority

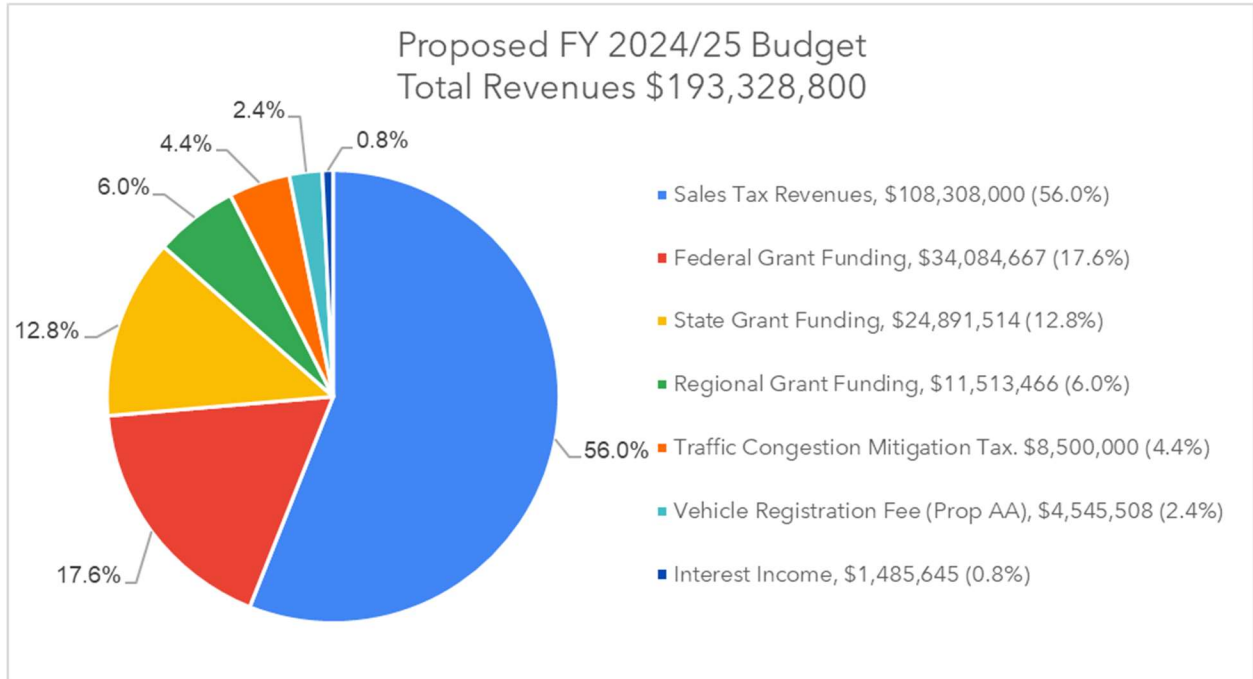
Revised April 19, 2024



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TOTAL PROJECTED REVENUES..... \$193,328,800

The following chart shows the composition of revenues for the proposed Fiscal Year (FY) 2024/25 budget.



Prop L Sales Tax Revenues:\$108,308,000

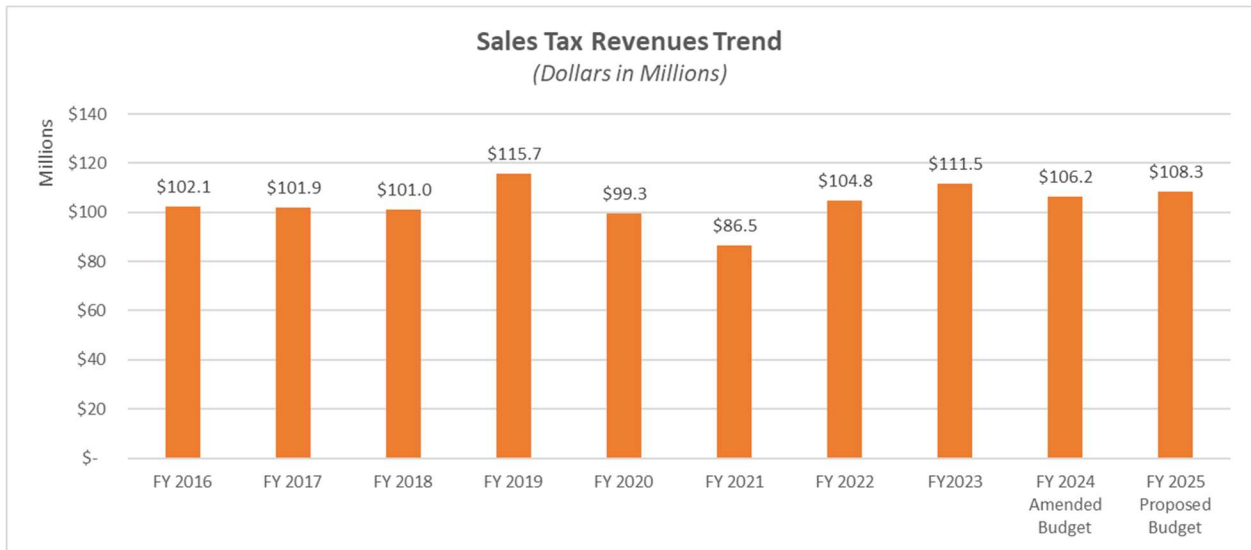
In November 2022, San Francisco voters approved Prop L, the imposition of a retail transactions and use tax of one-half of 1% in the City and County of San Francisco to fund the Prop L Expenditure Plan. The 30-year expenditure plan extends through March 31, 2053, prioritizes \$2.6 billion (in 2020 dollars) and helps San Francisco projects leverage another \$23.7 billion in federal, state, regional and other local funding for transportation projects. The expenditure plan restricts expenditures to five major categories: 1) Major Transit Projects; 2) Transit Maintenance and Enhancements; 3) Paratransit; 4) Streets and Freeways; and 5) Transportation System Development and Management. Prop L superseded the Prop K Expenditure Plan on April 1, 2023.

Based on sales tax receipts collected through February 2024, sales tax revenues are on track to meet the amended sales tax revenues budgeted in FY 2023/24 of \$106.2 million. We project that FY 2024/25 sales tax revenues to increase by 2.0%, or \$2.1 million as compared to the amended budget revenues for FY 2023/24. This 2% increase represents a flattening in sales tax growth compared to the past few years of pandemic recovery. Many jurisdictions throughout the state have seen declining sales tax revenues in recent quarters (including the Transportation Authority). However, a large part of the reasons for these declines were

Attachment 6
Line Item Descriptions

various short-term pandemic related effects that are anticipated to go away. For example, relative price changes for new and used cars and gas prices have largely worked their way through the system and the FY 2024/25 year is anticipated to return back to more normal price levels. Inflation will continue to be a factor in sales tax growth in FY 2024/25 with anticipated price increase levels in the 2% to 4% range depending on the price index used. Also, the return to the workplace, business travel, and international travel all have been returning slower than anticipated. Lastly, the recent slowdown in the economy (due to higher interest rates and other factors) is expected to end and the overall economy is expected to start to pick up to more normal growth levels in FY 2024/25. The sales tax revenue projection is net of the California Department of Tax and Fee Administration’s charges for the collection of the tax and excludes interest earnings budgeted in Interest Income.

This chart reflects the eight-year historical and two-year budgeted receipts for sales tax revenues.



Vehicle Registration Fee for Transportation Improvements Program (Prop AA)

Revenues:.....\$4,545,508

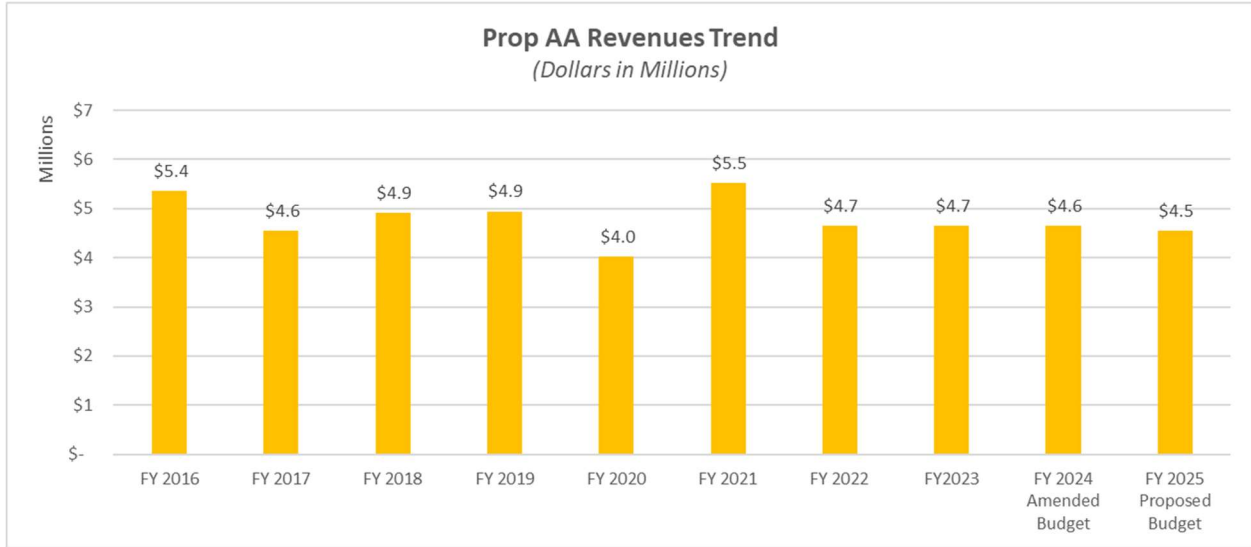
The Transportation Authority serves as the administrator of Proposition AA or Prop AA, a \$10 annual vehicle registration fee on motor vehicles registered in the City and County of San Francisco, which was passed by San Francisco voters on November 2, 2010. The 30-year expenditure plan continues until May 1, 2041 and prioritizes funds that are restricted to three major categories: 1) Street Repair and Construction, 2) Pedestrian Safety, and 3) Transit Reliability and Mobility Improvements.

Based on actual revenues for FY 2021/22 and FY 2022/23, and FY 2023/24 revenues to date, we project FY 2024/25 Prop AA revenues will be 2.2% lower than the amended budget revenues for FY 2023/24, which was based on actual revenues for FY 2020/21, FY 2021/22, and the first six months of FY 2022/23. This decline in revenues is due to having fewer

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vehicles registered in San Francisco, which is consistent with declining population trends that we have seen during and following the pandemic. This amount is net of the Department of Motor Vehicles’ charges for the collection of these fees.

This chart reflects the eight-year historical and two-year budgeted receipts for Prop AA revenues.



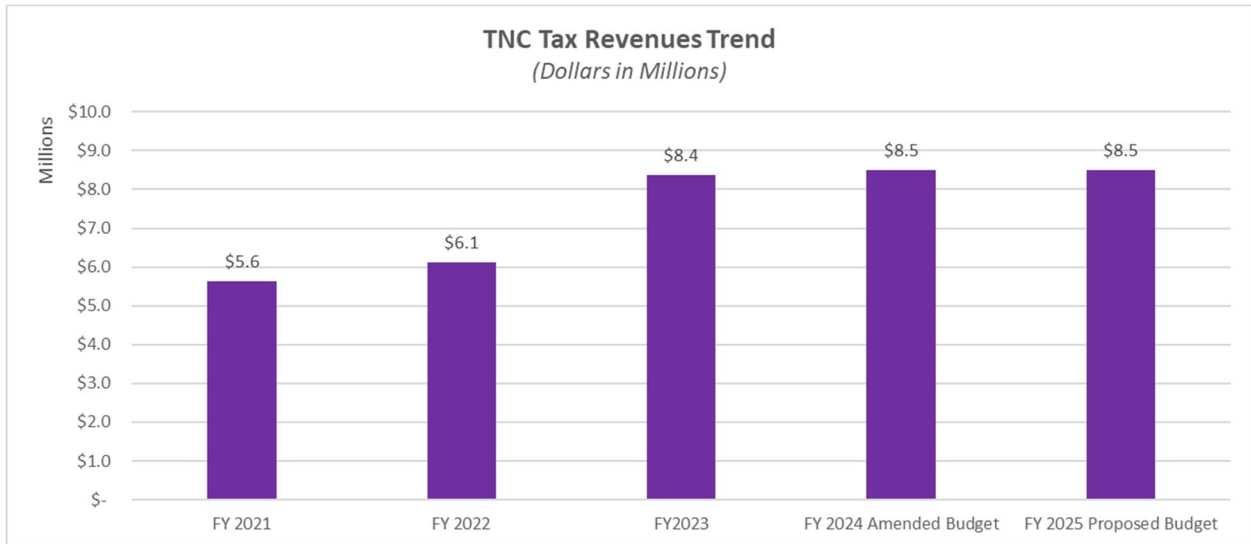
Traffic Congestion Mitigation Tax (TNC Tax) Revenues:..... \$8,500,000

The Proposition D Traffic Congestion Mitigation Tax was passed by San Francisco voters in November 2019. The measure, also referred to as the TNC Tax, is a surcharge on commercial ride-hail trips that originate in San Francisco, for the portion of the trip within the city. The tax also applies to private transit companies and rides given by autonomous vehicles commercially. Single occupant trips are taxed at 3.25%, with electric vehicle trips receiving a discount to 1.5% through 2024. Shared trips are taxed at 1.5%. The tax is in effect until November 2045. The Transportation Authority receives 50% of the revenues for capital projects that promote users’ safety in the public right-of-way in support of the City’s Vision Zero policy. The San Francisco Municipal Transportation Agency (SFMTA) receives the other 50% of revenues. The City began collecting TNC Tax revenues on January 1, 2020.

Based on revenues earned through January 2024 and through continuous discussions and coordination with the City’s Controller’s Office and the SFMTA, TNC Tax revenues for FY 2024/25 are projected at a similar level as in the amended budget for FY 2023/24. TNC Tax revenues are aligned with the City’s Controller’s Office estimates in the FY 2023/24 Six-Month Budget Status Report.

This chart reflects the three-year historical and two-year budgeted receipts for the Transportation Authority’s share of TNC Tax revenues.

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Note: FY 2020/21 TNC Tax Revenues include \$2.5 million covering January to June 2020 that was received in October 2020.

Interest Income:..... \$1,485,645

Most of our investable assets are deposited in the City’s Treasury Pool (Pool). The level of our deposits held in the pool during the year depends on the volume and level of Sales Tax capital project reimbursement requests. Our cash balance consists largely of allocated Sales Tax funds, which are invested until invoices are received and sponsors are reimbursed. The FY 2024/25 budget for interest income shows a \$481,035 or 24.5%, decrease as compared to FY 2023/24 which is mainly due to an anticipated lower bank balance in the Pool accounts at the start of FY 2024/25, thus less interest earned on the deposits. The budget does not include any adjustments that would occur due to Governmental Accounting Standards Board Statement No. 31 which is an adjustment to report the change in fair value of investments in the Pool.

Congestion Management Agency (CMA) Programs Federal, State and Regional Grant Revenues:.....\$65,918,659

The Transportation Authority is designated under state law as the CMA for the City. Responsibilities resulting from this designation include developing a Congestion Management Program, which provides evidence of the integration of land use, transportation programming, and air quality goals; preparing a long-range countywide transportation plan to guide the City’s future transportation investment decisions; monitoring and measuring traffic congestion levels in the city; measuring the performance of all modes of transportation; and developing a computerized travel demand forecasting model and supporting databases. As the CMA, the Transportation Authority is responsible for establishing the City’s priorities for state and federal transportation funds and works with the Metropolitan Transportation Commission (MTC) to program those funds to San Francisco projects.

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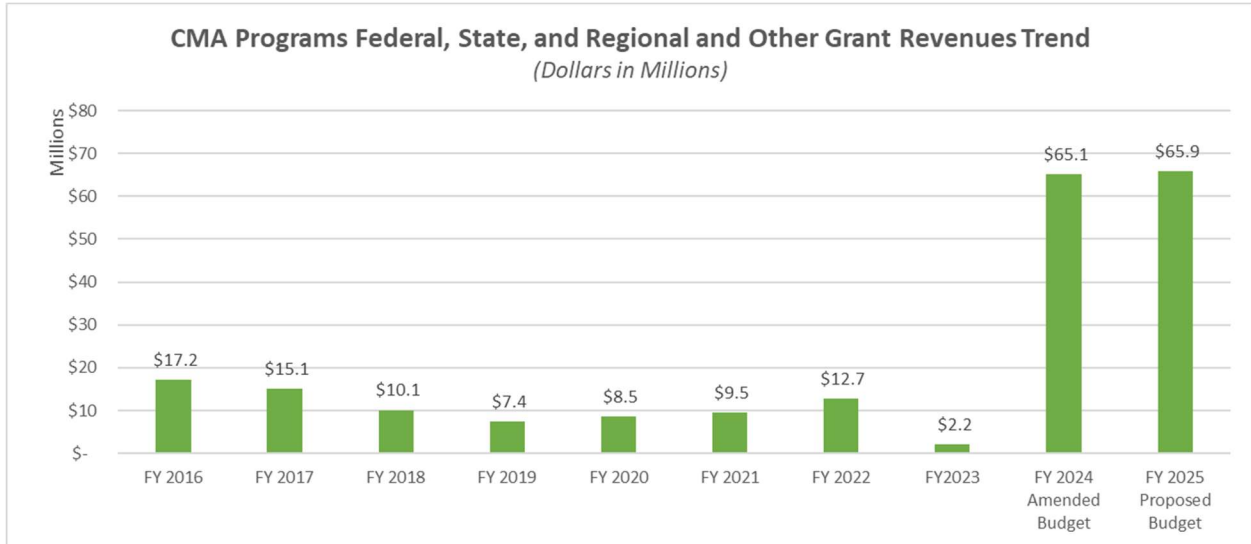
Line Item Descriptions

The CMA program revenues for FY 2024/25 will be used to cover ongoing staffing and professional/technical service contracts required to implement the CMA programs and projects, as well as for large projects undertaken in our role as CMA. CMA revenues are comprised of federal, state, and regional funds received from agencies such as the MTC, the California Department of Transportation (Caltrans), and the United States Department of Transportation (USDOT). Some of these grants are project-specific, such as those for the Yerba Buena Island (YBI) West Side Bridges Project, Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project, YBI Hillcrest Road Improvement Project, YBI Multi-Use Path Project, and Geary-Fillmore Underpass Community Planning Study. Other funding sources, such as federal Surface Transportation Program (STP) funds and state Planning, Programming and Monitoring funds, can be used to fund a number of eligible planning, programming, model development, and project delivery support activities, including the San Francisco Transportation Plan update and the Congestion Management Program. Regional CMA program revenues include City agency contributions for projects such as travel demand model services provided to City agencies in support of various projects and Bay Area Toll Authority (BATA) contributions for projects such as the Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project.

The FY 2024/25 budget includes \$55.4 million from federal and state funding in the CMA program revenues. Some of the major drivers of the federal and state funding for FY 2024/25 are YBI West Side Bridges Project (\$31.7 million), YBI Hillcrest Road Improvements Project (\$16.8 million), projects funded by the STP funds as mentioned above (\$1.7 million), YBI Multi-Use Path Project (\$3.2 million), and Geary-Fillmore Underpass Community Planning Study (\$697,076). This is a \$6.3 million decrease as compared to FY 2023/24, largely due to the anticipated final collection of \$24.5 million in federal and state reimbursements from Caltrans for the YBI Southgate Road Realignment Project in FY 2023/24. This absence of collection in FY 2024/25 is offset by an increase of \$11.6 million for construction activities in the YBI Hillcrest Road Improvements Project, an increase of \$3.3 million for construction activities in the YBI West Side Bridges Project, an increase of \$1.9 million for design work in the YBI Multi-Use Path Project, and the addition of \$697,076 for the new Geary-Fillmore Underpass Community Planning Study. The budget for CMA program revenues also includes \$10.5 million from regional and other funding, a \$7.1 million increase as compared to FY 2023/24 largely due to an increase in regional funding from the BATA and Treasure Island Development Authority for construction activities in the Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project.

This chart reflects the eight-year historical and two-year budgeted receipts for CMA program revenues.

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Line Item Descriptions

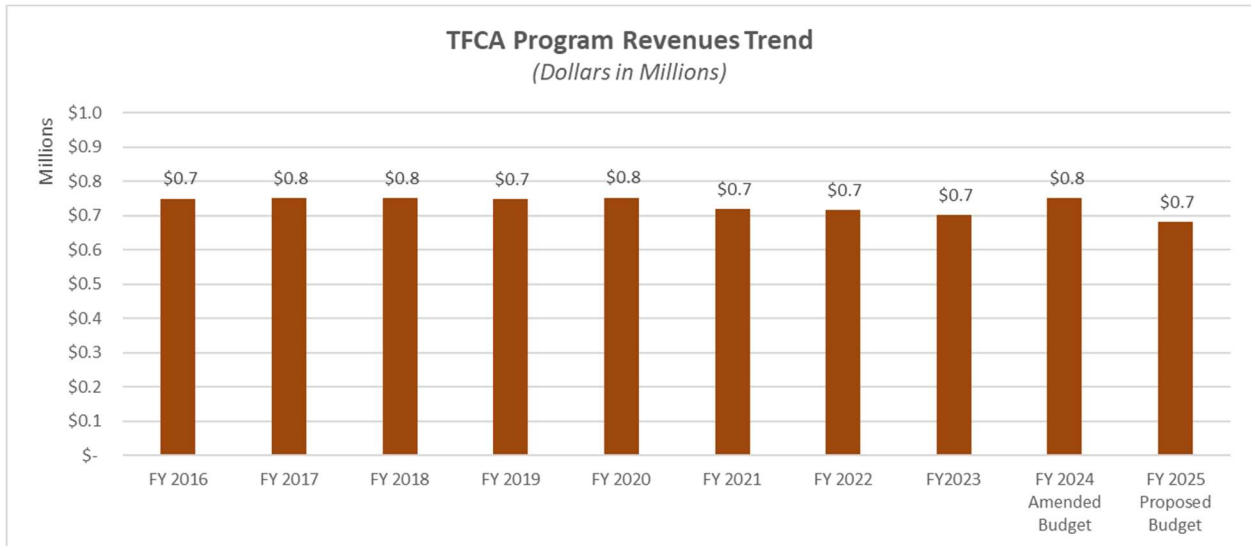


Transportation Fund for Clean Air (TFCA) Program Regional Revenues:..... \$681,176

On June 15, 2002, the Transportation Authority was designated to act as the overall program manager for the county share (40 Percent Fund) of transportation funds available through the TFCA program. The TFCA Vehicle Registration Fee revenues (excluding interest earnings in the Interest Income section above) are derived from a \$4 surcharge on vehicles registered in the nine Bay Area counties and must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. The \$681,176 of TFCA revenues in FY 2024/25 from vehicle registration fees are in line with the trends we expect for Prop AA, which is also funded by a vehicle registration fee and reflects a slight decline in TFCA revenues in FY 2024/25 due to downward population trends. The Bay Area Quality Management District (Air District), which administers these revenues, also reprogrammed \$3,194 of de-obligated funds from past fiscal years to revenues in FY 2024/25. TFCA revenues for FY 2024/25 together with the additional reprogrammed funds are expected to decrease by 27.7% compared to FY 2023/24, due to significantly less reprogrammed funds.

This chart reflects the eight-year historical and two-year budgeted receipts for TFCA program revenues.

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Line Item Descriptions



Treasure Island Mobility Management Agency (TIMMA) Program

Revenues:.....\$3,889,812

We are working jointly with the Treasure Island Development Authority (TIDA) on the development of the YBI Project. TIDA requested that we, in our capacity as CMA, lead the effort to prepare and obtain approval for all required technical documentation for the project because of our expertise in funding and interacting with Caltrans on design aspects of the project. The Treasure Island Transportation Management Act of 2008 (Assembly Bill 981) authorizes the creation or designation of a Treasure Island-specific transportation management agency. On April 1, 2014, the San Francisco Board of Supervisors approved a resolution designating the Transportation Authority as the TIMMA to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/YBI Development Project. In September 2014, Governor Brown signed Assembly Bill 141, establishing TIMMA as a legal entity distinct from the Transportation Authority to separate TIMMA’s functions from the Transportation Authority’s other functions. The eleven members of the Transportation Authority Board act as the Board of Commissioners for TIMMA. TIMMA is also a blended special revenue fund component unit under the Transportation Authority.

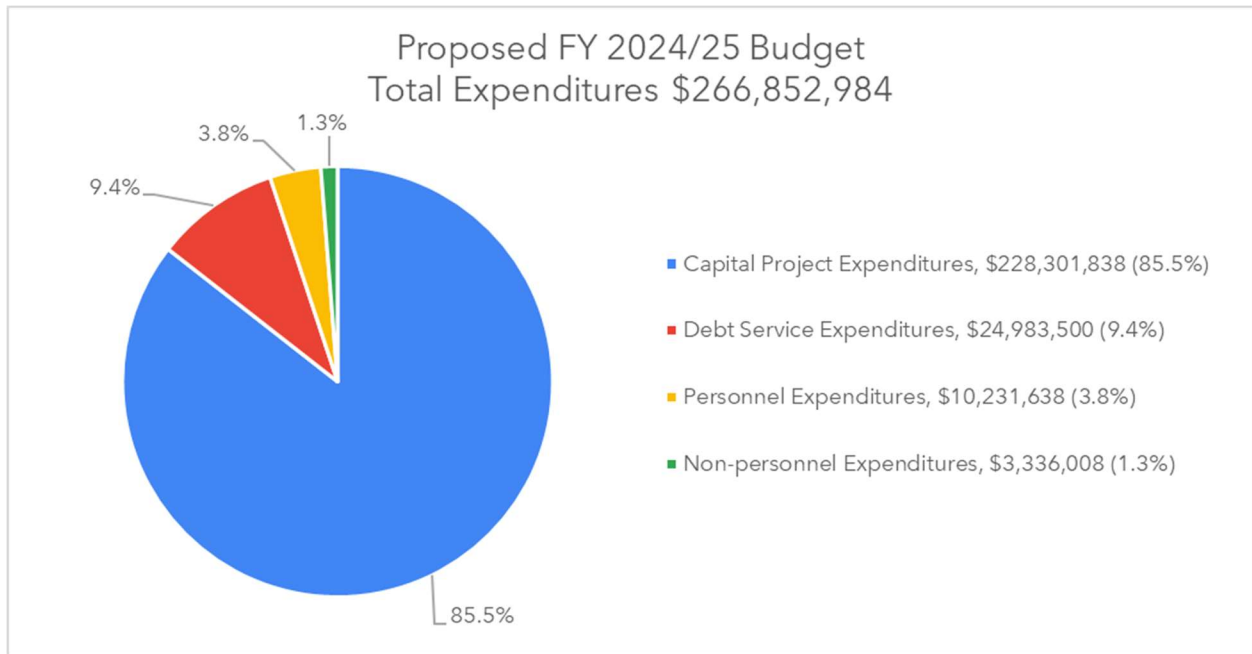
The TIMMA FY 2024/25 revenues will be presented as a separate item to the TIMMA Committee and Board at their upcoming June meetings.

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Line Item Descriptions

TOTAL PROJECTED EXPENDITURES..... \$266,852,984

Total Expenditures projected for the budget year are comprised of Capital Project Expenditures of \$228.3 million, Administrative Operating Expenditures of \$13.6 million, of which \$10.2 million is for Personnel Expenditures and \$3.3 million is for Non-personnel Expenditures, and Debt Service Expenditures of \$25 million.

The following chart shows the composition of expenditures for the proposed FY 2024/25 budget.



CAPITAL PROJECT EXPENDITURES..... \$228,301,838

Capital project expenditures in FY 2024/25 are budgeted to increase from the FY 2023/24 amended budget by an estimated 6.3%, or \$13.6 million, which is primarily due to anticipated higher capital expenditures for the CMA Programs. Expenditures by Program Fund are detailed below.

Sales Tax Program Expenditures:..... \$135,265,000

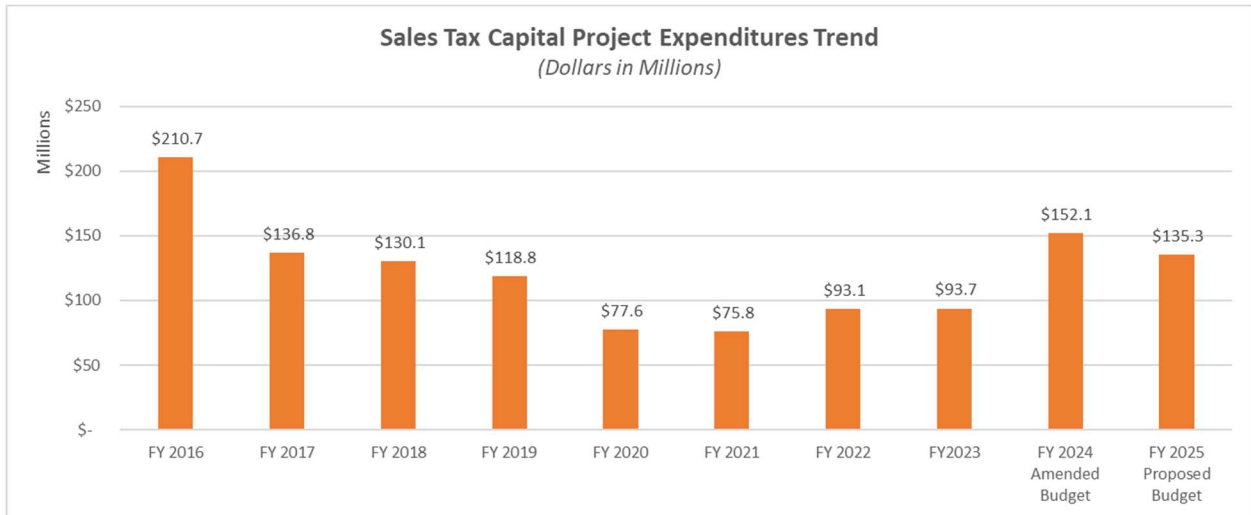
The estimate of sales tax capital expenditures reflects the ongoing coordination with project sponsors to maintain up-to-date project reimbursement schedules for the existing Prop K grants (which carryforward into Prop L) with large remaining balances as well as the expected timing for reimbursements and new allocations of Prop L funds. The primary drivers of Sales Tax capital expenditures for FY 2024/25 are SFMTA’s Muni maintenance, rehabilitation and replacement projects, which include various projects such as Motor Coach procurement and facilities projects like Modernization of Potrero and Presidio Yards (\$20 million), and Light Rail

Attachment 6

Line Item Descriptions

Vehicle (LRV) procurement (\$12 million); SFMTA’s Paratransit operations(\$12.7 million), BART’s Next Generation Fare Gates (\$9.3 million), various Caltrain state of good repair initiatives (\$9.2 million), The Portal (Downtown Rail Extension) (\$7.9 million with another \$10 million potentially to be allocated in FY 2024/25), SF Public Works' Pavement Renovation projects (\$7.5 million), SFMTA’s L-Taraval Transit Enhancements (\$6.3 million), and Better Market Street (\$4 million).

This chart reflects the eight-year historical and two-year budgeted sales tax program capital expenditures.



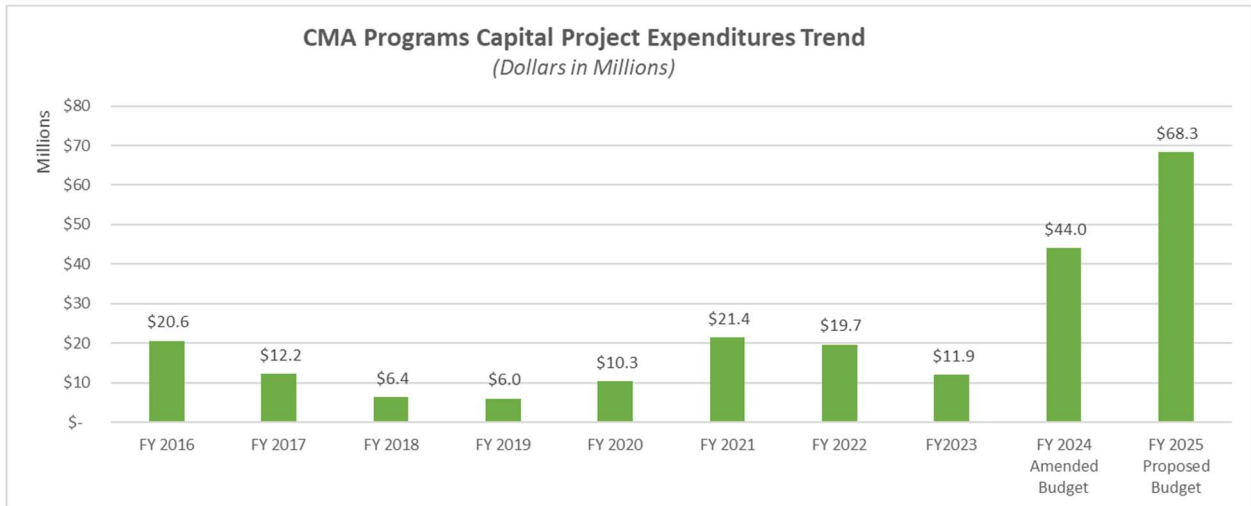
Attachment 6
Line Item Descriptions

CMA Programs Expenditures:..... \$68,260,379

This line item includes construction activities and technical consulting services such as planning, programming, engineering, design, environmental, or programming services, which are needed in order to fulfill our CMA responsibilities under state law. Included are various projects such as YBI Hillcrest Road Improvement Project, YBI Multi-Use Path Project, and I-280/Ocean Avenue South Bound Off-ramp Realignment Project. Also included is the YBI West Side Bridges and Torpedo Building Rehabilitation work and Pier E-2 work of the YBI Southgate Road Realignment Project.

Expenditures in FY 2024/25 are budgeted to increase by 55.2%, or \$24.3 million, as compared to FY 2023/24 amended budget. This increase is primarily due to increased construction activities for the YBI Hillcrest Road Improvement Project of \$12.2 million in capital expenditures. In addition, this line item budget includes increased construction activities of \$6.7 million for the Torpedo Building preservation work and Pier E-2 parking lot reconstruction work of the YBI Southgate Road Realignment Project, increased construction activities of \$3.3 million for the YBI West Side Bridges Project, and increased design work of \$1.9 million for the YBI Multi-Use Path Project.

This chart reflects the eight-year historical and two-year budgeted CMA programs capital project expenditures.



Attachment 6

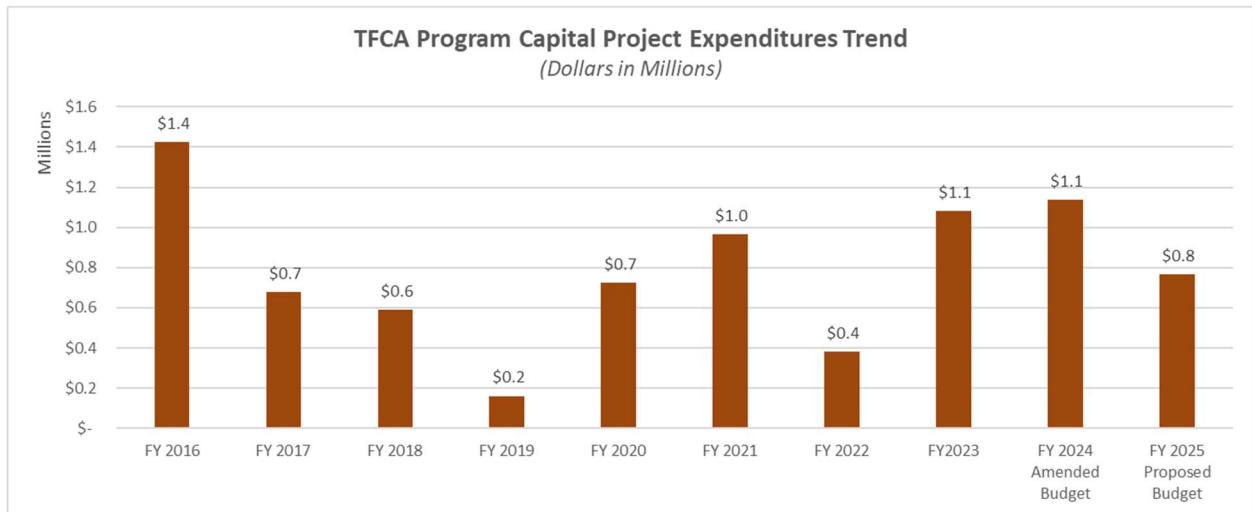
Line Item Descriptions

TFCA Program Expenditures:..... \$764,583

This line item covers projects to be delivered with TFCA funds, a regional program administered by the Bay Area Air Quality Management District, with the Transportation Authority serving as the County Program Manager for San Francisco. These monies must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. The TFCA capital expenditures program includes new FY 2024/25 projects, anticipated to be approved by the Board in July 2024, carryover prior year projects with multi-year schedules and FY 2023/24 projects that are taking longer to complete than originally anticipated.

This year’s budget of \$764,583 is lower than the FY 2023/24 amended budget by 32.7% or \$371,828, due to projects that are expected to complete significant amounts of work in FY 2023/24, such as SFMTA’s Short-Term Bike Parking and EVgo’s Mixed Use Building Fast Charging.

This chart reflects the eight-year historical and two-year budgeted TFCA capital project expenditures.



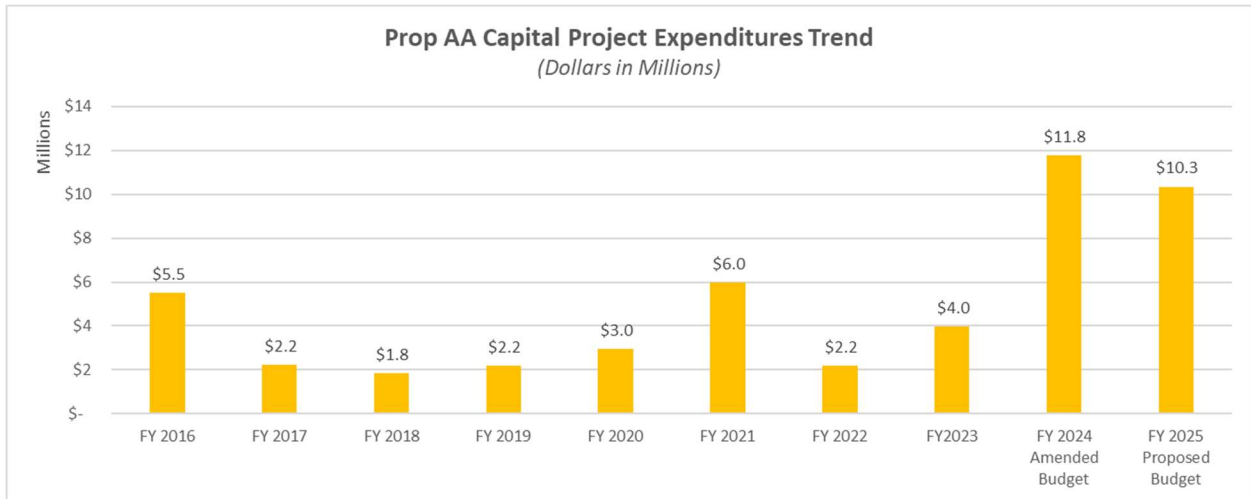
Attachment 6
Line Item Descriptions

Vehicle Registration Fee for Transportation Improvements Program (Prop AA)
Expenditures:\$10,341,345

This line item includes projects that will be delivered under the voter-approved Prop AA Expenditure Plan. Consistent with the Prop AA Expenditure Plan, the revenues will be used for design and construction of local road repairs, pedestrian safety improvements, transit reliability improvements, and travel demand management projects. The Prop AA capital expenditures include FY 2024/25 projects programmed in the Prop AA Strategic Plan, carryover prior year projects with multi-year schedules, and other projects that will not be completed as anticipated by the end of FY 2023/24. The largest capital project expenditures include SFMTA’s 29 Sunset Improvement Project (Phase 1), and San Francisco Public Works’ 23rd Street, Dolores Street, York Street, and Hampshire Street Pavement Renovation, Mission and Geneva Pavement Reconstruction, and Hunters Point, Central Waterfront and Potrero Hill Area Streets Pavement Renovation.

For FY 2024/25, we expect expenditures to decrease by 12.1%, or \$1.4 million, as compared to the FY 2023/24 amended budget of \$11.8 million. This decrease is expected as some large projects, such as SFMTA’s L-Taraval and SFPW’s Richmond paving projects, have progressed past their most active periods.

This chart reflects the eight-year historical and two-year budgeted Prop AA capital project expenditures.



Attachment 6

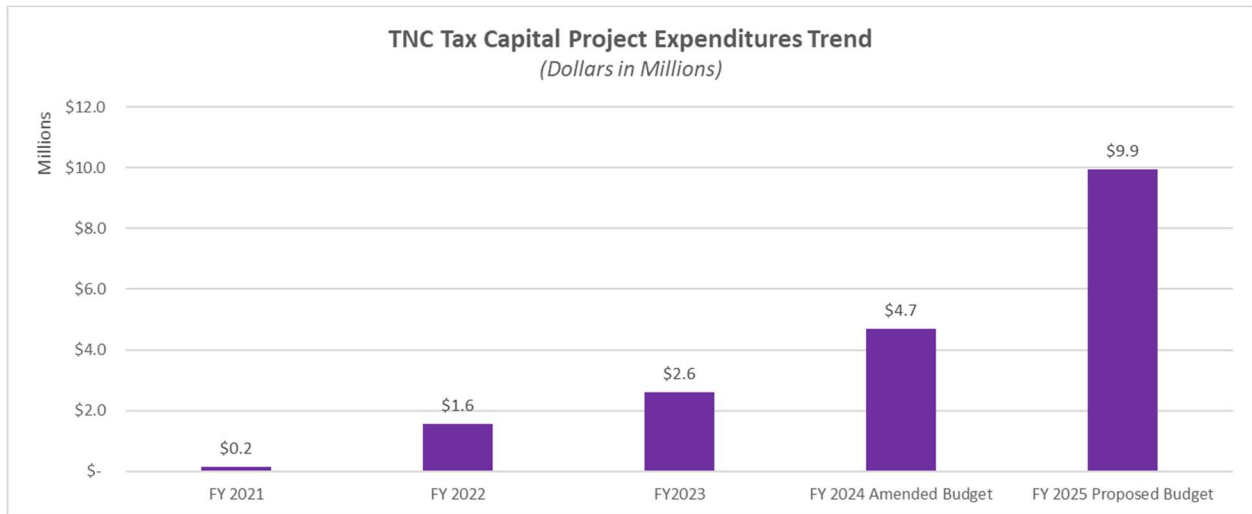
Line Item Descriptions

Traffic Congestion Mitigation Tax Program (TNC Tax) Expenditures:..... \$9,934,957

On April 26, 2023, the Board adopted the TNC Tax Program Guidelines and the programming of \$21.3 million in TNC Tax revenues in FY 2022/23 and FY 2023/24 to the SFMTA’s Vision Zero Quick-Build Program and the Application-Based Residential Traffic Calming Program.

Capital Project Costs for the TNC Tax Program in FY 2024/25 are expected to increase by 112.2%, or \$5.3 million, which is based on recent allocations for SFMTA’s Vision Zero Quick-Build Program and Residential Traffic Calming Program, as well as anticipated allocations to both programs, and their associated project schedules.

This chart reflects the three-year historical and two-year budgeted TNC Tax capital project expenditures.



TIMMA Program Expenditures:.....\$3,735,574

The TIMMA FY 2024/25 expenditures will be presented as a separate item to the TIMMA Committee and Board at the upcoming June meetings.

ADMINISTRATIVE OPERATING EXPENDITURES..... \$13,567,646

Administrative operating expenditures in FY 2024/25 are budgeted to decrease from the FY 2023/24 amended budget by \$2,210. Operating expenditures include personnel, administrative, Commissioner-related, and equipment, furniture, and fixtures expenditures.

Personnel:..... \$10,231,638

Personnel costs are budgeted at a higher level by 4.9% as compared to the FY 2023/24 amended budget, reflecting a budget of 42 full-time equivalents. This increase is primarily due to the budgeting of various positions for a partial year that resulted from unexpected staff departures (Director of Communications, Assistant Deputy Director for Capital Projects

Attachment 6

Line Item Descriptions

(now reclassified as Highway Program Manager), Clerk of the Transportation Authority, and a Transportation Planner) and the delayed hiring of vacancies (Rail Program Principal Engineer, a Principal Transportation Planner, and two Transportation Planners) during the FY 2023/24 that are now budgeted at full-time in FY 2024/25, with the exception of the Highway Program Manager. The increase in fringe benefits reflects the proportional increase in salaries as mentioned above. Personnel costs budgeted under the Treasure Island Mobility Management Agency (TIMMA) program will be reflected in the Transportation Authority budget, as relevant, after it is presented to the TIMMA Committee. Capacity for merit increases is also included in the pay-for-performance and salary categories; however, there is no assurance of any annual pay increase. Employees are not entitled to cost of living increases. All salary adjustments are determined by the Executive Director based on merit only.

Non-Personnel:..... \$3,336,008

This line item includes typical operating expenditures for office rent, telecommunications, postage, materials and office supplies, printing and reproduction equipment and services, and other administrative support requirements for all of our activities, along with all administrative support contracts, whether for City-supplied services, such as the City Attorney legal services and the Department of Technology cablecast services, or for competitively procured services (such as auditing, legislative advocacy, outside computer system support, etc.). Also included are funds for ongoing maintenance and operation of office equipment, computer hardware, licensing requirements for computer software, an allowance for replacement furniture and fixtures, Commissioner meeting fees, and compensation for Commissioners' direct furniture, equipment and materials expenditures related to Transportation Authority activity.

Non-personnel expenditures in FY 2024/25 are budgeted to decrease from the FY 2023/24 amended budget by an estimated 12.6%, or \$480,265. This is mainly due to the completion of the migration of the new enterprise resource planning system (business management and accounting software) and a decrease in legal costs.

DEBT SERVICE COSTS..... \$24,983,500

The Transportation Authority has a \$125 million Revolving Credit Loan Agreement with U.S. Bank National Association and the full balance is currently available to draw upon for Sales Tax capital project costs. This line item assumes fees and interests related to the expected full drawdown from the Revolving Credit Loan Agreement noted in the Other Financing Sources/Uses section, anticipated bond principal payment of \$15.1 million and interest payments of \$9.6 million related to our 2017 Sales Tax Revenue Bonds and anticipated drawdowns from the Revolving Credit Loan Agreement, and other costs associated with our debt program. Since our current Revolving Credit Loan Agreement expires in October 2024, the line item also includes costs associated with entering into a new short-term borrowing

Attachment 6

Line Item Descriptions

facility. Debt service expenditures in FY 2024/25 are budgeted to increase from the FY 2023/24 amended budget by an estimated 14.5% or \$3.2 million.

OTHER FINANCING SOURCES/USES..... \$65,000,000

The Other Financing Sources/Uses section of the Line Item Detail for the FY 2024/25 budget includes anticipated drawdowns from the Revolving Credit Loan Agreement. We had budgeted for a \$60 million drawdown from the Revolving Credit Loan Agreement in our FY 2023/24 amended budget. The estimated level of sales tax capital expenditures for FY 2024/25 may trigger the need to drawdown up to an additional \$65 million from the Revolving Credit Loan Agreement. We will continue to monitor capital spending closely during the upcoming year through a combination of cash flow needs for allocation reimbursements, progress reports and conversations with project sponsors, particularly our largest grant recipient, the SFMTA.

This line item also includes inter-fund transfers of \$7.5 million among the sales tax, CMA, and TIMMA funds. These transfers represent Sales Tax appropriations to projects such as the YBI Hillcrest Road Improvement Project, I-280 Ocean Avenue Southbound Off-Ramp Realignment, Bayview Caltrain Station Location Study, Inner Sunset Safety and Circulation Study, and Travel Demand Management Market Analysis projects.

BUDGETARY FUND BALANCE FOR CONTINGENCIES..... \$12,203,468

Our Fiscal Policy directs that we shall allocate not less than 5% and up to 15% of estimated annual sales tax revenues as a hedge against an emergency occurring during the budgeted fiscal year. In the current economic climate, a budgeted fund balance of \$10.8 million, or 10% of annual projected sales tax revenues, is set aside as a program and operating contingency reserve. We have also set aside \$68,118 or about 10% as a program and operating contingency reserve respectively for the TFCA Program; \$454,551 or about 10% as a program and operating contingency reserve respectively for the Prop AA Program; and \$850,000 or about 10% as a program and operating contingency reserve respectively for the TNC Tax Program.



RESOLUTION ADOPTING THE PROPOSED FISCAL YEAR 2024/25 BUDGET AND
WORK PROGRAM

WHEREAS, Pursuant to State statutes (California Public Utilities Code, Sections 131000 et seq.), the Transportation Authority must adopt an annual budget by June 30 of each year; and as called for in the Fiscal Policy (Resolution 23-46) and Administrative Code (Ordinance 23-01), the Board shall set the overall budget parameters for administrative and capital expenditures, and the spending limits on certain line items, and adopt the budget prior to June 30 of each year; and

WHEREAS, The proposed Fiscal Year (FY) 2024/25 Work Program described in Attachment 1 includes activities in four major functional areas: 1) Plan, 2) Fund, 3) Deliver, and 4) Transparency and Accountability; and

WHEREAS, These categories of activities are organized to efficiently address the Transportation Authority's designated mandates, including administering the Sales Tax program, functioning as the Congestion Management Agency (CMA) for San Francisco, acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program, administering the \$10 Prop AA vehicle registration fee; administering the Prop D Traffic Congestion Mitigation Tax program (TNC Tax); and operating as the Treasure Island Mobility Management Agency (TIMMA) TIMMA for San Francisco; and

WHEREAS, Attachment 2 displays the proposed budget in a format described in the Transportation Authority's Fiscal Policy; and

WHEREAS, Total revenues are projected to be \$193.3 million and sales tax revenues, net of interest earnings, are projected to be \$108.3 million, or 56%, of FY 2024/25 revenues; and

WHEREAS, Total expenditures are projected to be about \$266.9 million, and of this amount, capital project costs are \$228.3 million, or 85.5%, of total projected



expenditures, with 5.1% of expenditures budgeted for administrative operating costs, and 9.4% for debt service and interest costs; and

WHEREAS, The division of revenues and expenditures into the Sales Tax program, CMA program, TFCA program, Prop AA program, TNC Tax program, and TIMMA program on Attachment 2 reflects the six distinct Transportation Authority responsibilities and mandates; and

WHEREAS, At its May 22, 2024, meeting, the Community Advisory Committee was briefed on the proposed FY 2024/25 Budget and Work Program and unanimously adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby adopts the proposed FY 2024/25 Budget and Work Program.

Attachments:

1. Proposed Work Program for FY 2024/25
2. Proposed Budget for FY 2024/25

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Memorandum

AGENDA ITEM 10

DATE: May 23, 2024
TO: Transportation Authority Board
FROM: Cynthia Fong - Deputy Director for Finance and Administration
SUBJECT: 06/11/24 Board Meeting: Approve Revised Administrative Code, Debt and Fiscal Policies; and Ratify the Investment Policy

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Approve revised Administrative Code, Debt and Fiscal policies and ratify the Investment Policy</p> <p>SUMMARY</p> <p>It is the Transportation Authority Board’s direction to review all policies periodically to ensure compliance with current statutes and Transportation Authority objectives. We are recommending revisions to the Administrative Code and the Debt and Fiscal policies to conform to applicable law, provide additional clarity and flexibility, and reflect administrative changes since the last update. As there have been no changes to applicable law or Transportation Authority objectives that affect the Investment Policy, we are recommending this policy stand as currently adopted. Recommended revisions are redlined in the proposed code and policies and outlined in the set of matrices in Attachments 1 through 5.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input 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"/> Contract/Agreement <input checked="" type="checkbox"/> Other: Policies
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BACKGROUND

We develop and implement policies and procedures to organize and formalize agency activities, and to ensure compliance with current statutes and our objectives. It is the Transportation Authority Board’s direction to review the Administrative Code and all policies periodically to ensure compliance with current statutes and Transportation Authority objectives. While we are not required to annually review our Administrative Code and Fiscal Policy, it is good management practice to do so on a regular or as-needed basis.



Below is a brief description of the Administrative Code and Debt, Fiscal, and Investment policies that are the subject of this memorandum.

Administrative Code: Prescribe powers and duties of officers, the method and appointment of employees, and the policies and systems of agency operation and management.

Debt Policy: Organize and formalize debt issuance-related policies and procedures necessary to carry out the operations of our agency.

Investment Policy: Set out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related procedures.

Fiscal Policy: Guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and our sales tax revenue allocation requirements.

DISCUSSION

We are recommending revisions as redlined in the proposed code and policies and outlined in the set of matrices in Attachments 1 through 5. We are recommending revisions to the Administrative Code and Debt and Fiscal policies to conform to applicable law and provide additional clarity and flexibility since the last update. We are recommending ratification of the Investment Policy (i.e., no changes proposed).

The Board last adopted the Administrative Code in April 2023 through Ordinance 23-01. We are recommending changes as redlined in the proposed Administrative Code in Attachment 2.

The Board last adopted the Debt Policy in April 2023 through Resolution 23-46. At our request, Nixon Peabody LLP and KNN Public Finance, LLC, have reviewed this policy and based on their reviews, we are recommending changes as redlined in the proposed policy in Attachments 3.

The Board last adopted the Fiscal Policy in June 2021 through approval of Resolution 21-57. At our request, Fennemore LLP reviewed this policy and based on their review, we are recommending changes as redlined in the proposed policies in Attachment 4.



FINANCIAL IMPACT

The recommended action would not have an impact on the Fiscal Year (FY) 2023/24 budget amendment or proposed FY 2024/25 budget.

CAC POSITION

The Community Advisory Committee considered this item at its May 22, 2024, meeting and unanimously adopted a motion of support for the staff recommendation.

SUPPLEMENTAL MATERIALS

- Attachment 1 - Summary of Proposed Revisions
- Attachment 2 - Proposed Administrative Code
- Attachment 3 - Proposed Debt Policy
- Attachment 4 - Proposed Fiscal Policy
- Attachment 5 - Current Investment Policy
- Attachment 6 - Ordinance (Administrative Code)
- Attachment 7 - Resolution (Policies)

SECTION	REVISION	REASON	PAGE
<p>SECTION 5. METHODS, PROCEDURES, AND SYSTEMS OF OPERATION AND MANAGEMENT</p> <p>SECTION 5.2. COMMUNITY ADVISORY COMMITTEES</p>	<p>b. Community Advisory Committee - Subcommittees. <u>The Community Advisory Committee Chairperson may propose subcommittees to the Transportation Authority Chair. Before submitting any such proposal to the Transportation Authority Chair, the Community Advisory Committee Chairperson shall consult with the Transportation Authority staff to confirm the purpose, objectives, and term of the subcommittee, and to ensure consistency with the approved Transportation Authority work program and availability of staff resources. All Community Advisory Committee subcommittees are subject to the approval of the Transportation Authority Chair. Each subcommittee shall consist of three members.</u></p>	<p>Provide clarification of procedures in line with Transportation Authority practices.</p>	<p>7</p>

SECTION	REVISION	REASON	PAGE
<p>SECTION III. SCOPE AND DELEGATION OF AUTHORITY</p>	<p>This Debt Policy shall govern, except as otherwise covered by the Transportation Authority's adopted Investment Policy and the Transportation Authority's adopted Fiscal Policy, the issuance and management of all <u>Transportation Authority debt funded through issued in the capital markets, including or through an alternative funding vehicle. The Debt Policy shall also govern</u> the selection and management of related financial and advisory services and products.</p>	<p>Provides clarification and flexibility in sourcing the most cost effective financing solutions.</p>	<p>1</p>
<p>SECTION VIII. FINANCING CRITERIA</p> <p>B. TYPES OF DEBT</p> <p>2. Short-Term Debt</p>	<p>d) Letters or Lines of Credit <u>or Revolving Credit Agreements</u> shall be considered as an alternative to or credit support for other short-term borrowing options. The Transportation Authority presently has a \$125 million revolving credit facility. Amounts can be repaid and reborrowed under the revolving credit facility or another letter or line of credit without further Board action. The average amortization of amounts drawn under the revolving credit facility, letter or line of credit may not exceed 120% of the weighted average useful life of the project being financed or refinanced if the borrowing is intended to be federally tax-exempt and the borrowing must be fully repaid by the earlier of the following: (a) the sunset date of the current Expenditure Plan and (b) forty (40) years from the date of issuance. The repayment of loans under a revolving credit facility or other letter or line of credit is often facilitated by the issuance of long-term bonds or the repaying of principal from cash on hand. If proceeds of long-term bonds are used to repay loans under the revolving credit facility or other letter or line of credit, the amortization and the repayment of the long-term bonds must satisfy the limits set forth above.</p>	<p>Provides clarification and flexibility in sourcing the most cost effective financing solutions.</p>	<p>7</p>
<p>SECTION IX. TERMS AND CONDITIONS OF BONDS</p>	<p>The Transportation Authority shall establish all terms and conditions relating to the issuance of bonds <u>and other forms of borrowing</u>, and will control, manage, and invest all bond proceeds. Unless otherwise authorized by the Transportation Authority, the following shall serve as bond requirements:</p>	<p>Provides clarification and flexibility in sourcing the most cost effective financing solutions.</p>	<p>8</p>

SECTION	REVISION	REASON	PAGE
<p>SECTION IX. TERMS AND CONDITIONS OF BONDS</p> <p>D. ADDITIONAL BONDS TEST</p>	<p>D.—ADDITIONAL BONDS TEST</p> <p>Any new money senior lien sales tax debt issuance must not result in the sales tax revenues collected in a 12 month period specified by the Transportation Authority within the most recent 18 months immediately preceding the issuance of the senior lien sales tax debt to be less than one and three quarters times (1.75x) the maximum annual projected debt service for the aggregate outstanding Senior Lien bonds including the debt service for the new issuance, calculated in accordance with the Indenture. This test shall not apply to refunding debt. The Transportation Authority may by Supplemental Indenture issue or incur Parity Debt and Subordinate Obligations, subject to the limitations set forth in the Indenture, the Act, the Ordinance, and other applicable law.</p>	<p>Based on advisement from legal counsel and financial advisor, the Additional Bonds Test provision is removed as it is a legal requirement in the indenture and should not be a policy consideration.</p>	<p>9</p>
<p>SECTION IX. TERMS AND CONDITIONS OF BONDS</p> <p>E. CALL PROVISIONS</p>	<p>E. CALL PROVISIONS.</p> <p>In general, the Transportation Authority’s securities will include a call feature, based on market conventions, which is typically at par no later than ten and one-half (10.5) years from the date of delivery of tax-exempt bonds. In 2018<u>2017</u>, tax law was amended such that tax-exempt bonds can only be refunded on a tax-exempt basis <u>only if the refunding bonds are issued no more than</u> 90 days before the call date and cannot be advance-refunded with tax-exempt bond proceeds. The Transportation Authority may determine that a shorter call or premium feature is appropriate based on market dynamics and/or the desire for increased future optionality.</p>	<p>Correction provided by legal counsel.</p>	<p>9</p>

SECTION	REVISION	REASON	PAGE
<p>SECTION XII. MARKET RELATIONSHIPS</p> <p>A. RATING AGENCIES</p>	<p>A. RATING AGENCIES.</p> <p>The Executive Director shall be responsible for maintaining the Transportation Authority's relationships with Moody's Investors Service, Standard & Poor's, nationally recognized rating agencies. The Transportation Authority's debt is rated by S&P Global Ratings and Fitch Ratings. The Depending on the particulars of a transaction, the Transportation Authority may, from time to time, choose to deal with only one or two of these agencies as circumstances dictate. In addition to general communication, the Executive Director shall: (1) meet with credit analysts prior to each sale (competitive or negotiated) to the extent it is advantageous to do so, and (2) prior to each competitive or negotiated sale, offer, conference calls or meetings with agency analysts in connection with the planned sale: choose to seek ratings from one or more rating agencies with a preference toward maintaining its relationship with its existing rating providers.</p>	<p>Provides clarification as certain agencies no longer provide analytical coverage of municipal agencies.</p>	<p>14</p>

SECTION	REVISION	REASON	PAGE
SECTION I. INTRODUCTION	The Fiscal Policy is designed to guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements of the San Francisco County Transportation Authority (Transportation Authority). It is intended to be consistent with the Transportation Authority’s adopted Administrative Code, the current Proposition K <u>L</u> Sales Tax Expenditure Plan (Expenditure Plan), federal and state regulations, and general prudent accounting and financial management practices.	Update to recognize the adoption of new Prop L measure.	1
SECTION III. ANNUAL BUDGET PROCESS	Preparation and Review of a Draft Budget The Executive Director is charged with responsibility for the preparation of a draft budget for each fiscal year. The draft budget will consist of line items for Revenues, including investment income, Administrative Operating Expenses, Debt Service Expenses as applicable, Program and Operating Reserve, and a single line item for each of the Transportation Authority’s capital expenditure programming roles as Proposition L <u>K</u> Sales Tax (Prop L <u>K</u>) Administrator; San Francisco Congestion Management Agency (CMA); San Francisco Program Manager for the Transportation Fund for Clear Air (TFCA); and Proposition AA Vehicle Registration Fee (Prop AA) Administrator; <u>and Traffic Congestion Mitigation Tax (TNC Tax) Administrator</u> . Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items. The draft budget may also include other functional categories as deemed appropriate.	Update to recognize the adoption of new Prop L measure. Update list of major funding programs.	1
SECTION IV. BUDGET REQUIREMENTS	1. Salaries and Benefits The Board shall budget annually for the compensation (salaries and benefits) of the Transportation Authority’s staff. Pursuant to the Transportation Authority’s enabling legislation (Sections 131100 <u>13100</u> et seq. of the California Public Utilities Code), the Transportation Authority will observe the statutory limit of one percent (1%) of the annual net amount of Prop K <u>L</u> revenues for the salaries and benefits of Prop K <u>L</u> program administrative personnel, and will follow applicable statutes for all other staff expenses.	Correction provided by legal counsel. Update to recognize the adoption of new Prop L measure.	2

SECTION	REVISION	REASON	PAGE
SECTION IV. BUDGET REQUIREMENTS	<p>2. Emergency Expenditures</p> <p>The Executive Director is authorized to exceed the overall administrative operating expense line items by up to seventy-five thousand dollars <u>one hundred thousand dollars</u> (\$75,000<u>\$100,000</u>), for the actual cost of emergency expenditures that are made to protect the health, safety, and welfare of the agency or the public, or to repair/restore damaged/destroyed property for the Transportation Authority. The Executive Director shall submit a report to the Board within thirty (30) days of the emergency explaining the necessity of the action, a listing of expenditures, and future recommended actions.</p>	<p>Revision to increase limit for emergency expenditures, consistent with Board adopted Procurement Policy.</p>	<p>3</p>
SECTION IV. BUDGET REQUIREMENTS	<p>C. Capital Expenditures</p> <p>Capital Expenditures shall be listed as a single line item for each of the Transportation Authority's capital expenditure programming roles, which currently are Prop L<u>K</u> Administrator, Proposition AA Administrator, <u>TNC Tax Administrator</u>, and CMA and TFCA local administrator. Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items.</p>	<p>Update to recognize the adoption of new Prop L measure.</p> <p>Update list of major funding programs.</p>	<p>3</p>



Administrative Code

Ordinance 24-~~XX~~48

SECTION 1. TITLE AND AUTHORITY.

This Ordinance is enacted pursuant to the provisions of California Public Utilities Code Section 131265, and may be referred to as the "San Francisco County Transportation Authority Administrative Code." This Ordinance prescribes the powers and duties of the San Francisco County Transportation Authority (Transportation Authority) Board; the method of appointment of employees of the Transportation Authority; and the policies and systems of operation and management of the Transportation Authority.

SECTION 2. DUTIES OF THE TRANSPORTATION AUTHORITY.

The Transportation Authority shall have the power, authority, and duty to do all things necessary and required to accomplish the stated purposes and goals of Division 12.5 of the California Public Utilities Code, also known as the Bay Area County Traffic and Transportation Funding Act, including the following:

- (a) Administer the 2022 Transportation Expenditure Plan, approved by voters as Proposition L and effective on April 1, 2023, which supersedes the New Transportation Expenditure Plan approved by voters as Proposition K and effected on November 4, 2003, as well as the original Transportation Expenditure Plan approved by voters as Proposition B on November 7, 1989, extending the sales tax for another 30-year period.
- (b) Adopt an annual budget by June 30 of each year and fix the compensation of its commissioners and employees. The compensation of commissioners shall be as provided in Section 3.2 herein.
- (c) Cause a post audit of its financial transactions and records at least annually by a certified public accountant.
- (d) Prepare and adopt an annual report by January 31 of each year on the objectives completed for the projects in the Transportation Expenditure Plan.
- (e) Conduct an employee performance evaluation of the Executive Director by December 31 of each year for the Executive Director's work performance of the preceding year.
- (f) Perform other related responsibilities, including but not limited to (i) serving as the county program manager for the Transportation Fund for Clean Air; (ii) serving as the county Congestion Management Agency; (iii) administering Proposition AA projects; and (iv) administering Prop D projects.



SECTION 3. POWERS AND DUTIES OF THE TRANSPORTATION AUTHORITY COMMISSIONERS.

The eleven members of the Board of Supervisors of the City and County of San Francisco shall be the commissioners of the Transportation Authority. They shall be known as "Commissioners" individually, and as the Board of Commissioners, or Board, collectively.

- (a) **Chair.** The Chair shall possess the following powers and duties:
1. To preside at all meetings;
 2. To appoint the membership and the Chair and Vice-Chair of the committees of the Transportation Authority, except for the Community Advisory Committee;
 3. To decide the agenda of Board meetings;
 4. To sign contracts, deeds, and other instruments on behalf of the Transportation Authority; and
 5. To perform such additional duties as may be designated by the Transportation Authority.
- (b) **Vice-Chair.** The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair.

SECTION 3.1. METHOD OF APPOINTMENT OF THE TRANSPORTATION AUTHORITY OFFICERS.

- (a) The Chair shall be elected at the first meeting of the Transportation Authority, and thereafter, after the first complete calendar year, annually, at the first meeting in January. The newly appointed Chair shall immediately preside, following their election at the same meeting.
- (b) The Vice-Chair shall be elected at the first meeting of the Transportation Authority, and thereafter, after the first complete calendar year, annually, at the first meeting in January.
- (c) If the Chair or Vice-Chair resigns or is removed from office, the election for Chair or Vice-Chair to serve the remainder of the term shall be at the next meeting of the Transportation Authority. Except as provided in Section 3.2(a) below, the Chair and Vice Chair shall serve without compensation but shall be entitled to reimbursement as provided in Section 3.2(b) below.



SECTION 3.2. COMPENSATION OF COMMISSIONERS.

- (a) As required by the provisions of California Public Utilities Code Section 131268, Commissioners shall be compensated at the rate of \$100 for each day attending the business of the Transportation Authority, but not to exceed \$400 in any month, for any of the following occurrences that are related to the business of the Transportation Authority:
1. A meeting of the legislative body or committee thereof;
 2. A meeting of an advisory body;
 3. A conference or organized educational activity, including ethics training; or
 4. Any other occurrence, if the Transportation Authority has adopted a written policy in a public meeting specifying that the attendance at such occurrence would constitute the performance of official duties for which Commissioners may receive compensation.
- (b) Commissioners shall receive reimbursement for necessary travel and personal expenses incurred in the performance of their duties when such expenses are authorized in advance and as set forth in the Transportation Authority's adopted Travel, Conference, Training, and Business Expense Reimbursement Policy.

SECTION 4. STAFF TO THE TRANSPORTATION AUTHORITY.

- (a) **Executive Director.** The Board shall appoint the Executive Director, who shall serve at the pleasure of the Board. The Executive Director shall possess the power and duty to administer the business of the Transportation Authority, including the following powers and duties:
1. To supervise and direct preparation of the annual budget for the Transportation Authority;
 2. To formulate and present plans for implementation of the Transportation Expenditure Plan, including establishment of project priorities within the priorities set by the plan, and the means to finance them;
 3. To provide guidance to and to monitor and coordinate the activities of the project sponsors to ensure that the projects are completed;
 4. To submit to the Board each year a complete report of the finances and administrative activities of the Transportation Authority from the preceding year;
 5. To direct the preparation and administration of purchase orders and contracts for goods and services, and to execute contracts for goods, materials, and services,



including support services, where estimated expenditures thereunder do not exceed \$100,000 and to execute any agreements with sponsoring agencies where sufficient funding for such is available in the Transportation Authority's budget;

6. To administer the personnel system of the Transportation Authority, including hiring, controlling, supervising, promoting, transferring, suspending with or without pay, or discharging any employee. To this end, the Executive Director shall prepare and maintain a Personnel Manual, stating the rules of employment of the Transportation Authority and methods of compensation established by the Transportation Authority; and
 7. To provide the day-to-day administration of the Transportation Authority and to perform such other and additional duties as the Transportation Authority Board may prescribe.
- (b) **Chief Deputy Director.** The Executive Director shall appoint a Chief Deputy Director. In the event of the Executive Director's temporary absence, disability, unavailability, or during a vacancy in that position, the Chief Deputy Director shall act as the Executive Director.
- (c) **Additional Staff.** The Executive Director may create additional staff positions subject to the approval of the Board. Duties shall be defined by the Executive Director and shall be contained in a written job description. The Executive Director shall appoint additional staff members to approved positions. All employees are "at-will" employees and serve at the pleasure of the Executive Director.

SECTION 4.1. BENEFITS FOR EMPLOYEES.

The Transportation Authority may contract with the appropriate agencies of the State of California to provide retirement and health benefits for its employees or with any other retirement or health system which it determines is in the best interests of its employees, and in accordance with applicable state and federal laws.

SECTION 4.2. RULES OF EMPLOYMENT.

The Executive Director or their designee shall administer the personnel policies of the Transportation Authority as set forth in the Personnel Manual. The Executive Director shall take all necessary actions to hire, promote, transfer, suspend with or without pay, or discharge any employee in accordance with the procedures in the Personnel Manual.



SECTION 5. METHODS, PROCEDURES, AND SYSTEMS OF OPERATION AND MANAGEMENT.

SECTION 5.1. COMMITTEES OF THE TRANSPORTATION AUTHORITY.

- (a) **Personnel Committee.** The Chair shall appoint a Personnel Committee, which shall be composed of the Chair and Vice-Chair of the Transportation Authority and the City and County of San Francisco's representative to the Metropolitan Transportation Commission (MTC), as appointed by the San Francisco Board of Supervisors. If the MTC representative is also the Chair or Vice-Chair of the Board, the Chair shall be able to appoint a third member to the Personnel Committee. The Chair or their designee shall serve as the Chair of the Personnel Committee. Two members shall constitute a quorum and all official acts of the Personnel Committee shall require the affirmative vote of a majority of the authorized number of members of the committee. Meetings of the Personnel Committee shall be held at the call of the Chair. The responsibilities of this committee shall include the following:
1. To make recommendations on the hiring, firing, and employment status of the Executive Director of the Transportation Authority;
 2. To conduct annual performance evaluations of the Executive Director; and
 3. To make recommendations on the Transportation Authority's policies and actions related to staffing levels, job specifications, compensation ranges, and employment conditions.
- (b) **Additional Committees.** The Board may create, and the Chair shall appoint, the membership of select committees consisting of Commissioners and established consistent with the following criteria:
1. The committee shall have a clear, simple, narrow, single statement of purpose;
 2. The committee will be created for a specified maximum period of time; and
 3. The size of the committee will be either three or five Commissioners, based on the committee purpose.
- (c) **Transportation Authority Committee Procedures.** The Chair shall be eligible to be appointed and to serve on any committee established under this Code as a voting, regular member. If not appointed as a regular member of a committee, the Chair shall serve as a non-voting, ex-officio member, except that the Chair shall serve as a voting member when their presence is necessary in order to constitute a quorum. A majority of the authorized number of members of a committee shall constitute a quorum for the transaction of business and all official acts of the committee shall



require the affirmative vote of the majority of the authorized number of members of the committee. In the case of a tie vote, the Chair, if present but not acting as a voting member, may cast the deciding vote. If the Chair's presence causes a quorum of the members of the full Board to be present, the committee meeting shall be recessed and the meeting convened or reconvened as a special Board meeting.

SECTION 5.2. COMMUNITY ADVISORY COMMITTEES.

(a) **Community Advisory Committee.** The Board shall appoint eleven non-Commission members to a Community Advisory Committee. This committee shall include representatives from various segments of the community, such as public policy organizations, labor, business, seniors, people with disabilities, environmentalists, and neighborhoods, and reflect broad transportation interests. The committee is also intended to reflect the racial and gender diversity of San Francisco residents. Each Commissioner shall nominate one member to the committee. The committee members shall be residents of San Francisco and shall serve for a two-year period. Any member who is absent for four of any twelve regularly scheduled consecutive meetings shall have their membership automatically terminated. Any resulting vacancy shall be filled for a new two-year period. Any member whose membership has been terminated or whose term of office has expired and who wishes to be reappointed shall contact their District Supervisor and shall reappear before the Board to speak on their behalf. This committee shall meet at least quarterly, and all meetings shall be conducted pursuant to the Brown Act and shall be open to the public. The regular meetings of the committee shall be held on the fourth Wednesday of each month at 6:00 p.m. at the Transportation Authority's offices at 1455 Market Street, 22nd Floor, San Francisco, California, barring a state of emergency which would move the location to a virtual meeting platform. The staff of the Transportation Authority will be available to assist the committee. This committee shall provide input to the Transportation Authority in:

1. Defining the mission of the Transportation Authority;
2. Reflecting community values in the development of the mission and program of the Transportation Authority, and channeling that mission and program back to the community;
3. Defining criteria and priorities for implementing the Expenditure Plan programs consistent with the intention of the half-cent sales tax funding purposes; and
4. Monitoring the Transportation Authority's programs and evaluating the sponsoring agencies' productivity and effectiveness.



(b) **Community Advisory Committee - Subcommittees.** The Community Advisory Committee Chairperson may propose subcommittees to the Transportation Authority Chair. Before submitting any such proposal to the Transportation Authority Chair, the Community Advisory Committee Chairperson shall consult with the Transportation Authority staff to confirm the purpose, objectives, and term of the subcommittee, and to ensure consistency with the approved Transportation Authority work program and availability of staff resources. All Community Advisory Committee subcommittees are subject to the approval of the Transportation Authority Chair. Each subcommittee shall consist of three members.

(b)(c) **Additional Advisory Committees.** The Board may appoint any other advisory committees that it deems necessary.

SECTION 5.3. CONTRACTS.

- (a) Contracts for the purchase of supplies, equipment, and materials in excess of \$100,000 shall be awarded after a formal competitive procurement process in conformance with the Procurement Policy.
- (b) Contracts for the purchase of services in excess of \$100,000 shall be awarded after a formal competitive procurement process in conformance with the Procurement Policy.
- (c) The Executive Director is authorized to contract for supplies, equipment, materials, and services for an amount less than or equal to \$100,000 in conformance with the Procurement Policy. The Executive Director is authorized to amend contracts and agreements within the parameters specified in the Procurement Policy.
- (d) Where advantageous, the Transportation Authority may contract without initiating a competitive procurement process with any public agency, including but not limited to, the California Department of Transportation, the Metropolitan Transportation Commission, or any transit district, county, or city, including the City and County of San Francisco, to render designated services or to provide materials on behalf of the Transportation Authority in conformance with the Procurement Policy.
- (e) All contracts shall reflect the Disadvantaged Business Enterprise/Local Business Enterprise goals, if applicable and as permitted by law, and Equal Benefits provisions adopted by the Transportation Authority.



SECTION 5.4. PROCEDURES FOR IMPLEMENTING THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

Section 5.4.1. Authority and Mandate.

- (a) This Section 5.4 is adopted pursuant to the California Environmental Quality Act, Public Resources Code Sections 21000 and following, as amended; and pursuant to the Guidelines for Implementation of the California Environmental Quality Act, as amended, appearing as Title 14, Division 6, Chapter 3 of the California Code of Regulations (hereinafter referred to collectively as "CEQA").
- (b) Any amendments to CEQA adopted subsequent to the effective date shall not invalidate any provision of this Section 5.4. Any amendments to CEQA that may be inconsistent with this Section 5.4 shall govern until such time as the relevant provision is amended to remove such inconsistency.
- (c) This Section 5.4 shall govern in relation to all other ordinances of the Transportation Authority and rules and regulations pursuant thereto. In the event of any inconsistency, the provisions of this Section 5.4 shall prevail.

Section 5.4.2. Incorporation by Reference.

The provisions of CEQA are not repeated here, but are expressly incorporated herein by reference as though fully set forth.

Section 5.4.3. Responsibility.

The administrative actions required by CEQA with respect to the preparation of environmental documents, giving of notice and completing other activities shall be performed by staff of the Transportation Authority or by consultants under the direction of the Transportation Authority. These activities may include, but are not limited to:

- (a) Preparing any necessary forms, checklists, and processing guidelines to implement CEQA in accordance with this Section 5.4;
- (b) Determining excluded and exempt activities which are not subject to CEQA;
- (c) Determining when a negative declaration or environmental impact report (EIR) is required when acting as a lead agency or as is otherwise required by CEQA;



- (d) Ensuring that agencies and other interested parties are consulted and have an opportunity to comment during the CEQA process when acting as a lead agency or as is otherwise required by CEQA;
- (e) Preparing environmental documents and notices when acting as a lead agency or as is otherwise required by CEQA;
- (f) Consulting, providing comments, and attending hearings as necessary on behalf of the Transportation Authority when it acts as a responsible agency under CEQA; and
- (g) Ensuring coordination with federal lead and responsible agencies when project review is required under both CEQA and the National Environmental Policy Act ("NEPA").

Section 5.4.4. List of Non-Physical and Ministerial Projects.

The Transportation Authority shall maintain a list of types of ministerial projects excluded from CEQA. Such lists shall be modified over time as the status of types of projects may change under applicable laws, ordinances, rules, and regulations. The list shall not be considered totally inclusive, and may at times require refinement or interpretation on a case-by-case basis. The list of ministerial projects and modifications thereto shall be kept posted in the offices of the Transportation Authority, with updated copies shall be sent to the Board.

Section 5.4.5. Categorical Exemptions.

The Transportation Authority shall maintain a list of types of projects that are categorically exempt from CEQA. This list shall be kept posted in the offices of the Transportation Authority, with updated copies sent to the Board. The list shall be kept up to date in accordance with any changes in CEQA.

Section 5.4.6. Initial Evaluation of Projects

- (a) For projects that are not statutorily excluded or categorically exempt from CEQA, an initial study shall be prepared to establish whether a negative declaration or an EIR is required prior to the decision as to whether to carry out or approve the project. If it is clear at the outset that an EIR is required, however, such determination may be made immediately, and no initial study shall be required.
- (b) Each initial study shall meet the requirements of CEQA with respect to contents and consultation with Responsible and Trustee Agencies. During preparation of



the initial study, the Transportation Authority may consult with any person having knowledge or interest concerning the project.

- (c) If a project is subject to both CEQA and NEPA, an initial evaluation prepared pursuant to NEPA may be used to satisfy the requirements of this section.
- (d) Based on the analysis and conclusions in the initial study, the Transportation Authority shall determine, based on the requirements of CEQA, whether there is substantial evidence that any aspect of the project may cause a significant effect on the environment, and whether a negative declaration or EIR shall be prepared.

Section 5.4.7. Negative Declarations or Mitigated Negative Declarations.

- (a) When a negative declaration is required, it shall be prepared by or at the direction of the Transportation Authority. All CEQA requirements governing contents, notice, and recirculation shall be met.
- (b) The Board shall review and consider the information contained in the final negative declaration, together with any comments received during the public review process, and, upon making the findings as provided in CEQA, shall adopt the negative declaration, prior to approving the project. If the Board adopts a mitigated negative declaration, it shall also adopt a program for reporting on or monitoring the mitigation measures for the project that it has either required or made a condition of approval to mitigate or avoid significant environmental effects.

Section 5.4.8. Draft Environmental Impact Reports.

- (a) If it is determined that a project may have a significant effect on the environment and that an EIR is required, the Transportation Authority shall prepare a Notice of Preparation and shall meet all requirements for notice and circulation as required by CEQA.
- (b) The EIR shall be prepared by or under the direction of the Transportation Authority. The EIR shall first be prepared as a draft report. During preparation of the draft EIR, the Transportation Authority may consult with any person having knowledge or interest concerning the project and shall meet all CEQA consultation requirements.
- (c) When the draft EIR has been prepared, the Transportation Authority shall file a Notice of Completion and shall provide public notice of the draft EIR, as required by CEQA. The comment period on draft EIRs shall meet the requirements of



CEQA. The draft EIR shall be available to the general public upon filing of the Notice of Completion.

- (d) Public participation, both formal and informal, shall be encouraged at all stages of review, and written comments shall be accepted at any time up to the conclusion of the public comment period. The Transportation Authority may give public notice at any formal stage of the review process, beyond the notices required by CEQA, in any manner it may deem appropriate, and may maintain a public log as to the status of all projects under formal review. Members of the general public shall be encouraged to submit their comments in writing as early as possible.

Section 5.4.9. Final Environmental Impact Reports.

- (a) A final EIR shall be prepared in accordance with CEQA by, or at the direction of, the Transportation Authority, based upon the draft EIR, the consultations and comments received during the review process, and additional information that may become available.
- (b) In the judgment of the Board, if the final EIR is adequate, accurate and objective, and reflects the independent judgment and analysis of the Board, the Board shall certify its completion in compliance with CEQA. The certification of completion shall contain a finding as to whether the project as proposed will, or will not, have a significant effect on the environment.

Section 5.4.10. Actions on Projects.

- (a) Before making its decision whether to carry out or approve the project, the Board shall review and consider the information contained in the environmental document and shall make findings as required by CEQA.
- (b) After the Board has decided to carry out or approve a project, the Transportation Authority shall file a notice of determination with the county clerk of the county or counties in which the project is to be located and as required by CEQA. Such notice shall contain the information required by CEQA. If required by CEQA, the notice of determination shall also be filed with the California Governor's Office of Planning and Research.

Section 5.4.11. Additional Environmental Review.

If the Transportation Authority or the Board determine that additional environmental review is required by CEQA, or if modifications to a project require additional



environmental review, such review will be conducted as provided by CEQA and in accordance with the applicable procedures set forth in this Section 5.4.

Section 5.4.12. Evaluation of Modified Projects.

- (a) After evaluation of a proposed project has been completed, a substantial modification of the project may require reevaluation of the proposed project.
- (b) Where such a modification occurs as to a project that has been determined to be excluded or categorically exempt, a new determination shall be made. If the project is again determined to be excluded or categorically exempt, no further evaluation shall be required. If the project is determined not to be excluded or categorically exempt, an initial study shall be conducted as provided in Section 5.4.6.
- (c) Where such a modification occurs as to a project for which a negative declaration has been adopted or a final EIR has been certified, the Transportation Authority shall reevaluate the proposed project in relation to such modification. If, on the basis of such reevaluation, the Transportation Authority determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons supporting the determination shall be noted in writing in the case record, and no further evaluation shall be required. If the Transportation Authority determines that additional environmental review is necessary, a new evaluation shall be completed prior to the decision by the Board as to whether to carry out or approve the project as modified. CEQA sets forth specific requirements for the determination of whether a supplemental or subsequent EIR is necessary, as well as the applicable process.

Section 5.4.13. Multiple Actions on Projects.

- (a) The concept of a project is broadly defined by CEQA so that multiple actions of the same or of different kinds may often constitute a single project. This concept of a project permits all the ramifications of a public action to be considered together and avoids duplication of review.
- (b) Early and timely evaluation of projects and preparation of EIRs shall be emphasized.
- (c) Only one initial study, negative declaration or EIR shall be required for each project.



- (d) Only one evaluation of a project or preparation of an EIR shall occur in cases in which both the Transportation Authority and one or more other public agencies are to carry out or approve a project. In such cases the evaluation or preparation is performed by the lead agency, which agency is selected by reference to criteria in CEQA.
- (e) CEQA provides that a single initial study, negative declaration or EIR may be employed for more than one project, if all such projects are essentially the same in terms of environmental effects. Furthermore, an initial study, negative declaration or EIR prepared for an earlier project may be applied to a later project, if the circumstances of the projects are essentially the same.
- (f) Reference is made in CEQA to simultaneous consideration of multiple and phased projects, related projects, cumulative effects of projects, projects elsewhere in the region, existing and planned projects.

Section 5.4.14. Severability.

- (a) If any article, section, subsection, paragraph, sentence, clause or phrase of this Section 5.4, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, or other competent agency, such decision shall not affect the validity or effectiveness of the remaining portions. The Board hereby declares that it would have passed each article, section, subsection, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more articles, sections, subsections, paragraphs, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.
- (b) If the application of any provision or provisions of this Section 5.4 to any person, property or circumstances is found to be unconstitutional or invalid or ineffective in whole or in part by any court of competent jurisdiction, or other competent agency, the effect of such decision shall be limited to the person, property or circumstances immediately involved in the controversy, and the application of any such provision to other persons, properties and circumstances shall not be affected.
- (c) These severability provisions shall apply to this Section 5.4 as it now exists and as it may exist in the future, including all modifications thereof and additions and amendments thereto.



SECTION 6. SEAL.

The Transportation Authority may provide for and adopt an official seal. The use of the seal of the Transportation Authority shall be for purposes directly connected with the official business of the Transportation Authority.



IV. OBJECTIVES

The primary objectives, in order of priority, for the Transportation Authority's investment activities are:

1. **Safety.** Safety of the principal is the foremost objective of the investment program. Investments of the Transportation Authority will be undertaken in a manner that seeks to ensure preservation of the principal of the funds under its control.
2. **Liquidity.** The Transportation Authority's investment portfolio will remain sufficiently liquid to enable the Transportation Authority to meet its reasonably anticipated cash flow requirements.
3. **Return on Investment.** The Transportation Authority's investment portfolio will be managed with the objective of attaining a market rate of return throughout budgetary and economic cycles commensurate with the Transportation Authority's investment risk parameters and the cash flow characteristics of the portfolio.

V. INVESTMENTS SUBJECT TO FEDERAL AND STATE LAWS AND EXECUTIVE ORDERS

Investments of the Transportation Authority shall be subject to all applicable federal and state laws and executive orders of the President of the United States and Governor of the State of California.

VI. DELEGATION OF AUTHORITY

Management's responsibility for the investment program is derived from the Transportation Authority Board of Commissioners (Board) and is hereby delegated to the Executive Director acting as Transportation Authority Treasurer. Pursuant to the requirements of the California Government Code, the Board may renew the delegation pursuant to this section each year. No person may engage in an investment transaction except as provided under the limits of this policy. The Transportation Authority may retain the services of an investment advisor to advise it with respect to investment decision-making and to execute investment transactions for the Transportation Authority. The advisor will follow the policy and such other written instructions as are provided by the Executive Director.

VII. SOCIAL RESPONSIBILITY

Investment of funds should be guided by the following socially responsible investment goals when investing in corporate securities and depository institutions. Investments shall be made in compliance with the forgoing socially responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to investments permitted by state law.



1. Investments are encouraged in entities that support community well-being through safe and environmentally sound practices and fair labor practices. Investments are encouraged in entities that support equality of rights regardless of sex, race, age, disability, or sexual orientation. Investments are discouraged in entities that manufacture tobacco products, firearms, or nuclear weapons. In addition, investments are encouraged in entities that offer banking products to serve all members of the local community, and investments are discouraged in entities that finance high-cost check-cashing, deferred deposit (payday lending) businesses and organizations involved in financing, either directly or indirectly, the Dakota Access Pipeline or, as determined by the Transportation Authority, similar pipeline projects. Prior to making investments, the Transportation Authority will verify an entity's support of the socially responsible goals listed above through direct contact or through the use of a third party such as the Investors Responsibility Research Center, or a similar ratings service. The entity will be evaluated at the time of purchase of the securities.
2. Investments are encouraged in entities that promote community economic development. Investments are encouraged in entities that have a demonstrated involvement in the development or rehabilitation of low income affordable housing and have a demonstrated commitment to reducing predatory mortgage lending and increasing the responsible servicing of mortgage loans. Securities investments are encouraged in financial institutions that have a Community Reinvestment Act (CRA) rating of either Satisfactory or Outstanding, as well as financial institutions that are designated as a Community Development Financial Institution (CDFI) by the United States Treasury Department, or otherwise demonstrate commitment to community economic development.

All depository institutions are to be advised of applicable Transportation Authority contracting ordinances, and shall certify their compliance therewith, if required.

VIII. ETHICS AND CONFLICT OF INTEREST

Officers, employees, and agents of the Transportation Authority involved in the investment process will not engage in any personal business activities that could conflict with proper and lawful execution of the investment program, or which could impair their ability to make impartial decisions.

IX. INTERNAL CONTROLS

The Transportation Authority's internal controls ensure compliance with the Investment Policy and with the applicable requirements of the California Government Code. The Deputy Director for Finance and Administration is responsible for developing and managing internal control procedures. The monitoring of ongoing compliance shall be reviewed quarterly.

X. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Executive Director will establish and maintain a list of financial institutions and other financial services providers authorized to provide investment services. In addition, the



Transportation Authority will establish and maintain a list of approved security brokers/dealers, selected on the basis of credit worthiness, which are authorized to provide investment services in the State of California. These include primary dealers or regional dealers that meet the net capital and other requirements under Securities and Exchange Commission Rule 15c3-1. No public deposit will be made except in a qualified public depository as established by state law.

XI. PERMITTED INVESTMENT INSTRUMENTS

California Government Code Section 53601 governs and limits the investments permitted for purchase by the Transportation Authority. Within those investment limitations, the Transportation Authority seeks to further restrict eligible investment to the investments listed below. The portfolio will be diversified by security type and institution, to avoid incurring unreasonable and avoidable concentration risks regarding specific security types or individual financial institutions.

Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase. In the event a security held by the Transportation Authority is subject to a rating change that brings it below the minimum specified rating requirement, the Executive Director will notify the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rating reduction, prognosis for recovery or further rating reductions and the current market price of the security.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that may be invested in this category.
3. Repurchase Agreements not to exceed one year duration. There is no limitation as to the percentage of the portfolio that may be invested in this category. The Repurchase Agreements must be secured by U.S. Treasury securities or Federal Agency securities. All securities underlying repurchase agreements must be delivered to the Transportation Authority's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The market value of securities that underlie a repurchase agreement must be valued at 102 percent or greater of the funds borrowed against those securities and the value will be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments



in repurchase agreements will be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

4. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or any local agency; provided that the obligations are rated in one of the two highest categories by a nationally recognized statistical-rating organization (NRSRO). There is no limitation as to the percentage of the portfolio that may be invested in this category.
5. Registered treasury notes or bonds of any of the other 49 states of the United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states of the United States, in addition to California, provided that the obligations are rated in one of the two highest categories by a NRSRO. There is no limitation as to the percentage of the portfolio that may be invested in this category.
6. Bankers' Acceptances issued by domestic or domestic branches of foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a NRSRO. Such Banker's Acceptances may not exceed 180 days maturity or 40 percent of the Transportation Authority's portfolio. No more than 30 percent of the Transportation Authority's portfolio may be invested in the Banker's Acceptances of any one commercial bank.
7. Commercial paper of "prime" quality rated the highest ranking or of the highest letter or number rating as provided by a NRSRO. The entity that issues the commercial paper will meet all of the criteria in either (1) or (2) as follows: (1) the corporation will be organized and operating within the United States as a general corporation, will have assets in excess of five hundred million dollars (\$500,000,000), and will issue debt, other than commercial paper, if any, that is rated "A" or higher by a NRSRO; or (2) the entity will be organized within the United States as a special purpose corporation, trust, or limited liability company, have program-wide credit enhancements including, but not limited to, over collateralizations, letters of credit, or surety bond; and have commercial paper that is rated "A-1" or higher, or equivalent by a NRSRO. Eligible commercial paper may not exceed 270 days' maturity nor represent more than 10% of the outstanding paper of an issuing corporation, or 25% of the Transportation Authority's portfolio.
8. Medium-term corporate notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes will be rated in a rating category "A" or better by a NRSRO. Medium-term notes may not exceed 30 percent of the Transportation Authority's portfolio.
9. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California. Such time certificates of deposit may not exceed 1 year in maturity or 10 percent of the Transportation Authority's portfolio.



10. To be eligible to receive the Transportation Authority's money, a bank, savings association, federal association, or federally insured industrial loan company must have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code.
11. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank, a savings association, or a federal association, a state or federal credit union or by a state-licensed branch of a foreign bank. Negotiable certificates of deposit may not exceed 30 percent of the Transportation Authority's portfolio.
12. State of California's Local Agency Investment Fund (LAIF). The LAIF portfolio should be reviewed periodically. There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the maximum allowed by LAIF.
13. The California Asset Management Program, as authorized by Section 53601 (p) of the California Government Code. The Program constitutes shares in a California common law trust established pursuant to Section 6509.7 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by subdivisions (a) to (r) of Section 53601 of the Government Code of California, as it may be amended.
14. Insured savings account or money market account. To be eligible to receive local agency deposits, a financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California communities in its most recent evaluation. There is no limitation as to the percentage of the portfolio that may be invested in this category. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The collateralization requirements may be waived for any portion that is insured by the FDIC. The Transportation Authority shall have a signed agreement with any depository accepting Transportation Authority funds per Government Code Section 53649.
15. Placement Service Certificates of Deposit (CDs). Certificates of deposit placed with a private sector entity that assists in the placement of certificates of deposit with eligible financial institutions located in the United States (Government Code Section 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the FDIC. The combined maximum portfolio exposure to Placement Service CDs and Negotiable CDs is limited to 30%. The maximum investment maturity will be restricted to five years.
16. The San Francisco City and County Treasury Pool. There is no limitation as to the percentage of the portfolio that may be invested in this category. Unless otherwise noted, the maximum maturity from the trade settlement date can be no longer than five years. Any loans or investments of Transportation Authority funds invested in the San Francisco City and County Treasury Pool to agencies of the City and County of San Francisco will specifically require the approval of the Board prior to purchase or acceptance.



17. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment pursuant to this subdivision these companies shall meet either of the following criteria:

- Attain the highest ranking or highest letter and numerical rating provided by not less than two NRSROs.
- Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

The purchase price of shares of beneficial interest purchased will not include any commission that these companies may charge and will not exceed 20 percent of the Transportation Authority's portfolio.

XII. INELIGIBLE INVESTMENTS

The Transportation Authority will not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity.

XIII. MAXIMUM MATURITY

Investment maturities will be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Transportation Authority to meet all projected obligations.

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment will be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

XIV. REPORTING REQUIREMENTS

The Executive Director will submit a quarterly list of transactions to the Board. In addition, the Executive Director will submit to the Board an investment reports each quarter, which will include, at a minimum, the following information for each individual investment:

- Type of investment instrument
- Issuer name
- Purchase date



- Maturity date
- Purchase price
- Par value
- Amortized cost
- Current market value and the source of the valuation
- Credit rating
- Overall portfolio yield based on cost
- Sale Date of any investment sold prior to maturity

The quarterly report also will (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the Transportation Authority's funds, investments or programs that are under the management of contracted parties, and (iii) include a statement denoting the ability of the Transportation Authority to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money may, or may, not be available. For all of the Transportation Authority's investments held in the City and County of San Francisco's Treasury Pool the Executive Director will provide the Board with the most recent investment report furnished by the Office of the Treasurer and Tax Collector.

XV. SAFEKEEPING AND CUSTODY

All security transactions entered into by the Transportation Authority will be conducted on a delivery-versus-payment basis. Securities will be held by an independent third-party custodian selected by the Transportation Authority. The securities will be held directly in the name of the Transportation Authority as beneficiary.

XVI. INVESTMENT POLICY REVIEW

The Executive Director will annually render to the Board a statement of investment policy, which the Board will consider at a public meeting. Any changes to the policy will also be considered by the Board at a public meeting.



GLOSSARY

Agencies. Federal agency securities and/or Government-sponsored enterprises.

Asked. The price at which securities are offered.

Bankers' Acceptance (BA). A draft or bill of exchange issued by a bank or trust company that guarantees payment at a later time.

Bid. The price offered by a buyer of securities. (when you are selling securities, you ask for a bid.) See offer.

Broker. A broker brings buyers and sellers together, for which the broker typically receives a commission for a successful sale.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

Collateral. Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Coupon. (a) the annual rate of interest that a bond issuer promises to pay the bondholder on the bond's face value. (b) a certificate attached to a bond evidencing interest due on a payment date.

Dealer. A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Delivery versus Payment. There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives. (1) financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities).

Discount. The difference between the principal amount of a security and its issue price where the issue price is lower than the principal amount.

Discount securities. Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.



Diversification. Dividing investment funds among a variety of securities offering independent returns.

Federal credit agencies. Agencies of the federal government set up to supply credit to various classes of institutions and individuals, e.g., S&Ls, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC). A federal agency that insures bank deposits, currently up to \$250,000 per depositor per insured bank.

Federal reserve system. The central bank of the united states created by congress and consisting of a seven member board of governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Liquidity. A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Market value. The price at which a security is trading and could presumably be purchased or sold.

Maturity. The date upon which the principal or stated value of an investment becomes due and payable.

Money market. The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc. are issued and traded.

Nationally Recognized Statistical-Rating Organization (NRSRO). A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Offer. The price asked by a seller of securities. (when you are buying securities, you ask for an offer.) See asked and bid definitions.

Portfolio. Collection of securities held by an investor.

Primary dealer. A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the federal reserve bank of New York and are subject to its informal oversight. Primary dealers include securities and exchange commission (sec)-registered securities broker-dealers, banks, and a few unregulated firms.

Qualified public depository. A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a



value of not less than its maximum liability and which has been approved by the public deposit protection commission to hold public deposits.

Rate of return. The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

Repurchase Agreement (RP or REPO). A purchase of securities by an agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the agency by book entry, physical delivery, or by third-party custodial agreement.

Securities and Exchange Commission (SEC). Agency created by congress to protect investors in securities transactions by administering securities legislation.

Sec Rule 15c3-1. See uniform net capital rule definition.

Treasury bills. A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury bonds. Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury notes. Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Uniform net capital rule. Securities and exchange commission requirement that, subject to certain exceptions, prohibits member firms as well as nonmember broker-dealers in securities from permitting their respective aggregate indebtedness to exceed 1500 percent of its net capital, also called net capital rule and net capital ratio. Indebtedness covers all money owed, including margin loans and commitments to purchase securities. This is one reason new public issues are spread among members of underwriting syndicates. Net capital includes cash and assets easily converted into cash.

Yield. The rate of annual income returns on an investment, expressed as a percentage. (a) income yield is obtained by dividing the current dollar income by the current market price for the security. (b) net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



Debt Policy

Resolution 24-~~XX~~48

I. INTRODUCTION

The purpose of this Policy is to organize and formalize debt issuance-related policies and procedures for the San Francisco County Transportation Authority (Transportation Authority) and to establish a systematic debt policy (Debt Policy). The Debt Policy is, in every case, subject to and limited by applicable provisions of state and federal law and to prudent debt management principles.

II. DEBT POLICY OBJECTIVE

The primary objectives of the Transportation Authority's debt and financing related activities are to

- Maintain cost-effective access to the capital markets and other financing alternatives through prudent yet flexible policies;
- Moderate debt principal and debt service payments through effective planning and project cash management in coordination with Transportation Authority project sponsors; and
- Achieve the highest practical credit ratings that also allow the Transportation Authority to meet its objectives.

III. SCOPE AND DELEGATION OF AUTHORITY

This Debt Policy shall govern, except as otherwise covered by the Transportation Authority's adopted Investment Policy and the Transportation Authority's adopted Fiscal Policy, the issuance and management of all Transportation Authority debt funded through issued in the capital markets; including or through an alternative funding vehicle. ~~-. The Debt Policy shall also govern~~ the selection and management of related financial and advisory services and products.

This Policy shall be reviewed and updated at least annually and more frequently as required. Any changes to the policy are subject to approval by the Transportation Authority Board of Commissioners (Board) at a legally noticed and conducted public meeting. Overall policy direction of this Debt Policy shall be provided by the Board. Responsibility for implementation of the Debt Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's debt and finance program shall lie with the Executive Director. The Board's adoption of the Annual Budget does not constitute authorization for debt issuance for any capital projects. This Debt Policy requires that the Board specifically authorize each debt financing. Each financing shall be presented to the Board in the context of and consistent with the Annual Budget.

While adherence to this Policy is required in applicable circumstances, the Transportation Authority recognizes that changes in the capital markets, agency programs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy and require modifications or exceptions to achieve the Transportation Authority's policy goals. In these cases, management flexibility is appropriate, provided specific authorization from the Board is obtained.



IV. ETHICS AND CONFLICTS OF INTEREST

Officers, employees, and agents of the Transportation Authority involved in the debt management program will not engage in any personal business activities or investments that would conflict with proper and lawful execution of the debt management program, or which could impair their ability to make impartial decisions.

V. SOURCE OF SECURITY FOR DEBT FINANCING

Beginning in April of 1990, the State of California Board of Equalization (now the California Department of Tax and Fee Administration) started collecting the sales tax revenues for the Transportation Authority as set forth in the San Francisco County Transportation Expenditure Plan (Prop B Expenditure Plan) for a period not to exceed twenty years. In November of 2003, San Francisco voters approved the Proposition K Sales Tax (Prop K) a 30-year Expenditure Plan (Expenditure Plan) that superseded Prop B and continued the one-half of one percent sales tax. In November 2022, San Francisco voters approved the Proposition L Sales Tax (Prop L), a new 30-year Expenditure Plan that supersedes Prop K and continues the one-half of one percent sales tax. The Transportation Authority's current debt obligations are secured by the sales tax revenues generated from the Transportation Authority's one-half cent (0.5%) sales tax collections in the City and County of San Francisco. The sales tax is currently set to expire on March 31, 2053.

VI. STRATEGIC PLAN INTEGRATION

The Transportation Authority's multi-year Strategic Plan, which programs the Expenditure Plan, shall be used in combination with this Debt Policy and the Fiscal Policy to ensure proper allocation and financing of eligible projects. The Strategic Plan sets priorities and strategies for allocating funds under its guiding principles, while the Debt Policy provides policy direction and limitations for proposed financing and the Fiscal Policy provides guidance on decisions pertaining to internal fiscal management. Debt issuance for capital projects shall not be recommended for Board approval unless such issuance has been incorporated into the Strategic Plan.

VII. STANDARDS FOR USE OF DEBT FINANCING

The Transportation Authority's debt management program will promote debt issuance only in those cases where public policy, equity, and economic efficiency favor debt over cash (pay-as-you-go) financing.

A. CREDIT QUALITY.

Credit quality is an important consideration and will be balanced with the Transportation Authority's objectives and the associated size, structure, and frequency of issuances of debt. All Transportation Authority debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest credit ratings possible consistent with the Transportation Authority's debt management objectives, and to maintaining or improving the current credit ratings assigned to the Transportation Authority's outstanding debt by the major credit rating agencies.

B. CAPITAL PROJECTS.

The Transportation Authority will issue long-term debt only to finance and refinance capital projects. When the Transportation Authority finances capital projects by issuing bonds, the



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average principal amortization should not exceed 120% of the weighted average useful life of the project being financed or refinanced if the bonds are intended to be federally tax-exempt and the debt repayment period should not exceed the earlier of the following: (1) the sunset date of the current Expenditure Plan or (2) forty (40) years from the date of issuance. Inherent in its long-term debt policies, the Transportation Authority recognizes that future taxpayers will benefit from the capital investment and that it is appropriate that they pay a share of the asset cost. Long-term debt financing shall not be used to fund operating costs unless such costs qualify as capital expenditures under federal tax law.

C. DEBT FINANCING MECHANISM.

The Transportation Authority will evaluate the use of available financial alternatives including, but not limited to, tax-exempt and taxable debt, long-term debt (both fixed and variable rate), short-term debt; commercial paper, lines of credit, and sales tax revenue and grant anticipation notes; negotiated sale, competitive sale, and private placement and inter-fund borrowing. The Transportation Authority will utilize the most advantageous financing alternative or combination of alternatives, that effectively balances the cost of the financing with the risk of the financing structure to the Transportation Authority.

D. ONGOING DEBT ADMINISTRATION AND INTERNAL CONTROLS.

The Transportation Authority shall maintain all debt-related records for a period of not less than the term of the debt plus three years. At a minimum, this repository will include all official statements, bid documents, ordinances, indentures, trustee reports, continuing disclosure reports, material events notices, tax certificates, information regarding the investment of and project costs paid with bond proceeds, underwriter, and other agreements, etc., for all Transportation Authority debt. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice (transcripts may be in physical or electronic formats). The Transportation Authority developed a standard procedure for archiving transcripts for any new debt. The Transportation Authority developed procedures and controls that will be reviewed periodically. The Transportation Authority has established internal controls to ensure compliance with the Debt Policy, all debt covenants, and any applicable requirements of applicable law.

E. TAX LAW COMPLIANCE, REBATE POLICY, AND SYSTEM.

The use of proceeds of debt issued by the Transportation Authority, the interest on which is intended to be federally tax-exempt, is subject to requirements, restrictions, and limitations in order for the debt to qualify for tax-exemption initially at issuance and to remain tax-exempt on an ongoing basis until such debt is fully repaid. Failure to comply with such requirements, restrictions and limitations could cause such issue of the Transportation Authority's debt to fail to qualify for tax-exemption, retroactive to the date of issuance. The Transportation Authority designates the Executive Director, and their designee, to periodically undertake procedures to confirm compliance with such requirements, restrictions, and limitations. In furtherance thereof, the Executive Director, and their designee, will consult with the Transportation Authority's bond counsel or others as deemed necessary regarding such periodic procedures or in the event that it is discovered that noncompliance has or may have occurred.

In addition, in furtherance of the above, the Transportation Authority will accurately account for all interest earnings in debt-related funds. These records will be designed to ensure that the Transportation Authority is in compliance with all debt covenants, including covenants related to the preservation of the tax-exempt status of debt issued on such basis, and with all applicable laws. The Transportation Authority will maximize the interest earnings on all funds within the investment



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parameters set forth in the respective indentures, consistent with consideration of applicable yield limits and arbitrage requirements and as permitted by the Investment Policy. The Transportation Authority will develop a system for reporting interest earnings that relates to and complies with any tax certificate(s) relating to its outstanding debt and Internal Revenue Code rebate, yield limit, and arbitrage rules, and for making any required filings with State and Federal agencies. The Transportation Authority will retain records as required by its tax certificate(s). The Transportation Authority shall have the authority to retain the services of an Arbitrage Rebate Consultant.

VIII. FINANCING CRITERIA

A. PURPOSE OF DEBT.

When the Transportation Authority determines the use of debt is appropriate, such debt may be new money debt or refunding debt.

1. New Money Debt.

New money debt is debt issued to finance capital projects. Capital projects eligible for financing with debt issued by the Transportation Authority include the acquisition, construction, or major rehabilitation of capital assets. Long-term debt proceeds generally may not be used for operating expenses. Capital project funding requirements are outlined in the annual budget, the Strategic Plan, and the Expenditure Plan.

2. Refunding Debt.

Refunding debt is issued to retire all or a portion of an outstanding bond issue or other debt. Refunding issuances can be used to achieve present-value savings on debt service, to modify interest rate risk, or to restructure the payment schedule, type of debt instrument used, or covenants of existing debt. The Transportation Authority must analyze each refunding issue on a present-value basis to identify economic effects before approval. Policies on the administration of refunding financings are detailed further in Section XI: Refinancing Outstanding Debt.

B. TYPES OF DEBT.

When the Transportation Authority determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

1. Long-Term Debt.

The Transportation Authority may issue long-term debt (e.g., fixed or variable rate revenue bonds) to finance capital projects when such projects cannot be financed with current revenues or funds. The proceeds derived from long-term debt will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that average principal amortization does not exceed 120% of the weighted average useful life of the project being financed or refinanced if the bonds are intended to be federally tax-exempt and the debt repayment period does not exceed the earlier of the following: (a) the sunset date of the current Expenditure Plan and (b) forty (40) years from the date of issuance.

Fixed Rate

- a) **Current Coupon Bonds** are bonds that pay interest periodically and principal at maturity. They may be used for both new money and refunding transactions. Bond features may be selected at the time of sale to accommodate the market conditions at such time. Bond



features that may be selected include the dollar amounts for different principal maturities, discount and premium pricing for each maturity, call provisions, use of bond insurance, funding of the debt service reserve fund, if any, and funding of costs of issuance.

- b) **Zero Coupon and Capital Appreciation Bonds** pay interest that is compounded and paid only when principal matures. These types of bonds typically bear interest at rates that are higher than those on current-coupon bonds, therefore representing a more expensive funding option. In the case of zero-coupon bonds, principal paid at maturity is discounted back to the initial investment amount received at issuance. In the case of capital appreciation bonds (CABs), interest on the bond accretes until maturity. Often, CABs are structured so as not to be callable prior to maturity, even if economic conditions are such that substantial savings could be achieved through refunding the CABs.
- c) **Special Government Obligations (both tax-exempt and taxable)**, such as the Build America Bond program authorized for calendar years 2009 and 2010, or any other type of existing or new municipal security, structure or tax credit authorized by the Federal Government to assist local governments in accessing the capital markets. So long as the program's requirements allow the Transportation Authority to adhere to its Debt Policy, the Transportation Authority will evaluate it along with traditional financing structures in order to determine which is the most appropriate for a particular issuance.
- d) **Transportation Infrastructure Finance Innovation Act (TIFIA) Loan** is a loan provided by the United States Department of Transportation for certain transportation projects of regional importance. The Transportation Authority may elect to apply for a TIFIA loan if it is determined that it is the most cost-effective debt financing option available.

VARIABLE RATE

- a) **Variable Rate Demand Bonds (VRDBs)** are long-term bonds with a fixed principal amortization, but the interest rate resets at certain established periods such as daily, weekly, monthly, or such other period as the Transportation Authority deems advisable, given current market conditions. VRDBs often require credit enhancement and third-party liquidity in the forms of Letters or Lines of Credit and/or bond insurance. VRDBs generally allow bondholders to "put" their bonds back to the Transportation Authority on any rate reset date, given certain notice. The Transportation Authority will need to retain an investment bank to remarket bonds that are "put."
- b) **Indexed Notes** are forms of variable rate debt that do not require Letters or Lines of Credit. These forms of variable rate debt have a fixed spread to a certain identified index such as the Securities Industry and Financial Markets Association. The rate will reset on a weekly, monthly, or other basis.

2. Short-Term Debt.

Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues, where anticipated revenues are defined as an assured revenue source with the anticipated amount based on conservative estimates. In the case of the Transportation Authority's revolving credit facility or any future commercial paper program or replacement revolving credit facility, short-term borrowings may also be utilized for funding of the Transportation Authority's capital projects. The Transportation Authority will determine and utilize the least costly method for short-term borrowing. The Transportation Authority may issue short-term debt when there is a defined repayment source or amortization of principal, subject to the following policies:



- a) **Commercial Paper Notes** may be issued as an alternative to fixed rate debt, particularly when the timing of funding requirements is uncertain. The Transportation Authority may maintain an ongoing commercial paper program to ensure flexibility and immediate access to capital funding when needed.
- b) **Grant Anticipation Notes (GANs)** are short-term notes that are repaid with the proceeds of State or Federal grants of any type. The Transportation Authority shall generally issue GANs only when there is no other viable source of funding for the project.
- c) **Sales Tax and Revenue Anticipation Notes** shall be issued only to meet sales tax revenue cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to Federal tax requirements and limitations for tax-exempt borrowings.
- d) **Letters or Lines of Credit or Revolving Credit Agreements** shall be considered as an alternative to or credit support for other short-term borrowing options. The Transportation Authority presently has a \$125 million revolving credit facility. Amounts can be repaid and reborrowed under the revolving credit facility or another letter or line of credit without further Board action. The average amortization of amounts drawn under the revolving credit facility, letter or line of credit may not exceed 120% of the weighted average useful life of the project being financed or refinanced if the borrowing is intended to be federally tax-exempt and the borrowing must be fully repaid by the earlier of the following: (a) the sunset date of the current Expenditure Plan and (b) forty (40) years from the date of issuance. The repayment of loans under a revolving credit facility or other letter or line of credit is often facilitated by the issuance of long-term bonds or the repaying of principal from cash on hand. If proceeds of long-term bonds are used to repay loans under the revolving credit facility or other letter or line of credit, the amortization and the repayment of the long-term bonds must satisfy the limits set forth above.
- e) **Grant Anticipation Revenue Vehicle Financing (GARVEE)** are bonds issued by the State and enable entities to fund transportation projects that are secured by certain federal grants. The Transportation Authority may consider the issuance of GARVEEs to meet cash flow shortfalls of grant revenues.

3. Variable Rate Debt.

To maintain a predictable debt service burden, the Transportation Authority may give preference to debt that carries a fixed interest rate. An alternative to the use of fixed rate debt is floating or variable rate debt. It may be appropriate to issue short-term or long-term variable rate debt to diversify the Transportation Authority's debt portfolio, reduce interest costs, provide interim funding for capital projects, and improve the match of assets to liabilities. Variable rate debt typically has a lower initial cost of borrowing than fixed rate financing and shorter maturities but carries both interest rate and liquidity risk. Under no circumstances will the Transportation Authority issue variable rate debt solely for the purpose of earning arbitrage. The Transportation Authority, however, may consider variable rate debt in certain instances.

- a) **Variable Rate Debt Capacity.** Except for the existing \$125 million revolving credit facility (to which the following requirements of variable rate debt do not apply) or any replacement facility, the Transportation Authority will maintain a conservative level of outstanding variable rate debt in consideration of general rating agency guidelines recommending a maximum of a 20-30% variable rate exposure, in addition to maintaining adequate safeguards against risk and managing the variable revenue stream both as described below:



- 1) **Adequate Safeguards Against Risk.** Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts. Such structures could include, without limitation, interest rate swaps, interest rate caps and the matching of assets and liabilities.
- 2) **Variable Repayment Amounts.** The amount repaid over time will be variable, and is anticipated to move in the same direction as market-generated variable interest rates. The dedication of revenues allows capacity for variability.
- 3) **As a Component to Synthetic Fixed Rate Debt.** Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt, subject to the provisions of the Debt Policy regarding Financial Derivative Products.

4. Financial Derivative Products.

Financial Derivative Products such as interest rate swaps will be considered appropriate in the issuance or management of debt only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces the risk of fluctuations in expense or revenue, or alternatively where the derivative product will significantly reduce total project cost. Financial Derivative Products shall be considered only: (1) after a thorough evaluation of risks associated therewith, including counterparty credit risk, basis risk, tax risk, termination risk and liquidity risk, (2) after consideration of the potential impact on the Transportation Authority's ability to refinance bonds at a future date and (3) after the Board has adopted separate policy guidelines for the use of interest rate swaps and other Financial Derivative Products. Derivative products will only be utilized with prior approval from the Board.

IX. TERMS AND CONDITIONS OF BONDS

The Transportation Authority shall establish all terms and conditions relating to the issuance of bonds and other forms of borrowing, and will control, manage, and invest all bond proceeds. Unless otherwise authorized by the Transportation Authority, the following shall serve as bond requirements:

A. TERM.

All capital improvements financed through the issuance of debt will be financed for a period such that average principal amortization of the debt does not exceed 120% of the weighted average useful life of the project being financed or refinanced, if the bonds are intended to be federally tax-exempt, and the debt repayment period does not exceed the earlier of the following: (a) the sunset date of the current Expenditure Plan and (b) forty (40) years from the date of issuance.

B. CAPITALIZED INTEREST.

The nature of the Transportation Authority's revenue stream is such that funds are generally continuously available, and the use of capitalized interest should not normally be necessary. However, certain types of financings may require the use of capitalized interest from the issuance date until the project sponsor has constructive use of the financed project. Unless otherwise required, including as may be required by statute with respect to the deposit of original issue premium, the Transportation Authority will avoid the use of capitalized interest so as to not unnecessarily increase the bond issuance size. Interest shall not be funded (capitalized) beyond three (3) years, unless required by statute with respect to the deposit of original issue premium, or a shorter period if further restricted by statute. The Transportation Authority may require that capitalized interest on the initial series of bonds be funded from the proceeds of the bonds. Interest earnings may, at the Transportation Authority's discretion and, if permitted under



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applicable federal tax law, be applied to extend the term of capitalized interest but in no event beyond the authorized term.

C. LIEN LEVELS.

Senior, Parity, and Subordinate Liens have been established under the Transportation Authority's Indenture governing the Transportation Authority's sales tax revenue bonds. The Transportation Authority may utilize any of these lien levels in a manner that will maximize the beneficial use of sales tax revenues securing the series of bonds, given the applicable critical constraint of such funds, such as cost or capacity.

~~D. ADDITIONAL BONDS TEST.~~

~~Any new money senior lien sales tax debt issuance must not result in the sales tax revenues collected in a 12 month period specified by the Transportation Authority within the most recent 18 months immediately preceding the issuance of the senior lien sales tax debt to be less than one and three quarters times (1.75x) the maximum annual projected debt service for the aggregate outstanding Senior Lien bonds including the debt service for the new issuance, calculated in accordance with the Indenture. This test shall not apply to refunding debt. The Transportation Authority may by Supplemental Indenture issue or incur Parity Debt and Subordinate Obligations, subject to the limitations set forth in the Indenture, the Act, the Ordinance, and other applicable law.~~

E.D. DEBT SERVICE STRUCTURE.

Debt issuance shall be planned to achieve relatively rapid repayment of debt while still matching debt service to the useful life of facilities. The Transportation Authority will amortize its debt within each lien level to achieve overall level debt service (although principal may be deferred in the early years of a bond issue to maximize the availability of pay-as-you-go dollars during that time) or may utilize more accelerated repayment schedules after giving consideration to bonding capacity constraints. The Transportation Authority shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to level existing debt service.

E. CALL PROVISIONS.

In general, the Transportation Authority's securities will include a call feature, based on market conventions, which is typically at par no later than ten and one-half (10.5) years from the date of delivery of tax-exempt bonds. In ~~2018~~2017, tax law was amended such that tax-exempt bonds can ~~only~~ be refunded on a tax-exempt basis only if the refunding bonds are issued no more than 90 days before the call date ~~and cannot be advance refunded with tax-exempt bond proceeds~~. The Transportation Authority may determine that a shorter call or premium feature is appropriate based on market dynamics and/or the desire for increased future optionality.

F. ORIGINAL ISSUE DISCOUNT AND ORIGINAL ISSUE PREMIUM.

An original issue discount or original issue premium applicable to a particular maturity of any series of Transportation Authority bonds will be permitted only if the Transportation Authority determines that such discount or premium results in a lower true interest cost on such series of bonds and that the use of an original issue discount or original issue premium will not adversely affect the project identified by the bond documents.

G. DEEP DISCOUNT BONDS.

Deep discount bonds may provide a lower cost of borrowing in certain markets though they may also limit opportunities to refinance at lower rates in the future. The Transportation Authority will



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carefully consider their value and the effect on any future refinancings as a result of the lower-than-market coupon.

H. DERIVATIVE PRODUCTS.

The Transportation Authority will consider the use of derivative products only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces risk of fluctuations in expense or revenue, or alternatively, where the derivative product will reduce the total project cost. If interest rate swaps are considered, the Transportation Authority shall develop and maintain an Interest Rate Swap Policy governing the use and terms of these derivative products. For derivatives other than interest rate swaps, the Transportation Authority will undertake an analysis of early termination costs and other conditional terms given certain financing and marketing assumptions. Such analysis will document the risks and benefits associated with the use of a particular derivative product. Derivative products will only be utilized with prior approval from the Board.

I MULTIPLE SERIES.

In instances where multiple series of bonds are to be issued, the Transportation Authority shall make a final determination as to which allocations are of the highest priority. Projects chosen for priority financing, based on funding availability and proposed timing, will generally be subject to the earliest or most senior of the bond series.

X. CREDIT ENHANCEMENTS

The Transportation Authority will consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings or positive impact on overall debt capacity can be shown shall enhancement be considered. The Transportation Authority will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancement.

A. BOND INSURANCE.

The Transportation Authority shall have the authority to purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest expense on insured bonds versus uninsured bonds.

B. DEBT SERVICE RESERVES.

When required, a reserve fund equal to not more than the least of ten percent (10%) of the original principal amount of the bonds, maximum annual debt service or one-hundred-and-twenty-five (125%) percent of average annual debt service (Reserve Requirement) shall be funded from the proceeds of each series of bonds, subject to Federal tax regulations and in accordance with the requirements of credit enhancement providers, if any, rating agencies, and investors.

The Transportation Authority shall have the authority to purchase reserve equivalents (i.e., the use of a reserve fund surety) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis.



C. LIQUIDITY FACILITIES AND LETTERS OF CREDIT.

The Transportation Authority shall have the authority to enter liquidity facility and letter-of-credit arrangements when such arrangements are deemed prudent and advantageous. The Transportation Authority may enter into such arrangements only with those financial institutions that have short-term ratings of not less than VMIG 1/P1, A-1, or F1, by Moody's Investor Service, Standard & Poor's Global Ratings, or Fitch Ratings, respectively, and have ratings from at least two of the three aforementioned ratings agencies.

X. REFINANCING OUTSTANDING DEBT

The Transportation Authority shall have the responsibility to analyze outstanding bond issues for refunding opportunities that may be presented by underwriting and/or financial advisory firms. The Transportation Authority will consider the following issues when analyzing possible refunding opportunities:

A. DEBT SERVICE SAVINGS.

The Transportation Authority has established a minimum present value savings threshold goal of three (3) percent of the principal amount of the refunded bond, unless there are other compelling reasons for undertaking the refunding. Additionally, the Transportation Authority has established a minimum present value savings threshold goal of five (5) percent of the principal amount of the refunded bond for refinancings involving derivative products such as the issuance of synthetic fixed rate refunding debt service, unless there are other compelling reasons for undertaking the refunding. For this purpose, the present value savings will be net of all costs related to the refinancing. The decision to take savings on an upfront or deferred basis must be explicitly approved by the Board.

B. RESTRUCTURING.

The Transportation Authority will refund debt when in its best interest to do so. Refunding purposes may include but are not limited to: restructuring to meet unanticipated revenue expectations, terminating swaps, achieving cost savings, mitigating irregular debt service payments, releasing reserve funds, removing unduly restrictive bond covenants, or any combination of purposes beneficial to the Transportation Authority.

C. TERM OF REFUNDING ISSUES.

Except for commercial paper and loans under a line of credit (including the current revolving credit facility), the Transportation Authority generally will refund bonds without extending the maturity beyond that of the originally issued debt. However, the Transportation Authority may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Transportation Authority may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

D. ESCROW STRUCTURING.

The Transportation Authority shall utilize the least costly securities available in structuring refunding escrows. The Transportation Authority will examine the viability of an economic versus legal defeasance on a net present value basis. A certificate from a third-party agent, who is not a broker-dealer, is required stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Securities (SLGS) (this is required only if SLGS are then



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available for purchase), and that the price paid for the securities was reasonable within Federal guidelines. Such certificate shall not be required in the case of SLGSs purchased directly from the U.S. Treasury. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Transportation Authority from its own account.

E. ARBITRAGE.

The Transportation Authority shall take all necessary steps (permitted under Federal tax law when tax-exempt debt is involved) to optimize escrows and to avoid negative arbitrage in its refunding. Any resulting positive arbitrage will be rebated as necessary according to Federal guidelines.

F. COMMERCIAL PAPER PROGRAM, REVOLVING CREDIT FACILITY.

The requirements of this Section XI and of Section VIII.A.2 shall not apply to or restrict the issuance of commercial paper notes for the purpose of refunding maturing commercial paper notes, or of borrowing under a revolving credit facility for the purpose of repaying prior loans under the facility or under a prior facility, nor shall this Section XI or Section VIII.A.2 apply to long-term refinancing of commercial paper or of loans under a revolving credit facility, subject to limitations otherwise contained in this policy.

XI. METHODS OF SALE

The Transportation Authority will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation, including a direct placement or similar transaction.

A. COMPETITIVE SALE

In a competitive bond sale, the Transportation Authority's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the "winning" bid and the bidding process also adheres to the requirements set forth in the official notice of sale. Conditions under which a competitive sale would be preferred are as follows (not all conditions need be present/satisfied):

- a) Bond prices are stable and/or demand is strong
- b) Market timing and interest rate sensitivity are not critical to the pricing
- c) Participation from DBE firms is "best effort" and not required for winning bid;
- d) There are no complex explanations required during marketing regarding the Transportation Authority's projects, media coverage, political structure, political support, funding, or credit quality;
- e) The bond type and structure are conventional;
- f) Bond insurance is included or pre-qualified (available);
- g) The transaction size is manageable;
- h) The Transportation Authority has strong credit rating(s); and
- i) The Transportation Authority is well known to investors.

B. NEGOTIATED SALE.

The Transportation Authority recognizes that some securities are best sold through negotiation. Conditions under which a negotiated sale would be preferred are as follows (not all conditions need be present/satisfied):



- a) Bond prices are volatile;
- b) Demand is weak, or supply of competing bonds is high;
- c) Market timing is important, such as for refunding's;
- d) The Transportation Authority has lower or weakening credit rating(s);
- e) The Transportation Authority is not well known to investors;
- f) Sale and marketing of the bonds will require complex explanations about the Transportation Authority projects, media coverage, political structure, political support, funding, or credit quality;
- g) The bond type and/or structural features are non-standard, such as for a forward delivery bond sale or the issuance of variable rate bonds, or where there is the use of derivative products;
- h) Bond insurance is not available or not offered;
- i) Early structuring and market participation by underwriters are desired;
- j) The par amount for the transaction is significantly larger than normal;
- k) Demand for the bonds by retail investors is expected to be high; and
- l) Participation from DBE firms is required

C. PRIVATE PLACEMENT.

From time to time, the Transportation Authority may elect to privately place its debt or borrow directly from a bank or other financial institution. Such placement or borrowing shall only be considered if this method is likely to result in a cost savings to the Transportation Authority relative to other methods of debt issuance on a net present value basis, using the Transportation Authority's investment rate as the appropriate measure of the discount rate. For the existing \$125 million revolving credit facility or any replacement facility that is bank purchased, such requirements do not apply.

D. ISSUANCE METHOD ANALYSIS.

The Transportation Authority shall evaluate each method of issuance based on the factors set forth above.

XII. MARKET RELATIONSHIPS

A. RATING AGENCIES.

The Executive Director shall be responsible for maintaining the Transportation Authority's relationships with Moody's Investors Service, Standard & Poor's, nationally recognized rating agencies. The Transportation Authority's debt is rated by S&P Global Ratings and Fitch Ratings. The Depending on the particulars of a transaction, the Transportation Authority may, ~~from time-to-time, choose to deal with only one or two of these agencies as circumstances dictate. In addition to general communication, the Executive Director shall: (1) meet with credit analysts prior to each sale (competitive or negotiated) to the extent it is advantageous to do so, and (2) prior to each competitive or negotiated sale, offer conference calls or meetings with agency analysts in connection with the planned sale.~~ choose to seek ratings from one or more rating agencies with a preference toward maintaining its relationship with its existing rating providers.



B. INVESTOR OUTREACH.

The Transportation Authority shall participate in informational meetings or conference calls with institutional investors in advance of bond or note sales to the extent such meetings are advantageous to the sale of such bonds or notes. Ad-hoc information requests and inquiries from investors that hold the Transportation Authority's bonds should be met to the extent the requested information is publicly available. The provision of any information to investors shall be discussed with the Deputy Director Finance and Administration prior to the release of any information.

C. TRANSPORTATION AUTHORITY COMMUNICATION.

The Executive Director shall include in the annual report to the Board feedback from rating agencies and/or investors regarding the Transportation Authority's financial strengths and weaknesses and recommendations for addressing any weaknesses.

D. DISCLOSURE.

The Transportation Authority shall comply with the terms of its continuing disclosure undertakings (CDUs). Material noncompliance with any CDU must be reported to the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access system ("EMMA") and disclosed in bond offering documents, which could reflect negatively on the Transportation Authority. The Executive Director will take all reasonable steps to ensure that the Transportation Authority files timely annual reports and "listed event" notices with EMMA, and that all such filings are (i) complete and accurate under the law and (ii) clear, concise, and readable for the investing community. The Transportation Authority's existing CDUs contain 15 listed events, including the requirement that the Transportation Authority give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in its CDUs. Amendments to Rule 15c-12 effective (i.e., applicable to CDUs entered into by the Transportation Authority after) February 27, 2019, added two more "listed events" relating to a debt issuer's "material financial obligations" and to changes to primary documents relating to such obligations that could impact bond holders. The Transportation Authority may consider establishing guidelines for making the determination as to whether a financial obligation is material or whether a change to a document relating to a material financial obligation is, in itself, material. The Transportation Authority may also, from time to time, evaluate using the services of a dissemination agent, such as the Transportation Authority's Financial Adviser or Digital Assurance Certification, LLC, to assist with CDU compliance.

From time to time, the Transportation Authority prepares disclosure documents. Disclosure documents include offering documents for Transportation Authority bonds (e.g., preliminary and final Official Statements), (b) annual continuing disclosure reports filed with EMMA, (c) event notices and any other filings with EMMA, (d) the Transportation Authority's audited financial statements and (e) any other documents that are reasonably likely to reach investors or the securities markets, including but not limited to press releases, web site postings, and other communications required to be certified as representations of the City's financial condition to investors or the securities markets.

To help ensure that the Transportation Authority's disclosure documents comply with all applicable federal securities laws and promote best practices regarding the preparation and review of the disclosure documents, the Transportation Authority promotes communication among its departments so that disclosure documents/filings are being reviewed by the staff persons who have the knowledge and ability to assess the accuracy and completeness of the document. The Executive Director or the Deputy Director for Finance and Administration may



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develop additional disclosure procedures including record retention policies. The Transportation Authority may engage with an external disclosure counsel to provide additional guidance and training.

E. REBATE REPORTING.

The use of bond proceeds and their investments must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate annual rebates related to any bond issues, with rebate paid every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. Therefore, the Executive Director shall take all reasonable steps to ensure that proceeds and investments are tracked in a manner that facilitates accurate, complete calculation, and timely rebates, if necessary.

F. OTHER JURISDICTIONS.

From time to time, the Transportation Authority may issue bonds on behalf of other public entities. While the Transportation Authority will make every effort to facilitate the desires of these entities, the Executive Director will take all reasonable steps to ensure that only the highest quality financings are done and that the Transportation Authority is insulated from all risks. The Transportation Authority shall require that all conduit financings achieve a rating at least equal to the Transportation Authority's ratings (including, where necessary, through the use of credit enhancement).

G. FEES.

The Transportation Authority will charge recipients of debt issuance proceeds an administrative fee equal to the recipient's pro rata share of administrative costs incurred by the Transportation Authority in issuing debt.

XIII. CONSULTANTS

The Transportation Authority shall select its primary consultant(s) by competitive qualifications-based process through Request for Proposals.

A. SELECTION OF FINANCING TEAM MEMBERS.

The Executive Director will make recommendations for all financing team members, with the Board providing final approval.

B. FINANCIAL ADVISOR.

The Transportation Authority shall utilize a financial advisor to assist in its debt issuance and debt administration processes as prudent. Selection of the Transportation Authority's financial advisor(s) shall be based on, but not limited to, the following criteria:

- a) Experience in providing consulting services to complex issuers
- b) Knowledge and experience in structuring and analyzing complex issues
- c) Experience and reputation of assigned personnel
- d) Fees and expenses

Financial advisory services provided to the Transportation Authority shall include, but shall not be limited to:



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- e) Evaluation of risks and opportunities associated with debt issuance;
- f) Monitoring marketing opportunities;
- g) Evaluation of proposals submitted to the Transportation Authority by investment banking firms;
- h) Structuring and pricing;
- i) Preparation of request for proposals for other financial services such as trustee and paying agent services, printing, credit facilities, remarketing agent services, etc.;
- j) Advice, assistance, and preparation for presentations with rating agencies and investors; and
- k) Assisting in preparation of official statements.

The Transportation Authority also expects that its financial advisor will provide the Transportation Authority with objective advice and analysis, maintain the confidentiality of Transportation Authority financial plans, and be free from any conflicts of interest.

C. BOND COUNSEL.

Transportation Authority debt will include a written opinion by legal counsel affirming that the debt is a valid and binding obligation, and stating the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by nationally recognized counsel with extensive experience in public finance and tax issues. Counsel will be selected by the Transportation Authority through its request for proposal process.

The services of bond counsel may include, but are not limited to:

- a) Rendering a legal opinion with respect to authorization and valid issuance of debt obligations including whether the interest paid on the debt is tax exempt under federal and State of California law;
- b) Preparing all necessary legal documents in connection with authorization, sale, issuance and delivery of bonds and other obligations;
- c) Assisting in the preparation of the preliminary and final official statements and or commercial paper memorandum;
- d) Participating in discussions with potential investors, insurers, and credit rating agencies, if requested; and
- e) Providing continuing advice, as requested, on the proper use and administration of bond proceeds under applicable laws and the indenture, particularly arbitrage tracking and rebate requirements.

D. DISCLOSURE COUNSEL

For Transportation Authority debt issued and sold through the use of an official statement or offering memorandum, the Transportation Authority may retain disclosure counsel with experience in public finance and securities law issues. Disclosure counsel will be selected by the Transportation Authority through its Request for Proposal (RFP) process.

The services of disclosure counsel may include, but are not limited to:



- a) Assisting the internal due diligence process;
- b) Preparation and/or review of disclosure documents necessary for the sale and delivery of securities, including preliminary and final official statements (or offering memoranda) and continuing disclosure agreements;
- c) Delivery of a negative assurance letter regarding the disclosure document; and
- d) The Transportation Authority may also retain disclosure counsel with experience in public finance and securities law issues to provide advice and support between issuances of debt sold through the use of an official statement or offering memorandum, as determined by the Executive Director.

XIV. UNDERWRITER SELECTION

A. SENIOR MANAGER SELECTION.

The Transportation Authority may select a senior manager for a proposed negotiated sale. The criteria shall include but not be limited to:

- a) The firm's ability and experience in managing complex transactions;
- b) Demonstrated ability to structure debt issues efficiently and effectively;
- c) Prior knowledge and experience with the Transportation Authority;
- d) The firm's willingness to risk capital and demonstration of such risk;
- e) The firm's ability to sell bonds;
- f) Quality and experience of personnel assigned to the Transportation Authority's engagement and
- g) Financing plan presented.

B. CO-MANAGER SELECTION.

Co-managers, if any, will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the Transportation Authority's bonds.

C. SELLING GROUPS.

The Transportation Authority may establish selling groups in certain transactions. To the extent that selling groups are used, the Transportation Authority may make appointments to selling groups from within the pool of underwriters or from outside the pool, as the transaction dictates.

D. UNDERWRITER'S COUNSEL.

In any negotiated sale of Transportation Authority debt, in which legal counsel is required to represent the underwriter, the lead underwriter will make the appointment, subject to Transportation Authority consent.

E. UNDERWRITER'S DISCOUNT.

- a) The Transportation Authority will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Transportation Authority will determine the allocation of fees with respect to the management



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fee. The determination will be based upon participation in the structuring phase of the transaction.

- b) All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fees, expenses, and fees and expenses of underwriter's counsel will be established and communicated to all parties by the Transportation Authority. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

F. EVALUATION OF FINANCING TEAM PERFORMANCE.

The Transportation Authority will evaluate each bond sale after its completion to assess the following: costs of issuance, including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Following each sale, the Transportation Authority shall provide a post-sale evaluation on the results of the sale to the Board.

G. SYNDICATE POLICIES.

For each negotiated transaction, the senior manager will prepare syndicate policies for approval by the Executive Director that will describe the designation policies governing the upcoming sale. The Executive Director shall ensure that the senior manager receives each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

H. DESIGNATION POLICIES.

To encourage the pre-marketing efforts of each member of the underwriting team, orders for the Transportation Authority's bonds will be net designated, unless otherwise expressly stated. The Transportation Authority shall require the senior manager to:

- a) Equitably allocate bonds to other managers and the selling group;
- b) Comply with MSRB regulations governing the priority of orders and allocations; and
- c) Within 10 working days after the sale date, submit to the Executive Director a detail of orders, allocations and other relevant information pertaining to the Transportation Authority's sale.

I. DISCLOSURE BY FINANCING TEAM MEMBERS.

All financing team members will be required to provide full and complete disclosure, relative to agreements with other financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction. However, under no circumstances will agreements be permitted which could compromise the firm's ability to provide independent advice which is solely in the Transportation Authority's best interests, or which could reasonably be perceived as a conflict of interest.



GLOSSARY

Arbitrage. The difference between the interest paid on an issue of tax-exempt debt and the interest earned by investing the debt proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage earned pursuant to the investment of the proceeds of tax-exempt municipal securities.

Balloon Maturity. A maturity within an issue of bonds that contains a disproportionately large percentage of the principal amount of the original issue.

Bullet Maturity. The maturity of an issue of bonds for which there are no principal payments prior to the final stated maturity date.

Call Provisions. The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

Capitalized Interest. A portion of the proceeds of an issue that is set aside to pay interest on the securities for a specific period of time. Interest is sometimes capitalized for the construction period of the project.

Commercial Paper. Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank that, upon the maturity thereof, successively rolls into other short term promissory notes until the principal thereof is paid by the Transportation Authority.

Competitive Sale. A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.

Continuing Disclosure. The ongoing disclosure provided by an issuer to comply with a continuing disclosure undertaking. Generally, includes annual updates of operating and financial information, audited financial statements, and notice of events specifically identified in the undertaking.

Credit Enhancement. Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

DBE. Disadvantaged Business Enterprises as defined by the Transportation Authority's current DBE policy.

Debt Service Reserve Fund. The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Deep Discount Bonds. Bonds that are priced for sale at a substantial discount from their face or par value.

Derivatives. (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial



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contracts based upon notional amounts whose value is derived from an underlying index or asset (interest rates, foreign exchange rates, equities, or commodities).

Designation Policies. Outline as to how an investor's order is filled when a maturity in an underwriting syndicate is oversubscribed. The senior managing underwriter and issuer decide how the bonds will be allocated among the syndicate. There are three primary classifications of orders, which form the designation policy. The highest priority is given to Group Net orders; the next priority is given to Net Designated orders and Member orders are given the lowest priority.

Escrow. A fund established to hold moneys pledged and to be used to pay debt service on one or more existing obligations.

Expenses. Compensates senior managers for out-of-pocket expenses including: underwriters counsel, DTC charges, travel, syndicate expenses, dealer fees, overtime expenses, communication expenses, computer time and postage.

Grant Anticipation Notes (GANs). Short-term notes issued by the government unit, usually for capital projects, which are paid from the proceeds of State or Federal grants of any type.

Grant Anticipation Revenue Vehicle Financing (GARVEE). Bonds issued by the state and enable entities to fund transportation projects that are secured by certain federal grants.

Letters of Credit. A bank credit facility supporting the payment of bonds wherein the bank agrees to lend a specified amount of funds for a limited term.

Management Fee. The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Members. Underwriters in a syndicate other than the senior underwriter.

Negotiated Sale. A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

Original Issue Discount. The amount by which the original par amount of an issue exceeds its initial sale price at the time a substantial amount of such issue is sold to the public).

Original Issue Premium. The amount by the initial sale price of an issue exceeds its original par amount at the time a substantial amount of such issue is sold to the public.

Pay-As-You-Go. An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Present Value. The current value of a future cash flow.

Private Placement. The original placement of an issue with one or a limited number of investors as opposed to being publicly offered or sold.



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Rebate. A requirement imposed by the Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to the difference between the amount earned from investment of bond proceeds at a yield above the bond yield and the amount that would have been earned at a yield equal to the bond yield, calculated pursuant to federal tax law together with all income earned on the accumulated earnings pending payment, subject to certain exceptions.

Sales Tax and Revenue Anticipation Notes (TRANS). Short-term notes issued by a government unit, usually for operating purposes, which are paid from the proceeds of sales tax or other anticipated revenue sources.

Selling Groups. The group of securities dealers who participate in an offering not as underwriters but rather as those who receive securities less the selling concession from the managing underwriter for distribution at the public offering price.

Syndicate Policies. The contractual obligations placed on the underwriting group relating to distribution, price limitations and market transactions.

Transportation Infrastructure Finance Innovation Act (TIFIA). Loans and loan guaranty program provided by the United States Department of Transportation for transportation projects of regional importance.

Underwriter. A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.

Underwriter's Discount. The difference between the price at which the Underwriter buys bonds from the Issuer and the price at which they are reoffered to investors.

Variable Rate Debt. An interest rate on a security, which changes at intervals according to an index or a formula or other standard of measurement as stated in the bond contract.



Fiscal Policy

Resolution 24-48

I. INTRODUCTION

The Fiscal Policy is designed to guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements of the San Francisco County Transportation Authority (Transportation Authority). It is intended to be consistent with the Transportation Authority's adopted Administrative Code, the current Proposition ~~L~~ ~~K~~ Sales Tax Expenditure Plan (Expenditure Plan), federal and state regulations, and general prudent accounting and financial management practices.

II. SCOPE AND AUTHORITY

The Fiscal Policy applies only to the operations of the Transportation Authority and is not applicable to the operations of any project sponsoring agencies of the Transportation Authority, unless specifically provided. The Fiscal Policy is separate from, but should be applied in conjunction with, the Transportation Authority's Strategic Plan, adopted Debt Policy, and adopted Investment Policy. Overall policy direction shall be the responsibility of the Transportation Authority Board of Commissioners (Board). Responsibility for implementation of the Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's policies, goals, and objectives, shall lie with the Transportation Authority Executive Director (Executive Director). This Policy will be reviewed and updated as required or deemed advisable at least once every three years. Any changes to the policy are subject to approval by the Board at a public meeting.

III. ANNUAL BUDGET PROCESS

The Board shall adopt an Annual Budget by the beginning of each fiscal year. The purpose of the Annual Budget is to provide management guidance and control over disbursement of the Transportation Authority's revenues in accordance with the goals and objectives as determined by the Board and as set forth in other policies including, but not limited to, the Transportation Authority's investment, debt, ~~procurement~~[procurement](#), and disadvantaged business enterprise policies. The Transportation Authority's fiscal year extends from July 1 of each calendar year through June 30 of the following calendar year. The sections below further define the process involved in the development of the final budget.

A. Preparation and Review of a Draft Budget

The Executive Director is charged with responsibility for the preparation of a draft budget for each fiscal year. The draft budget will consist of line items for Revenues, including investment income,



Administrative Operating Expenses, Debt Service Expenses as applicable, Program and Operating Reserve, and a single line item for each of the Transportation Authority's capital expenditure programming roles as Proposition ~~L-K~~ Sales Tax (Prop ~~L-K~~) Administrator; San Francisco Congestion Management Agency (CMA); San Francisco Program Manager for the Transportation Fund for Clear Air (TFCA); Proposition AA Vehicle Registration Fee (Prop AA) Administrator; [and Traffic Congestion Mitigation Tax \(TNC Tax\) Administrator](#). Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items. The draft budget may also include other functional categories as deemed appropriate.

B. Public Review of Draft Budget

The draft budget shall be presented at a public hearing at a publicly noticed Transportation Authority Board or Committee meeting prior to being approved by the Board. Notice of the time and place of the public meeting shall be published pursuant to Sections 6060 and 6061 of the California Government Code no later than the 15th day prior to the day of the hearing, and the draft budget shall be available for public inspection at least 15 days prior to the hearing.

C. Adoption of a Final Budget

As established by the Administrative Code, the Transportation Authority Board shall be responsible for review of the proposed overall operating and capital budget of the Transportation Authority. The Board shall set the budget parameters (spending limits) by budget line item as detailed in Section III.A. Preparation and Review of a Draft Budget, and shall recommend adoption of a draft budget to the Board.

The final budget for a given fiscal year shall be approved and adopted by resolution of the Board by June 30 of the prior fiscal year. If the Transportation Authority is unable to adopt a final budget by June 30, it must adopt a resolution to continue services and payment of expenses, including debt service. The continuing resolution shall include a date certain by which the annual budget will be adopted.

D. Amendments to the Adopted Budget

Except as otherwise provided in this section, the adopted final budget is not subject to further review or reopener after the Board resolution has passed. The adopted final budget may be amended during the fiscal year to reflect actual revenues and expenses incurred to the date of amendment during the fiscal year. Amendments to the budget will be presented at a publicly noticed Transportation Authority Board or Committee meeting prior to being approved by the Board. The Executive Director shall be responsible for proposing amendments to the adopted final budget; the Board shall be responsible for review of the proposed amended adopted final budget, which shall be adopted by Board resolution.



IV. BUDGET REQUIREMENTS

A. Administrative Operating Expenses

Administrative operating expenses include all expenses related to the operations and maintenance of the Transportation Authority, including, among others, staff salaries, staff benefits, office lease costs, equipment rental, supplies, and travel. Specific requirements with respect to certain budgeted expenses are set forth below.

1. Salaries and Benefits

The Board shall budget annually for the compensation (salaries and benefits) of the Transportation Authority's staff. Pursuant to the Transportation Authority's enabling legislation (Sections ~~131000-131100~~ et seq. of the California Public Utilities Code), the Transportation Authority will observe the statutory limit of one percent (1%) of the annual net amount of Prop ~~L-K~~ revenues for the salaries and benefits of Prop ~~L-K~~ program administrative personnel, and will follow applicable statutes for all other staff expenses.

2. Emergency Expenditures

The Executive Director is authorized to exceed the overall administrative operating expense line items by up to ~~seventy five thousand dollars~~ one hundred thousand dollars (~~\$75,000~~ \$100,000), for the actual cost of emergency expenditures that are made to protect the health, safety, and welfare of the agency or the public, or to repair/restore damaged/destroyed property for the Transportation Authority. The Executive Director shall submit a report to the Board within thirty (30) days of the emergency explaining the necessity of the action, a listing of expenditures, and future recommended actions.

3. Petty Cash

A petty cash revolving account in the amount of one thousand dollars (\$1,000) may be established and maintained by the Executive Director for the purposes of paying miscellaneous expenses of the Transportation Authority. Individual expenditures may not exceed two hundred and fifty dollars (\$250). Such miscellaneous expenses include outside photocopying expenses, office supplies, meeting and travel expenses, and other practical expenses as determined by the Executive Director to be necessary or convenient for proper administration. The Executive Director is authorized from time to time to seek reimbursement of this account to the maximum balance by allocation from the operating budget.

B. Debt Service

Proposed debt service includes debt service of outstanding debt as well as of anticipated financings within the fiscal year. Decisions to fund capital expenditures through debt issuance must adhere to the policies outlined in the Transportation Authority's most current adopted Strategic Plan and Debt Policy.



C. Capital Expenditures

Capital Expenditures shall be listed as a single line item for each of the Transportation Authority's capital expenditure programming roles, which currently are Prop ~~L~~ Administrator, Proposition AA Administrator, [TNC Tax Administrator](#), and CMA and TFCA local administrator. Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items.

D. Program and Operating Reserve

The Transportation Authority shall allocate not less than five percent (5%) and up to fifteen percent (15%) of the estimated net annual sales tax revenue as a hedge against an emergency occurring during the budgeted fiscal year. The adopted final budget, as it may be amended as provided in this Policy, will demonstrate the percentage and amount set aside in the reserve as a separate budget line item.

B. Other Functional Categories

The Executive Director may designate other functional categories as deemed appropriate or necessary.

V. CAPITAL EXPENDITURE ALLOCATIONS

As provided by the Administrative Code, the Board shall be responsible for recommending allocation of funding for those capital expenditure programs and projects in the adopted final budget. The Board shall also be responsible for allocating project funds by resolution. The Transportation Authority will adopt, ~~maintain~~ [maintain](#), and periodically update a multi-year strategic plan that derives from the provisions of the Expenditure Plan and outlines the categories, ~~funding~~ [funding](#), and delivery priority of projects to be funded. The Strategic Plan shall encompass the period remaining on the Expenditure Plan and shall be updated periodically as necessary. The Strategic Plan and its governing policies shall be used in combination with the Fiscal and Debt Policies to ensure the proper allocation of funds for and timely financing of eligible programs and projects. No allocations shall be approved that are inconsistent with the adopted Strategic Plan in force at the time of the allocation.

Changes in the capital expenditure supplemental budget documentation do not constitute a budget revision unless such changes exceed authorization for the respective budget line item. Any changes that exceed the amount of the budget line item will require an amendment to the approved final budget to be adopted by the Board. The total allocated capital funding for each Transportation Authority role should be no greater than the respective Capital Expenditures budget line item for the fiscal year.

For allocations with multi-year cash distributions, the resolution shall spell out the maximum reimbursement level per fiscal year, and only the reimbursement amount authorized in the year of allocation shall count against the Capital Expenditures line item for that budget year. The Capital



Expenditures line item for subsequent year annual budgets shall reflect the maximum reimbursement schedule amounts committed through the original and any subsequent allocation actions. The Transportation Authority will not guarantee reimbursement levels higher than those adopted in the original and any subsequent allocation actions.

VI. DEBT ISSUANCE

As defined by the Administrative Code and the Debt Policy, the Board shall be responsible for oversight of the debt issuance program for the Transportation Authority. Please refer to the current version of the Debt Policy maintained by the Transportation Authority, for guidelines regarding the issuance and management of debt for financing eligible programs and projects.

VII. INVESTMENTS

As defined by the Administrative Code and the Investment Policy, the Board shall be responsible for oversight of the investment program for Transportation Authority funds. Please refer to the current version of the Investment Policy maintained by the Transportation Authority, for the investment program guidelines regarding all funds and investment-related activities of the Transportation Authority.

VIII. REPORTING REQUIREMENTS

The Executive Director shall report to the Board at least on a quarterly basis on the Transportation Authority's actual expenditures, budgetary performance, authorized variances that have been implemented pursuant to this Fiscal Policy, the Transportation Authority debt ~~program~~[program](#), and the Transportation Authority investment program. The Board shall cause the Transportation Authority's financial transactions and records to be audited by an independent, certified public accountant firm at least annually and a report to be submitted to the Board on the results of the audit.

IX. PROCUREMENT OF GOODS AND SERVICES

As defined by the Procurement Policy, the Board shall be responsible for oversight of the procurement program for the Transportation Authority. Please refer to the current version of the Procurement Policy maintained by the Transportation Authority, for guidelines regarding the procurement of materials and supplies, professional and technical services, and lease and rental agreements.



Investment Policy

Resolution 23-46

I. INTRODUCTION

The purpose of this document is to set out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related procedures.

The investment policies and procedures of the San Francisco County Transportation Authority (Transportation Authority) are, in every case, subject to and limited by applicable provisions of federal and state laws and executive orders and to prudent money management principles. All funds will be invested in accordance with the Transportation Authority's Investment Policy, and applicable provisions of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53600 et seq.). The investment of bond proceeds (including proceeds of notes issued pursuant to bond documents) will be further restricted by the provisions of relevant bond documents.

II. SCOPE

This policy covers all funds and investment activities under the jurisdiction of the Transportation Authority.

Bond proceeds (including proceeds of notes issued pursuant to bond documents) shall be invested in the securities permitted pursuant to the relevant bond documents, including any tax certificate. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. In addition to the securities listed in Section XI below, bond proceeds may also be invested in investment and forward delivery agreements. Notwithstanding the other provisions of this Investment Policy, the percentage or dollar portfolio limitations listed elsewhere in this Investment Policy do not apply to bond proceeds.

III. PRUDENT INVESTOR STANDARD

In managing its investment program, the Transportation Authority will observe the "Prudent Investor" standard as stated in Government Code Section 53600.3, applied in the context of managing an overall portfolio. Investments will be made with care, skill, prudence, and diligence, taking into account the prevailing circumstances, including, but not limited to, the general economic conditions, the anticipated needs of the Transportation Authority, and other relevant factors that a prudent person acting in a fiduciary capacity and familiar with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Transportation Authority.



IV. OBJECTIVES

The primary objectives, in order of priority, for the Transportation Authority's investment activities are:

1. **Safety.** Safety of the principal is the foremost objective of the investment program. Investments of the Transportation Authority will be undertaken in a manner that seeks to ensure preservation of the principal of the funds under its control.
2. **Liquidity.** The Transportation Authority's investment portfolio will remain sufficiently liquid to enable the Transportation Authority to meet its reasonably anticipated cash flow requirements.
3. **Return on Investment.** The Transportation Authority's investment portfolio will be managed with the objective of attaining a market rate of return throughout budgetary and economic cycles commensurate with the Transportation Authority's investment risk parameters and the cash flow characteristics of the portfolio.

V. INVESTMENTS SUBJECT TO FEDERAL AND STATE LAWS AND EXECUTIVE ORDERS

Investments of the Transportation Authority shall be subject to all applicable federal and state laws and executive orders of the President of the United States and Governor of the State of California.

VI. DELEGATION OF AUTHORITY

Management's responsibility for the investment program is derived from the Transportation Authority Board of Commissioners (Board) and is hereby delegated to the Executive Director acting as Transportation Authority Treasurer. Pursuant to the requirements of the California Government Code, the Board may renew the delegation pursuant to this section each year. No person may engage in an investment transaction except as provided under the limits of this policy. The Transportation Authority may retain the services of an investment advisor to advise it with respect to investment decision-making and to execute investment transactions for the Transportation Authority. The advisor will follow the policy and such other written instructions as are provided by the Executive Director.

VII. SOCIAL RESPONSIBILITY

Investment of funds should be guided by the following socially responsible investment goals when investing in corporate securities and depository institutions. Investments shall be made in compliance with the forgoing socially responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to investments permitted by state law.



1. Investments are encouraged in entities that support community well-being through safe and environmentally sound practices and fair labor practices. Investments are encouraged in entities that support equality of rights regardless of sex, race, age, disability, or sexual orientation. Investments are discouraged in entities that manufacture tobacco products, firearms, or nuclear weapons. In addition, investments are encouraged in entities that offer banking products to serve all members of the local community, and investments are discouraged in entities that finance high-cost check-cashing, deferred deposit (payday lending) businesses and organizations involved in financing, either directly or indirectly, the Dakota Access Pipeline or, as determined by the Transportation Authority, similar pipeline projects. Prior to making investments, the Transportation Authority will verify an entity's support of the socially responsible goals listed above through direct contact or through the use of a third party such as the Investors Responsibility Research Center, or a similar ratings service. The entity will be evaluated at the time of purchase of the securities.
2. Investments are encouraged in entities that promote community economic development. Investments are encouraged in entities that have a demonstrated involvement in the development or rehabilitation of low income affordable housing and have a demonstrated commitment to reducing predatory mortgage lending and increasing the responsible servicing of mortgage loans. Securities investments are encouraged in financial institutions that have a Community Reinvestment Act (CRA) rating of either Satisfactory or Outstanding, as well as financial institutions that are designated as a Community Development Financial Institution (CDFI) by the United States Treasury Department, or otherwise demonstrate commitment to community economic development.

All depository institutions are to be advised of applicable Transportation Authority contracting ordinances, and shall certify their compliance therewith, if required.

VIII. ETHICS AND CONFLICT OF INTEREST

Officers, employees, and agents of the Transportation Authority involved in the investment process will not engage in any personal business activities that could conflict with proper and lawful execution of the investment program, or which could impair their ability to make impartial decisions.

IX. INTERNAL CONTROLS

The Transportation Authority's internal controls ensure compliance with the Investment Policy and with the applicable requirements of the California Government Code. The Deputy Director for Finance and Administration is responsible for developing and managing internal control procedures. The monitoring of ongoing compliance shall be reviewed quarterly.

X. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Executive Director will establish and maintain a list of financial institutions and other financial services providers authorized to provide investment services. In addition, the



Transportation Authority will establish and maintain a list of approved security brokers/dealers, selected on the basis of credit worthiness, which are authorized to provide investment services in the State of California. These include primary dealers or regional dealers that meet the net capital and other requirements under Securities and Exchange Commission Rule 15c3-1. No public deposit will be made except in a qualified public depository as established by state law.

XI. PERMITTED INVESTMENT INSTRUMENTS

California Government Code Section 53601 governs and limits the investments permitted for purchase by the Transportation Authority. Within those investment limitations, the Transportation Authority seeks to further restrict eligible investment to the investments listed below. The portfolio will be diversified by security type and institution, to avoid incurring unreasonable and avoidable concentration risks regarding specific security types or individual financial institutions.

Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase. In the event a security held by the Transportation Authority is subject to a rating change that brings it below the minimum specified rating requirement, the Executive Director will notify the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rating reduction, prognosis for recovery or further rating reductions and the current market price of the security.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that may be invested in this category.
3. Repurchase Agreements not to exceed one year duration. There is no limitation as to the percentage of the portfolio that may be invested in this category. The Repurchase Agreements must be secured by U.S. Treasury securities or Federal Agency securities. All securities underlying repurchase agreements must be delivered to the Transportation Authority's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The market value of securities that underlie a repurchase agreement must be valued at 102 percent or greater of the funds borrowed against those securities and the value will be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments



in repurchase agreements will be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

4. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or any local agency; provided that the obligations are rated in one of the two highest categories by a nationally recognized statistical-rating organization (NRSRO). There is no limitation as to the percentage of the portfolio that may be invested in this category.
5. Registered treasury notes or bonds of any of the other 49 states of the United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states of the United States, in addition to California, provided that the obligations are rated in one of the two highest categories by a NRSRO. There is no limitation as to the percentage of the portfolio that may be invested in this category.
6. Bankers' Acceptances issued by domestic or domestic branches of foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a NRSRO. Such Banker's Acceptances may not exceed 180 days maturity or 40 percent of the Transportation Authority's portfolio. No more than 30 percent of the Transportation Authority's portfolio may be invested in the Banker's Acceptances of any one commercial bank.
7. Commercial paper of "prime" quality rated the highest ranking or of the highest letter or number rating as provided by a NRSRO. The entity that issues the commercial paper will meet all of the criteria in either (1) or (2) as follows: (1) the corporation will be organized and operating within the United States as a general corporation, will have assets in excess of five hundred million dollars (\$500,000,000), and will issue debt, other than commercial paper, if any, that is rated "A" or higher by a NRSRO; or (2) the entity will be organized within the United States as a special purpose corporation, trust, or limited liability company, have program-wide credit enhancements including, but not limited to, over collateralizations, letters of credit, or surety bond; and have commercial paper that is rated "A-1" or higher, or equivalent by a NRSRO. Eligible commercial paper may not exceed 270 days' maturity nor represent more than 10% of the outstanding paper of an issuing corporation, or 25% of the Transportation Authority's portfolio.
8. Medium-term corporate notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes will be rated in a rating category "A" or better by a NRSRO. Medium-term notes may not exceed 30 percent of the Transportation Authority's portfolio.
9. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California. Such time certificates of deposit may not exceed 1 year in maturity or 10 percent of the Transportation Authority's portfolio.



10. To be eligible to receive the Transportation Authority's money, a bank, savings association, federal association, or federally insured industrial loan company must have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code.
11. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank, a savings association, or a federal association, a state or federal credit union or by a state-licensed branch of a foreign bank. Negotiable certificates of deposit may not exceed 30 percent of the Transportation Authority's portfolio.
12. State of California's Local Agency Investment Fund (LAIF). The LAIF portfolio should be reviewed periodically. There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the maximum allowed by LAIF.
13. The California Asset Management Program, as authorized by Section 53601 (p) of the California Government Code. The Program constitutes shares in a California common law trust established pursuant to Section 6509.7 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by subdivisions (a) to (r) of Section 53601 of the Government Code of California, as it may be amended.
14. Insured savings account or money market account. To be eligible to receive local agency deposits, a financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California communities in its most recent evaluation. There is no limitation as to the percentage of the portfolio that may be invested in this category. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The collateralization requirements may be waived for any portion that is insured by the FDIC. The Transportation Authority shall have a signed agreement with any depository accepting Transportation Authority funds per Government Code Section 53649.
15. Placement Service Certificates of Deposit (CDs). Certificates of deposit placed with a private sector entity that assists in the placement of certificates of deposit with eligible financial institutions located in the United States (Government Code Section 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the FDIC. The combined maximum portfolio exposure to Placement Service CDs and Negotiable CDs is limited to 30%. The maximum investment maturity will be restricted to five years.
16. The San Francisco City and County Treasury Pool. There is no limitation as to the percentage of the portfolio that may be invested in this category. Unless otherwise noted, the maximum maturity from the trade settlement date can be no longer than five years. Any loans or investments of Transportation Authority funds invested in the San Francisco City and County Treasury Pool to agencies of the City and County of San Francisco will specifically require the approval of the Board prior to purchase or acceptance.



17. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment pursuant to this subdivision these companies shall meet either of the following criteria:

- Attain the highest ranking or highest letter and numerical rating provided by not less than two NRSROs.
- Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

The purchase price of shares of beneficial interest purchased will not include any commission that these companies may charge and will not exceed 20 percent of the Transportation Authority's portfolio.

XII. INELIGIBLE INVESTMENTS

The Transportation Authority will not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity.

XIII. MAXIMUM MATURITY

Investment maturities will be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Transportation Authority to meet all projected obligations.

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment will be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

XIV. REPORTING REQUIREMENTS

The Executive Director will submit a quarterly list of transactions to the Board. In addition, the Executive Director will submit to the Board an investment reports each quarter, which will include, at a minimum, the following information for each individual investment:

- Type of investment instrument
- Issuer name
- Purchase date



- Maturity date
- Purchase price
- Par value
- Amortized cost
- Current market value and the source of the valuation
- Credit rating
- Overall portfolio yield based on cost
- Sale Date of any investment sold prior to maturity

The quarterly report also will (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the Transportation Authority's funds, investments or programs that are under the management of contracted parties, and (iii) include a statement denoting the ability of the Transportation Authority to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money may, or may, not be available. For all of the Transportation Authority's investments held in the City and County of San Francisco's Treasury Pool the Executive Director will provide the Board with the most recent investment report furnished by the Office of the Treasurer and Tax Collector.

XV. SAFEKEEPING AND CUSTODY

All security transactions entered into by the Transportation Authority will be conducted on a delivery-versus-payment basis. Securities will be held by an independent third-party custodian selected by the Transportation Authority. The securities will be held directly in the name of the Transportation Authority as beneficiary.

XVI. INVESTMENT POLICY REVIEW

The Executive Director will annually render to the Board a statement of investment policy, which the Board will consider at a public meeting. Any changes to the policy will also be considered by the Board at a public meeting.



GLOSSARY

Agencies. Federal agency securities and/or Government-sponsored enterprises.

Asked. The price at which securities are offered.

Bankers' Acceptance (BA). A draft or bill of exchange issued by a bank or trust company that guarantees payment at a later time.

Bid. The price offered by a buyer of securities. (when you are selling securities, you ask for a bid.) See offer.

Broker. A broker brings buyers and sellers together, for which the broker typically receives a commission for a successful sale.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

Collateral. Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Coupon. (a) the annual rate of interest that a bond issuer promises to pay the bondholder on the bond's face value. (b) a certificate attached to a bond evidencing interest due on a payment date.

Dealer. A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Delivery versus Payment. There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives. (1) financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities).

Discount. The difference between the principal amount of a security and its issue price where the issue price is lower than the principal amount.

Discount securities. Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.



Diversification. Dividing investment funds among a variety of securities offering independent returns.

Federal credit agencies. Agencies of the federal government set up to supply credit to various classes of institutions and individuals, e.g., S&Ls, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC). A federal agency that insures bank deposits, currently up to \$250,000 per depositor per insured bank.

Federal reserve system. The central bank of the United States created by Congress and consisting of a seven member board of governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Liquidity. A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Market value. The price at which a security is trading and could presumably be purchased or sold.

Maturity. The date upon which the principal or stated value of an investment becomes due and payable.

Money market. The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

Nationally Recognized Statistical-Rating Organization (NRSRO). A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Offer. The price asked by a seller of securities. (when you are buying securities, you ask for an offer.) See asked and bid definitions.

Portfolio. Collection of securities held by an investor.

Primary dealer. A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include securities and exchange commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

Qualified public depository. A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a



value of not less than its maximum liability and which has been approved by the public deposit protection commission to hold public deposits.

Rate of return. The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

Repurchase Agreement (RP or REPO). A purchase of securities by an agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the agency by book entry, physical delivery, or by third-party custodial agreement.

Securities and Exchange Commission (SEC). Agency created by congress to protect investors in securities transactions by administering securities legislation.

Sec Rule 15c3-1. See uniform net capital rule definition.

Treasury bills. A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury bonds. Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury notes. Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Uniform net capital rule. Securities and exchange commission requirement that, subject to certain exceptions, prohibits member firms as well as nonmember broker-dealers in securities from permitting their respective aggregate indebtedness to exceed 1500 percent of its net capital, also called net capital rule and net capital ratio. Indebtedness covers all money owed, including margin loans and commitments to purchase securities. This is one reason new public issues are spread among members of underwriting syndicates. Net capital includes cash and assets easily converted into cash.

Yield. The rate of annual income returns on an investment, expressed as a percentage. (a) income yield is obtained by dividing the current dollar income by the current market price for the security. (b) net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



ORDINANCE AMENDING THE ADMINISTRATIVE CODE

WHEREAS, The Transportation Authority's Administrative Code prescribes the powers and duties of its commissioners, the method and appointment of employees, and the policies and systems of its operation and management; and

WHEREAS, The Administrative Code was last amended on April 25, 2023, through Ordinance O23-01 and Transportation Authority staff has proposed amendments to the Administrative Code, with assistance from legal counsel, to provide additional clarity as well as to reflect administrative changes; and

WHEREAS, At its May 22, 2024, meeting, the Community Advisory Committee considered the proposed amendments to the Administrative Code and unanimously adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby amends the Administrative Code as shown in Attachment 1; and be it further

RESOLVED, That the Executive Director is hereby authorized to distribute the amended Administrative Code to all relevant parties.

Attachment:

1. Proposed Administrative Code



RESOLUTION APPROVING THE REVISED DEBT AND FISCAL POLICIES, AND
RATIFYING THE INVESTMENT POLICY

WHEREAS, The Transportation Authority Board has directed review of all policies periodically to ensure compliance with current statutes and Transportation Authority objectives; and

WHEREAS, The Transportation Authority develops and implements policies and procedures to organize and formalize agency activities, and to ensure compliance with current statutes and the agency objectives; and

WHEREAS, The Debt Policy's purpose is to organize and formalize debt issuance-related policies and procedures; and

WHEREAS, The Transportation Authority reviews the Debt Policy annually to maintain prudent debt management principles and maximize its debt capacity; and

WHEREAS, The Investment Policy sets out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities; and

WHEREAS, The Transportation Authority also reviews the Investment Policy annually to ensure the policy language remains consistent with governing code and the primary investment objectives of safety of principal, liquidity, and a return on investment consistent with both the risk and cash flow characteristics of the portfolio are met; and

WHEREAS, The Fiscal Policy guides decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements; and

WHEREAS, While the Transportation Authority is not required to annually review its Fiscal Policy, it is good management practice to do so on a regular basis, and



WHEREAS, With assistance and guidance from the Transportation Authority's financial advisor and legal counsels, staff have proposed updates to the policies as shown in Attachments 1 through 3 to conform to applicable law, provide additional clarity and flexibility, and reflect administrative changes since the last update; and

WHEREAS, The recommended action would not have an impact on the Fiscal Year 2023/24 budget amendment or the proposed Fiscal Year 2024/25 budget; and

WHEREAS, The Community Advisory Committee considered the proposed revisions to the Debt, and Fiscal policies, and the current Investment Policy at its May 22, 2024, meeting and unanimously adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby approves the recommended revisions to the Debt and Fiscal policies to conform to applicable law, provide additional clarity and flexibility, and reflect administrative changes since the last update, as presented in Attachments 1 and 3, respectively; and

RESOLVED, That the Transportation Authority hereby ratifies the Investment Policy as presented in Attachment 2; and be it further

RESOLVED, That the Executive Director is hereby authorized to communicate the policies to all relevant parties.

Attachments:

1. Proposed Debt Policy
2. Current Investment Policy
3. Proposed Fiscal Policy