



Memorandum

AGENDA ITEM 7

DATE: October 16, 2024

TO: Transportation Authority Board

FROM: Carl Holmes - Deputy Director for Capital Projects
Anna LaForte - Deputy Director for Policy and Programming

SUBJECT: 11/19/2024 Board Meeting: Adopt a Resolution of Local Support Authorizing the Executive Director to File an Application for \$5.5 million in Funding Assigned to the Metropolitan Transportation Commission and Committing Any Necessary Matching Funds and Stating Assurance to Complete the West Side Bridges Seismic Retrofit Project (WSB Project) for Retaining Walls to Accommodate the Yerba Buena Island Multi-Use Path (YBI MUP Project); and Program \$4.5 million in Senate Bill 1 Local Partnership Program Formulaic Funds, with Conditions, to a Project of the Bay Area Toll Authority's (BATA's) Choice in Exchange for \$4.5 million in BATA Funds for the WSB Project for Retaining Walls to Accommodate the YBI MUP Project

RECOMMENDATION

Information Action

- Adopt a Resolution of Local Support authorizing the Executive Director to file an application for \$5.5 million in funding assigned to the Metropolitan Transportation Commission (MTC) and committing any necessary matching funds and stating assurance to complete the WSB Project for retaining walls to accommodate the YBI MUP Project.
- Approve a fund exchange for \$4.5 million in Senate Bill (SB) 1 Local Partnership Program (LPP) funds programmed to a project of BATA's choice for \$4.5 million in BATA funds for the WSB Project for retaining walls to accommodate the YBI MUP Project.
- Program \$4.5 million in San Francisco's share of SB 1 LPP Formulaic funds to a project of BATA's choice, with conditions.

SUMMARY

We are recommending final approval of this item on its first read because of the time sensitivity of this request. The Resolution of Local Support must be approved by the time of MTC programming of the \$5.5 million in funds, expected in December. The \$4.5 million in LPP Formulaic funds must be programmed

- Fund Allocation
- Fund Programming
- Policy/Legislation
- Plan/Study
- Capital Project Oversight/Delivery
- Budget/Finance
- Contract/Agreement
- Other: _____



before MTC will take action to program the \$4.5 million in BATA funds, expected in January. The Transportation Authority's WSB Project is under construction to replace or retrofit eight existing bridge structures along Treasure Island Road to meet current state seismic safety standards and construct a westbound Class II bike lane. The Transportation Authority is seeking \$10 million to construct two larger retaining walls to create a wider roadway width to accommodate the future YBI MUP Project, a bi-directional Class I path that will connect Treasure Island to the Bay Bridge East Span Path. If these retaining walls are not constructed now, the WSB Project will construct smaller retaining walls that will be demolished and reconstructed by the future YBI MUP Project. In October 2024, the Mayor's Office submitted a request to the MTC for San Francisco's \$38.5 million award from the Housing Incentive Pool (HIP) program, which included \$5.5 million for the WSB Project for retaining walls to accommodate the YBI MUP Project (Attachment 1). MTC requires the Transportation Authority adopt a Resolution of Local Support for the project to file an application for HIP funding. To fully fund the cost of the larger retaining walls, we are recommending that the Board program \$4.5 million in San Francisco's SB 1 LPP Formulaic funds to a project of the BATA's choice in exchange for \$4.5 million in BATA funds for the retaining walls. The WSB Project cannot accept LPP funds directly because its construction contract has already been awarded, which is not allowed under the LPP guidelines. Our recommendation is conditioned upon MTC Commission approval of the \$4.5 million in BATA funds for the WSB Project, which is expected in January 2025. There are two other items on this agenda that are related to the YBI MUP, including award of the contract for design services, and appropriating \$750,000 in Prop AA funds for the transit lane scope of the design contract.

BACKGROUND

MTC's HIP Program is a regional funding program that is a competitive "race to the top" incentive program that rewards local jurisdictions for producing or preserving housing units that are affordable to very low-, low-, and moderate-income households within designated Priority Development Areas and Transit Priority Areas. In March 2024, MTC awarded \$71 million to the top 15 jurisdictions based on their affordable housing production and preservation performance between 2018 and 2022, with the majority of the funds, \$38.5 million, going to San Francisco. On October 2, 2024, the Mayor's Office submitted San Francisco's HIP project list to MTC. The list includes \$5.5 million for the Transportation Authority's WSB Project for retaining walls to accommodate the YBI MUP Project. MTC requires the Transportation Authority to adopt a Resolution of Local Support for the project to file an application for HIP funding, and commit any necessary matching funds, and state



assurance to complete the project. The Resolution of Local Support is required before MTC Commission approval of the HIP funds for the WSB Project, which is expected on December 18, 2024.

The **WSB Project**, which broke ground in June 2023, will demolish eight bridge structures and reconstruct a realigned roadway, six retaining walls, and a new undercrossing structure. Additionally, one structure will be seismically retrofitted and requires a column relocation. The WSB Project will also implement a westbound Class II bike lane. The original scope of the WSB Project included the two taller retaining walls that would accommodate the future YBI MUP Project; these walls were included in the environmental clearance and in the design contract. However, these two larger walls were scaled back due to lack of available funding. Instead, the construction contract currently includes two smaller interim walls that would have to be demolished and reconstructed by the future YBI MUP Project. We expect the WSB Project will be completed in 2026.

The Transportation Authority is also leading the **YBI MUP Project**, a 1.2 mile bi-directional pedestrian and bicycle facility that will extend from the existing Bay Bridge East Span bicycle landing to the new Treasure Island Ferry Terminal, along Hillcrest and Treasure Island roads. The YBI MUP is adjacent to four YBI roadway projects:

- Segment 1 - Southgate Project
- Segment 2 - Hillcrest Road Improvements Project
- Segment 3 - WSB Project
- Segment 4 - Treasure Island Road and Transit Lane

Attachment 2 contains a map showing the relative locations of the WSB and YBI MUP projects on YBI.

SB 1 Local Partnership Program - Formulaic Funds. The Road Repair and Accountability Act of 2017, also known as SB 1, is a transportation funding package that provides funding for local streets and roads, multi-modal improvements, and transit operations. Among other things, SB 1 created the LPP and appropriates \$200 million annually to be allocated by the California Transportation Commission (CTC) to local or regional agencies that have sought and received voter approval of, or imposed fees solely dedicated to transportation. The CTC's program guidelines allocate 60% of the program funds through a Formulaic Program and 40% through a Competitive Program, after \$20 million of incentive funding is taken off the top of the entire program to reward jurisdictions with newly passed measures.

The LPP Formulaic Program has broad project eligibility criteria for capital projects. Funds can be used for most project phases (i.e., environmental, right-of-way, design, construction) and require a dollar-for-dollar local match. The LPP Formulaic Program will only fund projects, or segments of projects, which are fully funded and have independent utility.

For this funding cycle covering Fiscal Years (FYs) 2023/24 - 2024/25, we will receive \$8.758 million based on Prop K/L, Prop AA, and the TNC Tax revenues as well as a one-time \$5 million bump from LPP incentive funds to reward San Francisco for passing Prop L in November 2022. LPP Formulaic program projects are identified at the local level, but the CTC ultimately programs and allocates the funds, which are subject to strict timely use of funds



requirements. For this funding cycle, we have until April 2026 to program LPP Formulaic funds.

DISCUSSION

The Transportation Authority is seeking \$10 million to construct the two larger retaining walls as part of the WSB Project to accommodate the future YBI MUP Project. Building these walls now will save an additional \$10 million in future demolition costs, increase construction efficiencies, and reduce future construction impacts. To fully fund this scope, we are seeking \$5.5 million in HIP funds from MTC and \$4.5 million in SB 1 LPP Formulaic funds through a fund exchange with flexible BATA funds that can be used for change orders on the existing WSB Project construction contract. The scope of the retaining walls is fully designed and environmentally cleared.

The existing budget for the WSB Project (all phases) is \$126 million and is made up of a mix of funds, including Federal Highway Bridge Program, Federal Rebuilding American Infrastructure with Sustainability and Equity Grant, Federal earmark funds, State Prop 1B Local Bridge Seismic Program, Transportation Authority and BATA LPP Formulaic funds, BATA, Treasure Island Development Authority and Transportation Authority Prop K funds. The \$10 million for additional retaining wall scope would bring the total budget to \$136 million through a mix of Federal Surface Transportation Program funds (HIP program) and BATA funds.

The Board has taken previous action to increase construction efficiencies on YBI and deliver YBI MUP scope early. This included a series of actions in November 2023 to program LPP Formulaic funds, allocate Prop K funds, and approve two fund exchanges that together secured \$7.5 million in additional funds needed to incorporate the MUP Segment 2 accommodations into the Hillcrest Road Improvement Project, which is now under construction. Today's recommended actions would similarly help secure the funds needed to incorporate the MUP Segment 3 accommodations into the WSB Project.

Recommended LPP Formulaic Program Project Priorities. After considering LPP guidelines and the near-term timeline for WSB Project construction, we recommend programming, with conditions, \$4.5 million of the \$8.758 million in LPP Formulaic funds available to a project of BATA's choice, which will likely be a Caltrans bridge project. We will work with BATA and Caltrans to ensure the chosen project can readily meet the strict requirements of the LPP formula program. Programming the \$4.5 million in San Francisco LPP funds is conditioned upon MTC Commission approval of \$4.5 million in BATA funds for the WSB Project for retaining walls to accommodate the YBI MUP Project, which is expected at the January 2025 meeting. BATA supports this recommendation.

Our previously approved and proposed project priorities for the LPP Formulaic funds are summarized in Attachment 3. We anticipate returning to the Board in 2025 with recommendations for programming the remaining LPP formula funds to other projects. We have until April 2026 to program the remaining \$1.657 million in LPP formula funds for this cycle. The WSB Project and YBI MUP Project are Board adopted priorities in our Annual Work Program and Prop L 5 Year Prioritization Programs.



Next Steps. We expect that the MTC Commission will program \$5.5 million in HIP funds to the WSB Project at its December 2024 meeting and the \$4.5 million LPP Formula/BATA fund exchange at its January 2025 meeting. After BATA and Caltrans determine an appropriate project to receive LPP Formulaic funds, we will work together to submit the LPP project nomination to the CTC.

FINANCIAL IMPACT

The recommended actions would enable the Transportation Authority to seek \$5.5 million in federal HIP funds and \$4.5 million in local BATA funds for the WSB Project to accommodate the future YBI MUP Project. These funds would be reflected in the mid-year FY 2024/25 budget revision and in future year budgets to correspond to anticipated project cash flows. After the aforementioned funds are secured, we will return to the Board (anticipated in early 2025) to amend the existing WSB construction contract to allow the funds to be used via change orders.

CAC POSITION

The CAC will consider this item at its October 23, 2024 meeting.

SUPPLEMENTAL MATERIALS

- Attachment 1 - Westside Bridges Retrofit Project HIP Project Information Form
- Attachment 2 - Yerba Buena Island Projects Maps
- Attachment 3 - Proposed LPP Formulaic Program Priorities

ATTACHMENT 1

Housing Incentive Pool (HIP)

Project Information Form



Project Information	
Project Name	
Project Sponsor	
Contact Name	
Contact Phone	
Contact Email	
Project Location <i>Attach project map, if available</i>	Describe the project location, including city/county and street names of project limits:
Project Scope <i>All scope elements must be eligible with HIP funding sources (see below)</i>	Briefly describe all scope elements and activities to be funded using HIP funds:
Eligibility	
Federal Fund Eligibility <i>Project must be eligible for federal funds; select at least one</i>	<p>Project is eligible for the following HIP federal fund source(s):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Surface Transportation Block Grant (STP) Program (see FHWA fact sheet and 23 USC § 133) <input type="checkbox"/> Congestion Mitigation & Air Quality Improvement (CMAQ) Program (see FHWA fact sheet and 23 USC § 149) <p><i>Note: projects eligible for CMAQ funding must provide inputs for air quality improvement calculations with this form, using the template provided by MTC.</i></p>
OBAG 2 Eligibility <i>Project must be eligible for OBAG 2 funds; select to confirm</i>	<p>Project is eligible for MTC's One Bay Area Grant (OBAG 2) program (MTC Resolution No. 4202) which restricts or prohibits the following activities: air quality non-exempt projects, new roadways, roadway extensions, right of way acquisition for future expansion, operations, and routine maintenance (see MTC's OBAG 2 webpage).</p> <p><input type="checkbox"/> Project is eligible for OBAG 2 funds.</p>
Complete Streets Policy <i>Project must comply with policy; select at least one</i>	<p>Sponsor will comply with MTC's Complete Streets policy (MTC Resolution No. 4493), including completion and submission of a Complete Streets checklist for this project, if applicable (see MTC's Complete Streets webpage).</p> <ul style="list-style-type: none"> <input type="checkbox"/> Sponsor/project will comply with MTC's Complete Streets policy. <input type="checkbox"/> Existing project is already compliant with MTC's Complete Streets policy (including prior sponsor submission of a Complete Streets checklist, if applicable)

Housing Incentive Pool (HIP)

Project Information Form



<p>Regional Project Delivery Policy <i>Project must comply with policy; select to confirm</i></p>	<p>Sponsor will comply with MTC’s Regional Project Delivery Policy (MTC Resolution No. 3606), including adoption of a Resolution of Local support for this project using the template provided by MTC (see MTC’s Regional Project Delivery webpage).</p> <p><input type="checkbox"/> Sponsor/project will comply with MTC’s Regional Project Delivery Policy, including adoption of a Resolution of Local Support.</p>
<p>State Housing Law <i>Sponsor must comply with policies; select to confirm</i></p>	<p>To qualify for HIP funding, sponsors must be compliant with state housing laws related to Surplus Lands, Accessory Dwelling Units, Density Bonuses, and Housing Elements. Sponsor acknowledges the following related deadlines and requirements:</p> <p><input type="checkbox"/> General plan Housing Element adoption and certification by the California Department of Housing and Community Development (HCD) for the 2023-2031 Regional Housing Needs Allocation (RHNA) by December 31, 2024 and at the time of HIP programming in the Transportation Improvement Program (TIP).</p> <p><input type="checkbox"/> Certification by council or board resolution of compliance with the other three laws related to Surplus Lands, Accessory Dwelling Units, and Density Bonuses, using the template provided by MTC, by December 31, 2024.</p>
<p>Readiness & Deliverability</p>	
<p>Obligation Deadline <i>Select to confirm</i></p>	<p>The obligation deadline for HIP funds is January 31, 2027.</p> <p><input type="checkbox"/> Sponsor will obligate all HIP funds for this project by January 31, 2027.</p>
<p>Readiness <i>MTC will prioritize projects that are ready to deliver</i></p>	<p>Briefly describe the current project status and next steps, including the type and status of any required environmental and right-of-way (ROW) approvals:</p>
<p>Deliverability <i>MTC will prioritize projects with minimal delivery risks, including projects fully funded through construction</i></p>	<p>Briefly describe any anticipated risks to the project funding plan and schedule and how the sponsor will mitigate and respond to those risks:</p>

Housing Incentive Pool (HIP)

Project Information Form



Needs & Benefits	
Community Support <i>MTC will prioritize projects with demonstrated community support</i>	Briefly describe any recent community feedback related to this project:
Plan and Policy Consistency <i>MTC will prioritize projects that support adopted plans and policies</i>	Briefly describe how this project supports adopted plans and/or policies on the federal, state, regional, and/or local level:
Project Impacts <i>MTC will prioritize projects with positive community impacts and minimal burdens</i>	Briefly describe anticipated project impacts, including benefits and burdens to potentially affected communities:

Housing Incentive Pool (HIP)

Project Information Form



Project Cost & Funding

HIP Grant Request:

Total Grant Request*	
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**Grant requests must be at least \$250,000*

Project Cost & Schedule:

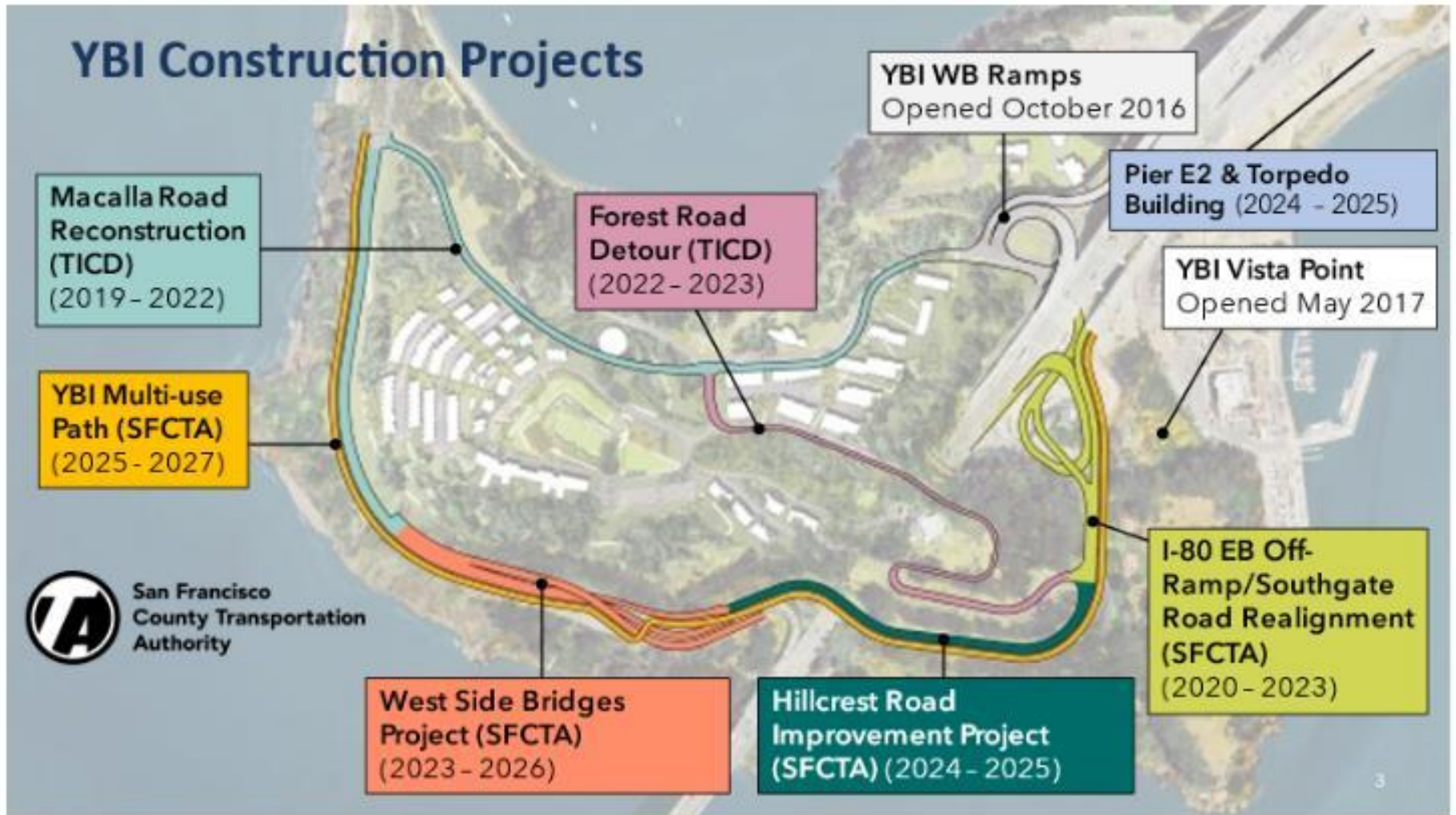
Federal Project Phase	Total Cost	Secured Funds		Unsecured Funds		Schedule <i>Phase start date (month/year)</i>
		Amount	Secured Fund Source(s)**	HIP Grant Request	Remaining Funds Needed	
Preliminary Engineering (PE)						
Right-of-Way (ROW)						
Construction (CON)						
Non-Infrastructure (NI)						
Total						

***Sponsors receiving STP or CMAQ funding must provide a local match of at least 11.47% of the total project cost*

Scalability:

<p>HIP Award Range and Scalability <i>Optional section for scalable grant requests only</i></p>	<p>If applicable, indicate the minimum and maximum HIP grant award requested for this project and briefly describe how the project scope and/or funding plan could be adjusted to accommodate variable award amounts:</p>
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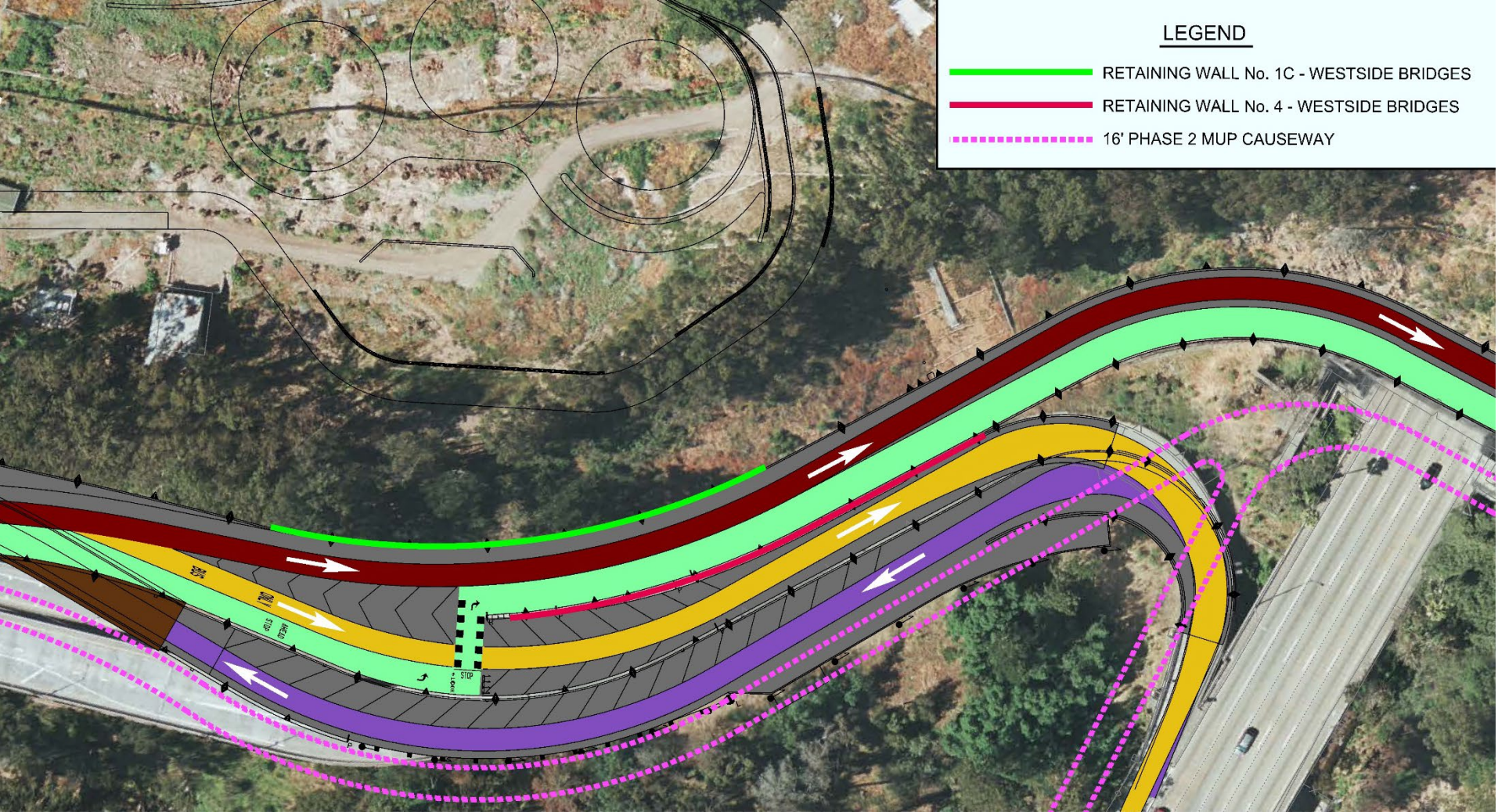
Yerba Buena Island Construction Projects



Yerba Buena Island Multi-Use Pathway Segments



West Side Bridges - Retaining Walls to Accommodate YBI MUP



**Attachment 3
Proposed Local Partnership Program (LPP) Formulaic Program Priorities**

Fiscal Year	Sponsor ¹	Project Name	Project Description	Phase(s)	District(s)	Cost of Phase Requested	LPP-F Funds Requested	
Previously Programmed (Resolution 24-19, approved 11.28.23)								
23/24	SFCTA	Yerba Buena Island Hillcrest Road Improvements Project	This project will widen Hillcrest Road providing two travel lanes, wider shoulders, improved sight distance, and a Class II bicycle lane. The improvements are a connecting segment located between the under-construction West Side Bridges Project and the recently opened Southgate Realignment Project. To accommodate the future YBI Multi-Use Path (Class I), the scope of the Hillcrest project is proposed to be expanded to include a wider shoulder area and a taller retaining wall built further into the hill.	Construction	6	\$ 33,500,000	\$ 2,600,000	
23/24	SFCTA	Yerba Buena Island Multi-Use Pathway (YBI MUP)	This project will provide new pedestrian and bicycle facilities that extend from the existing San Francisco-Oakland Bay Bridge (SFOBB) East Span Bicycle and Pedestrian Path's Yerba Buena Island terminus to the new Treasure Island Ferry Terminal. This path would also tie into the planned SFOBB West Span bicycle and pedestrian facility currently being developed by the Bay Area Toll Authority and Metropolitan Transportation Commission. The project area is a planned segment of the San Francisco Bay Trail.	Design	6	\$ 6,801,000	\$ 1,000	
Proposed New Programming								
24/25	TBD	West Side Bridges Seismic Retrofit Project - Retaining Walls to Accommodate YBI MUP (Fund Exchange)	SFCTA will work with the Bay Area Toll Authority (BATA) to identify and program LPP-F funds to a project of BATA's choice. In exchange, SFCTA will receive an equivalent amount in BATA funds for the West Side Bridges Project to construct retaining walls to accommodate the YBI MUP. The West Side Bridges Project will improve safety by seismically retrofitting or replacing eight existing bridge structures along Treasure Island Road to meet current state seismic safety standards and constructing a Class II westbound bicycle lane. The improvements are a connecting segment located between the under-construction Hillcrest Road Improvements Project and the future YBI MUP Segment 4. To accommodate the future YBI MUP (Class I), the scope of the West Side Bridges Project is proposed to be expanded to include a wider shoulder area and two taller retaining walls.	Construction	6	\$ 125,900,228	\$ 4,500,000	
						Total	\$ 166,201,228	\$ 7,101,000

Total LPP-F Funds Available \$ 8,758,000

LPP-F Funds Remaining to Program² \$ 1,657,000

¹ Sponsor abbreviation: the San Francisco County Transportation Authority (SFCTA).

² We anticipate returning to the Board in 2025 with recommendations for programming the remaining LPP Formulaic funds to other projects. We have until April 2026 to program the LPP Formulaic funds in this cycle. These funds require a dollar for dollar match.