



Memorandum

Date: 11.29.16 **RE:** Transportation Authority Board
November 30, 2016

To: Transportation Authority Board: Commissioners Wiener (Chair), Mar (Vice Chair), Avalos, Breed, Campos, Cohen, Farrell, Kim, Peskin, Tang and Yee

From: Tilly Chang – Executive Director *TJC*

Subject: **INFORMATION** – Executive Director’s Report

REGIONAL, STATE AND FEDERAL ISSUES

President-Elect Affirms Federal Infrastructure Plan a Priority – Emphasis on Private Financing: President-Elect Trump has stated his intention of putting forward an infrastructure bill within his first 100 days in office. The proposal would include \$137 billion in tax breaks to private investors who would then finance \$1 billion in toll roads, toll bridges, and other projects that generate their own revenue streams or receive fixed payments from state and public agencies. There has been interest from House of Representatives Minority Leader Pelosi and Senator Schumer to work on this proposal but there is yet to be a clear plan. While we welcome the potential expansion of private sector financing opportunities, the type of public private partnership approach is generally applicable to only a small percentage of projects and typically doesn’t address maintenance needed.

Special State Legislative Session Ends – No Transportation Funding Deal: On November 22nd, Governor Brown and legislative leaders announced that there would not be a vote on a transportation funding deal before the end of the special legislative session on November 30th. In a joint letter to stakeholders, they announced that both houses of the legislature were committed to addressing transportation funding early in the new legislative session. We will provide an overview at the December 6 Finance Committee and bring our 2017 state and federal legislative program to the Board for approval at the December 13th meeting.

Caltrans’ Federal Environmental Clearance Authority Due to Expire – Project Delivery At Risk Unless Legislature Acts Quickly: As I reported last month, in 2007, California was the first state that assumed National Environmental Policy Act (NEPA) responsibility through a federal pilot program intended to help streamline the NEPA process. In order to assume sole liability for NEPA actions, California waived its right to sovereign immunity under the 11th amendment but included a sunset provision with the expiration date of January 1, 2017. The bill to remove the sunset provision has been folded into a single transportation funding bill that failed to pass during the regular legislative session. Unfortunately, the extraordinary legislative session has ended without approval of a transportation funding bill that could have addressed this issue. We are working with FHWA project sponsors to expedite their NEPA process where possible. Also, we are supporting Caltrans’ and MTC’s advocacy on this issue and will work with the Self-Help Counties Coalition to urge the Legislature to take action quickly in the next session to allow Caltrans to carry out NEPA responsibilities without interruption.

Plan Bay Area 2040 – Final Preferred Scenario Approved: On November 17th, the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) Executive Committee approved the Plan Bay Area 2040 Final Preferred Scenario and Investment Strategy. This scenario will now undergo environmental assessment pursuant to CEQA and final plan adoption is anticipated in

Summer 2017. We are grateful to MTC and ABAG staff for their hard work on this plan over the past year and a half, and are pleased with the Final Scenario's transportation investment strategy. Our Commissioners, along with others and many stakeholders from around the region, gave a strong show of support for an action plan that would make a meaningful difference with respect to affordability and displacement, two Plan Bay Area target areas where the Final Scenario not only failed to meet the target, but also moved in the wrong direction. MTC and ABAG have committed to a process that will engage congestion management agencies, transit operators, local jurisdictions, under-represented communities and other key stakeholders. We look forward to working with MTC staff over the coming months to develop policies and a potential legislative agenda that will benefit the region.

November 2017 Regional and State Election Results - A Mixed Bag: The \$3.5 billion BART bond was approved by over 2/3 of voters in the three BART counties (Alameda, Contra Costa and San Francisco), providing much-needed funding to advance critical state of good repair and core capacity investments that will be an important first step in meeting the current and future needs of the BART system. While San Francisco and Contra Costa voters did not approve local transportation measures, voters in Santa Clara County, Alameda County, and other local jurisdictions did, along with a handful of affordable housing and renter protection measures. Finally, at the state level Proposition 53 was narrowly defeated, which if approved would have required statewide vote on local transportation projects over \$2 billion that received state financing.

Taking San Francisco's Experience to National Conferences - Complete Streets, TDM, Pricing, and Technology Enabled Transportation: We presented and participated in three conferences, all held in mid-November, that drew on a nationwide audience. I presented on San Francisco's experience translating complete streets policies into practice at "Street Lights: Illuminating Implementation and Equity in Complete Streets", organized by Smart Growth America and the National Complete Streets Coalition and held in Sacramento. Principal Planners Rachel Hiatt and Michael Schwartz facilitated tables of state policy experts on transportation pricing and on transportation demand management at "Capital Ideas II", organized by Transportation for America, also held in Sacramento. Lastly, Deputy Director for Planning Jeff Hobson and Principal Planner Rachel Hiatt participated in developing policy briefs at "Policies for the Three Transportation Revolutions of Shared, Autonomous, and Electrified Vehicles", a conference organized by the Institute of Transportation Studies at the University of California Davis and the California Governor's Office.

LOCAL ISSUES

November 2017 Local Election Results - Proposition J Passes, Proposition K Does Not: While San Francisco voters were in favor of funding transportation and homelessness and expressed through approval of the Proposition J charter amendment, they did not pass the adjoining Proposition K .75% general sales tax by an almost equal margin: Proposition J passed with 67.17%, while Proposition K failed by 65.29%. On November 10th, Mayor Lee overrode the charter set-aside and stated that he would put forth a plan within a few weeks detailing changes to spending and revenues to re-balance the City's budget which had assumed revenues from the general sales tax increase. However, the Mayor also affirmed his intention of backfilling some of the lost revenue and making homelessness and street resurfacing a priority. He also asked San Francisco Municipal Transportation Agency Director Reiskin, myself, and other key stakeholders to come up with alternative sources of revenue and strategies to address these critical transportation needs which haven't gone away.

Neighborhood Transportation Improvement Program (NTIP) - Planning Projects in Districts 2, 5 and 9 to Produce Final Reports for Board Consideration in Early 2017: The NTIP program continues to help advance projects across the city. This month, the final report for the District 10 NTIP project for Cesar Chavez, Bayshore, Potrero "Hairball" intersection improvements was presented at the Finance Committee. We look forward to working with

the SFMTA and San Francisco Public Works (SFPW) to advance recommendations from the report. In early 2017 we expect that the District 5 Western Addition Community Based Transportation Plan, the District 9 Alemany Interchange Improvement Study, and the District 2 Lombard Crooked Street final reports will be coming to the Board for adoption.

Lombard Crooked Street - Final Community Meeting Held: On November 17th, staff joined with Commissioner Farrell's office to host the second and final community meeting for the District 2 NTIP planning project. The project team was seeking feedback on potential solutions to address the ongoing challenges stemming from increasing tourism and traffic near the famous crooked block of Lombard Street in Russian Hill. We were pleased to see over 100 members of the community that evening, and engaged in an open and productive conversation about potential solutions focused around education, enforcement, engineering and circulation changes, and demand management. Staff is currently summarizing feedback received at the meeting as well as collecting additional feedback online on the project website through December 11th. Once this feedback is received and analyzed, staff will prepare a set of final recommendations for both immediate implementation and further study, to be presented to the Board for adoption in early 2017. For more information, please contact Andy Heidel (andrew.heidel@sfcta.org, 415.522.4803).

Child Transportation Survey - Report to be Presented in December: In collaboration with the Mayor's Office and SFMTA, we completed the Child Transportation Study research effort and released a report summarizing the findings of the Child Transportation Survey. The goal of the effort, which was initiated at the request of Commissioner Tang, was to provide more in-depth and comprehensive information on school transportation issues in San Francisco and to identify potential solutions to help mitigate school commute difficulties. The issues and potential solutions were informed by an inventory and review of existing data sources, focus groups, and an in-depth survey of over 1,700 parents of Kindergarten through 5th grade children on their school commutes and preferences. This research revealed that there is a high level of dissatisfaction with school commutes, with over 60% of parents either actively seeking or being open to school commute alternatives. The study report includes a set of recommendations which will be presented at the December 6 Plans and Programs Committee. For more information, contact Joe Castiglione (Joe.Castiglione@sfcta.org, 415-522-4810).

Commuter Shuttle Hub Study - Findings Presented to SFMTA Board: Along with SFMTA staff, we presented findings from the joint agency study to the SFMTA Board at its November 15th meeting. The study, requested by the Board of Supervisors, explores an alternative reduced-stop, hub-based approach to the SFMTA's current Commuter Shuttle Program. The analysis reveals a number of tradeoffs between hub scenarios and the current program. While a hub-model may result in less shuttle vehicle travel on the city's surface streets, we predict a 24-45% drop in shuttle ridership, with nearly all of those riders switching to driving. The current program expires in March 2017. The SFMTA will take findings from the Hub Study and their six-month review to inform a proposal for a reauthorization of the program after that time. We will be presenting to the Citizens Advisory Committee at its November 30th meeting and expect to present to a Board of Supervisors Land Use and Transportation Committee meeting in the near future. For more information, contact Camille Guiriba (Camille.Guiriba@sfcta.org, 415-522-4838) or Francesca Napolitan (Francesca.Napolitan@sfmta.com, 415-646-2439).

PROJECT DELIVERY

Caltrain Electrification - Full Funding Grant Agreement Advances: We have been continuing to work closely with Peninsula Joint Powers Board (PJPB) staff, the City (e.g. Mayor's Office, SFMTA), and PJPB funding partners to support the PJPB's application to the Federal Transit Administration (FTA) for \$647 million from the Federal Core Capacity Program for the Peninsular Corridor Electrification Project. Over the past several months, the PJPB has been taking steps to address the various pre-requisites to approval of

a Full Funding Grant Agreement (FFGA) for the Core Capacity funds, which represent a significant part of the \$1.98 billion project budget. We understand that PJPB is getting very close to having checked off all the boxes, pending a PJPB Board action this week to commit to preparing a fiscally constrained Capital Improvement Program (CIP) extending through Fiscal Year 2035 that is consistent with financial projections prepared for the FTA; to include in the CIP projected state of good repair needs through Fiscal Year 2035; and to commit to fully funding the railroad's state of good repair needs. PJPB is anticipating approval of the FFGA as soon as January 2017.

Safe Routes to Cesar Chavez Elementary School and Tenderloin Community Elementary School – Prop K Sales Tax-Funded Safety Improvements Open for Use: Speed humps were recently constructed and road striping refreshed on Shotwell Street to slow traffic around Cesar Chavez Elementary. I want to congratulate the SFMTA on this project because of the extra effort that they made to work with the school, neighborhood groups, and the Department of Public Health to develop the project. These improvements are near-term outcomes of the planning work, but we understand this project will inform longer-term bicycle network planning for Shotwell and 22nd Streets. Also, supported by Prop K sales tax and Federal Safe Routes to School funds, SFPW has coordinated with SFMTA and San Francisco Public Utilities Commission to complete a bus bulb at the Turk and Hyde Streets intersection and corner bulb outs at the Turk and Hyde, Larkin, and Franklin Street intersections to expand the much-needed pedestrian space and slow traffic near Tenderloin Community Elementary School.

Yerba Buena Island (YBI) Vista Point - Construction in Progress: Following the execution of a license agreement with the U.S. Coast Guard, construction on the YBI Vista Point has started as the construction team has begun the installation of fencing on the Quarters 9 property. The improvements to the Vista Point area will provide a temporary larger, more amenable touch down area for bicyclists and pedestrians coming off the newly opened Eastern Span bicycle/pedestrian path. The improvements include a hydration station, portable restrooms, bike racks, shuttle, and pedestrian crosswalk. We anticipate completing construction in early 2017.

MANAGEMENT AND ADMINISTRATION ISSUES

Financial Outlook – Transportation Authority Credit Rating Affirmed: I am very pleased to announce that earlier this month Fitch Ratings affirmed the Transportation Authority's implied sales tax revenue bonds with a rating of AA+ and a stable financial outlook. The affirmation reflects robust coverage on the proposed sales tax revenue bonds, cites the Transportation Authority's strong debt coverage and revenue performance, its capacity for payment of financial commitments, as well as its minimal operating pressures. It also noted that the Transportation Authority's approach limits exposure to potential project cost overruns and that growth of San Francisco's sales tax revenues had outpaced the national GDP's growth over the past ten years.

Farewell Chair Wiener, Thank You and Best Wishes in Sacramento – We at the Transportation Authority would like to express our sincere thanks to Chair Wiener for his service as our Chair for the past two years, and wish him all the best as he heads to Sacramento to join the State Senate. We are grateful to you and your excellent staff for your guidance, hard work and leadership on the work of the agency, both locally and regionally including at the MTC and GGBHTD. We are particularly grateful to you for your advocacy on transit core capacity issues, and your leadership on late night transportation, affordability, and long-range rail plans. I also want to thank you for your outstanding leadership on raising funds for transportation, whether through the regional advocacy for a national transportation bill, the development of the BART bond, or our own efforts to pass the sales tax measure, we are grateful for your commitment and effort, and look forward to continuing to collaborate with you in your new post in Sacramento. Best wishes from all of us at the SFCTA.