



Memorandum

AGENDA ITEM 3

DATE: February 24, 2025

TO: Transportation Authority Board: Commissioners Melgar (Chair), Chan, Chen, Dorsey, Engardio, Fielder, Mahmood, Mandelman, Sauter (Vice Chair), Sherrill, and Walton

FROM: Tilly Chang - Executive Director

SUBJECT: 2/25/2025 Board Meeting: Executive Director's Report - **INFORMATION**

FEDERAL, STATE, AND REGIONAL ISSUES

White House Executive Orders and U.S. DOT Issues Policy Directive. The new Administration has been releasing executive orders and other policy directives over the past month that may lead to significant shifts in how federal funding is distributed including new investment criteria and conditions. President Trump's Executive Orders in late January temporarily paused funding in a host of areas, including green/clean energy projects and diversity, equity, and inclusion (DEI) activities, and then rescinded some, leaving it unclear which could impact Transportation Authority grants and those of other transportation agencies in the city and region. On January 30, the federal Department of Transportation (DOT) issued a memo outlining its new intended criteria for disbursing federal transportation funding. Among other things, these include requiring programs supported by the agency to prioritize funding projects for communities with higher marriage rates and families with young children and requiring local compliance with federal immigration enforcement.

This memo would apply to all federal transportation programs, potentially impacting all types of transportation projects, from highways to transit and active modes infrastructure. It is unclear what the impact of this memo will be, and how the new requirements will be applied to existing and future federal funding. We will continue to coordinate with the City and County of San Francisco (City), the Metropolitan Transportation Commission (MTC), the state and other partners to advocate to sustain San Francisco existing projects and programs as well as to advance our priorities for future investment. This is a key component of our federal advocacy program, and we will continue to provide monthly reports on the impacts of the new Administration.



CA Courts Uphold CA PUC Permit for Expansion of AV Passenger Services in SF.

On January 14, 2025, the California Court of Appeals ruled to uphold the California Public Utilities Commission (CPUC) permit for Waymo to expand services throughout San Francisco, in a lawsuit filed by the City in December 2023. The City argued that the CPUC had failed in its responsibility to protect public safety when granting Waymo and Cruise driverless deployment permits for unrestricted commercial passenger services in San Francisco. The City contended that the CPUC should have conducted a more thorough and transparent review of autonomous vehicle performance, including with respect to public safety related to emergency response, before awarding the permits. The City further argued that, if granted, the permits should be supported by safety guardrails and increased reporting to the public. The court sided with the CPUC ruling that its actions were reasonable and in compliance with existing regulations.

Multimodal Bay Skyway Project - \$71 Million SCCP Application Submitted.

I'm pleased to share that in November, the Transportation Authority, Bay Area Toll Authority (BATA), and California Department of Transportation submitted a \$71 million application to the statewide competitive Solutions for Congested Corridors Program (SCCP) for the Multimodal Bay Skyway Project. Created by Senate Bill 1, SCCP funds projects designed to reduce congestion in highly traveled and highly congested corridors. This funding would help construct dedicated facilities for transbay cyclists, pedestrians, and transit riders. If successful, the Transportation Authority's Yerba Buena Island Multi-Use Path & Transit Lane (YBI MUP) project, a component of the overall Multimodal Bay Skyway, will receive \$38.4 million of the SCCP award. We anticipate hearing the results of the SCCP application this summer.

Multimodal Bay Skyway Project - \$25 Million Conditional RM3 Award.

This month, we were very happy that the MTC's Programming and Allocations Committee recommended a \$25 million conditional Regional Measure 3 (RM3) Safe Routes to Transit & Bay Trail program award to the Multimodal Bay Skyway, of which YBI MUP would receive \$16.25 million for construction. MTC selected Multimodal Bay Skyway as one of just seven projects recommended to receive funding. The recommended award, which will be considered by the MTC later this month, is contingent on securing additional funding from SCCP (see above entry) or presenting MTC staff with a deliverable segment that maintains the project benefits.



MTC Releases Poll Results for a Regional Transportation Revenue Measure - A Majority of Voters in 4 Core Counties Would Vote for a Sales Tax to Support Transit.

February 13, MTC released the results of a voter survey conducted earlier this year for several regional transportation revenue measure frameworks intended to address anticipated transit operating deficits in the region. The poll found that a majority of voters in the four counties of Alameda, Contra Costa, San Francisco and San Mateo would vote yes on a new sales tax to support transit operations for AC Transit, BART, Caltrain, and SFMTA. Fifty-four percent of likely voters supported a flat half-cent sales tax across the four counties while fifty-five percent supported a variable-rate tax framework where San Francisco would see a higher sales tax increase at seven-eighths of a cent than other counties set at a half-cent increase. MTC also polled a nine-county measure that proposed both a half-cent sales tax and a nine-cent parcel tax, which saw only 44% support after respondents heard opposing arguments. While the two four-county frameworks saw majority support, they fell short of reaching the two-thirds voter approval threshold needed for MTC to pass a measure. This means that MTC may need to seek state authorization that enables a citizen initiative for a regional measure that would require only simple majority approval in order to be viable in the near term. Under Item 9 on today's agenda, the Board will hear more information on this poll from MTC staff and their survey research consultant EMC.

LOCAL ISSUES

Long-Term Revenue Options and Service Improvements Discussed at Muni Funding Working Group. On January 31, SFMTA held their sixth Muni Funding Working Group meeting to discuss new long-term revenue options and potential service improvements that could help build support as part of a funding measure that goes before voters. Revenue options included citywide paid parking for visitors to San Francisco, a new charge for short-term curb use aimed at rideshare and delivery vehicles, road pricing for freeways and joint development on property owned by SFMTA. While these options could generate significant revenues towards transit operations, full implementation - if they were pursued, couldn't occur until 2029 at the earliest and for others much later given longer lead times for planning, policy development and/or legislation. SFMTA also discussed potential transit service improvements related to safety and security, service increases, accessibility, customer experience, regional transit coordination, and street upkeep that could help build voter support for a ballot measure. SFMTA anticipates bringing several packages of strategies to the working group in March, looking for feedback from the group on



which package(s) can help SFMTA close its anticipated budget deficit which is estimated at \$322 million in fiscal year 2027. More information on the Muni Funding Working Group can be found at www.sf.gov/muni-funding-working-group.

SFMTA Considers Service Cuts and Dipping Into Reserves for FY25-26 Budget.

On February 18, the SFMTA Board discussed options to help close an anticipated budget shortfall of \$50 million for fiscal year (FY) 2026. SFMTA staff have already identified \$35 million worth of solutions that would have minimal to no impact on agency services, however closing the remaining \$15 million gap requires more difficult trade-offs. In response to prior input from the SFMTA Board, SFMTA staff has developed options to close the \$15 million gap through transit service cuts, agencywide program and project cuts, and spending agency reserves. Later today, SFMTA's newly-appointed Director of Transportation Julie Kirschbaum will share more information on these options and provide a financial update for the agency. The SFMTA Board is expected to make a final decision on how to close the \$15 million gap in March after reviewing community feedback. These discussions are a preview of more significant actions SFMTA may have to take later this year to address the FY 26-27 deficit which is anticipated to grow to \$322 million. Relatedly, in an effort to address these near-term transit operating deficits, earlier this month Senators Wiener and Arreguin announced that they are leading an effort to secure \$2 billion in state funding for transit operators to serve as bridge funding while the region works to place a transportation revenue measure on the ballot in November 2026. We will keep the Board apprised as MTC considers the options and authorizing legislation begins moving through the Legislature.

Mission Bay School Access Plan- Online Townhall on February 26th at 6 p.m.

The Mission Bay School Access Plan, requested by Commissioner Dorsey and funded through the Prop L Neighborhood Program, aims to improve active transportation access to a new school that San Francisco Unified School District is constructing in Mission Bay. The study's second round of outreach has begun and the study team has been meeting with community groups to share concepts which improve safety and connectivity to the school site in areas which community members identified as high priority barriers. The public is invited to attend an online town hall tomorrow evening, Wednesday, February 26 from 6:00-7:30 p.m., or to request a presentation for your community group. For more information, visit sfcta.org/mission-bay-school.



PROJECT DELIVERY

West Side Bridges Retrofit and Hillcrest Road Improvement Projects Delivery Progress. We continue to move forward with the construction of both projects, which are part of a larger multi-modal infrastructure improvement program on Yerba Buena and Treasure Islands that supports the Treasure Island Transportation Program. The West Side Bridges Retrofit project will rehabilitate or reconstruct eight bridge structures along Treasure Island Road. The project team recently completed a water line relocation and continued to build out the main roadway and retaining wall along Treasure Island Road. We also secured \$10 million in federal Housing Incentive Pool funds and BATA toll revenues (via a Senate Bill 1 Local Partnership Program fund exchange) to construct additional retaining walls as part of the West Side Bridges project that will accommodate the future Yerba Buena Island (YBI) Multi-Use Path. The project is about 50% complete and the project team anticipates finishing construction in the second half of 2026. The Hillcrest Road Improvement Project will upgrade Hillcrest Road to modern San Francisco Public Works standards and improve multi-modal access. The project team has nearly finished with construction of a retaining wall at the southern end of the project and continues to work on improving the roadway. The project is about 35% complete and the project team anticipates completing the project in the first half of 2027.

Yerba Buena Island Projects - Labor Utilization Update. TIMMA Chair Dorsey mentioned that he attended the One Treasure Island (One TI) training program graduation earlier this morning at the TIMMA Board meeting. We are pleased to report that out of the eleven graduates, one carpenter apprentice was hired to work on our West Side Bridges Retrofit project two weeks ago. The project has had a total of 15 apprentices at various times throughout the construction duration, with currently about 3 or 4 apprentices on site depending on subcontractor work tasks.

M boarding Island at San Jose/Geneva at Balboa Park) - New Boarding Island First of More Improvements to Come. In partnership with SF Public Works and the SFMTA, we are excited to announce that M Ocean View Muni riders have a new boarding island at San Jose and Geneva Avenue. Previously, riders had to step off the train directly into the street. The new boarding island is one of the first quick-build elements of the M Ocean View Transit and Safety Project, which focuses on improvements along the M Ocean View between Junipero Serra Boulevard and Balboa Park BART Station. SF Public Works successfully employed a new construction approach on the boarding island whereby construction took place during revenue



service. This allowed for minimal disruption to passengers and transit operations. The new boarding island is expected to calm traffic more generally at this intersection, which is currently on the high-injury network. The M Ocean View project is part of the Muni Forward program and will add more quick-build improvements in 2025, as approved by the SFMTA Board of Directors last year, after two years of community outreach. The SFMTA will begin full capital construction in mid-2026. The Transportation Authority supported the planning phase for the boarding island with voter approved sales tax funds and is supporting the design phase for the larger M Ocean View project with Prop AA vehicle registration fee dollars.

BART Celebrates New Faregates at San Francisco Downtown Stations and a New Canopy at Embarcadero Station. Earlier this month, Vice Chair Sauter, Commissioner Chen and I joined BART General Manager Bob Powers, BART Directors Janice Li and Edward Wright and staff to celebrate the completion of all of the downtown next generation fare gates at Embarcadero, Montgomery, Powell, and Civic Center BART Stations. These are the first major capital projects to be delivered with Prop L sales tax funds and we thank BART staff for their expeditious delivery. Installation was just in time for the Lunar New Year parade and the NBA All Star festivities, events that broke BART's post-pandemic weekend ridership record. The Transportation Authority contributed \$12.5 million in Prop L sales tax funds for new fare gates at all San Francisco BART stations, part of a \$90 million system-wide effort. BART expects to complete new fare gate installation at the remaining two San Francisco stations - Balboa Park and Glen Park in 2025. Prior to the event, BART installed a new canopy at Embarcadero Station which protects the entrance on the north side of Market Street near Drumm Street. Work is already underway on a new canopy across Market Street near Main Street. The canopies are being paid for, in part, with BART Measure RR funds.

Vision Zero Coordinated Pedestrian Safety Improvements - District 6 Improvements Open for Use. I am very happy to congratulate Public Works on their delivery of the Vision Zero Coordinated Pedestrian Safety (Bulbs and Basements) Project which is substantially complete and open for use. The Transportation Authority provided \$700,000 of Prop AA vehicle registration fee funds to support the construction of 2 bulbouts and 4 new curb ramps (Jones & Ellis) and a raised crosswalk (8th Street & Minna) in District 6 along the High Injury Network, improving accessibility and reducing the likelihood of pedestrian collisions. These locations



were at street corners with sub-sidewalk basements, making them more expensive and complex to construct. We are glad to see this work completed.

MANAGEMENT AND ADMINISTRATION

Julie Kirschbaum Named SFMTA Director of Transportation. We join with transportation industry colleagues across the region and beyond to congratulate Julie Kirschbaum on her appointment by Mayor Lurie and the SFMTA Board of Directors as the permanent Director of Transportation. Julie, who has been serving as Acting Director since January 1, 2025, brings two decades of transportation experience to the role including serving as SFMTA's transit division from 2018 to 2024, during which time the agency transformed Muni service to respond to post-COVID travel needs and achieved its highest-ever customer satisfaction ratings. Prior to joining the SFMTA, Julie was a member of our Planning Division, working on Geary BRT among other efforts. We are fortunate to have her leadership on transportation at this important time and look forward to our continued collaboration with Director Kirschbaum.