



Memorandum

Date: 07.21.14 **RE:** Authority Board
July 22, 2014

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

From: Tilly Chang – Executive Director *TJC*

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

REGIONAL, STATE AND FEDERAL ISSUES

Federal Transportation Reauthorization – House Moves One Step Closer to Extension of MAP-21: MAP-21, the current two-year federal surface transportation authorization law, expires on September 30, although the Highway Trust Fund is expected to be depleted by August. Over the past three months the Obama administration and leadership in both the House and Senate have released proposals for the successor to MAP-21 and strategies to avoid bankrupting the Highway Trust Fund. Last Tuesday, the House approved a short-term funding patch for the Highway Trust Fund and an extension of the authorizing legislation for the federal highway and transit programs at current levels through May 31, 2015. The Senate is expected to vote on a similar bill this week, and the President has expressed his intention to sign it into law. We will continue to monitor the reauthorization process and strategically engage in advocacy mainly through entities such as the Metropolitan Transportation Commission (MTC) and the American Public Transit Association, and will keep the Board updated over the coming months.

Build America Investment Initiative – Obama Announces Initiative to Encourage Innovative Financing and Project Delivery: Last Thursday, President Obama also announced his new Build America Investment Initiative, which he proposes will increase infrastructure investment and economic growth by engaging with state and local governments and private sector investors to encourage collaboration, expand the market for public-private partnerships, and put federal credit programs to greater use. With the establishment of a new Build America Transportation Investment Center, this initiative will immediately benefit the transportation industry and steers the nation toward innovative financing and delivery methods at a time of uncertainty about the future of federal transportation funding.

State Budget – More Details Released on Cap and Trade Revenue Distribution: The State’s Fiscal Year (FY) 2014/15 budget included significant wins for transportation and established a distribution formula for both current and future-year cap-and-trade revenue, including a FY 2014/15 commitment of \$250 million in cap and trade revenue for high-speed rail, \$50 million for transit (including \$2.3 million for SFMTA and \$1.9 million for BART), \$130 million for sustainable communities projects and affordable housing; and \$200 million for low-carbon transportation. Starting in FY 2015/16, 60% of the funds will be continuously appropriated to transportation by formula distribution: 25% to high-speed rail, 5% to local transit via the State Transit Assistance formula, 10% to state transit, 10% to sustainable communities projects, and 10% to affordable housing. As details on the current-year program continue to surface since the budget approval, we have learned that most of the revenue will be awarded by state agencies other than the \$25 million for local transit. MTC is working to determine how the approved cap and trade structure compares with the assumptions and policy commitments it made last December

over the cap and trade revenues, and we will provide an update at the next Board meeting. We will continue to play an active role at the regional and state level in trying to shape the funding guidelines in order to maximize the funds available to San Francisco, align them with Plan Bay Area and San Francisco Transportation Plan priorities, and try to minimize the administrative challenges of seeking funds from multiple state programs.

California State Transportation Agency (CalSTA) – Secretary Kelly and State Delegation Tour SF Projects: Vice-Chair Wiener, Commissioner Mar and I joined Mayor Lee and local staff to welcome a delegation of CalSTA staff led by Secretary of Transportation Brian Kelly last Friday. The Secretary was in town to tour several local transportation projects that were delivered through state and local partnerships, and which serve as a model for other communities seeking to implement sustainable transportation. The group toured the Embarcadero Roadway, Transbay Transit Center, Central Subway, Market Street, City CarShare and bikesharing systems, Polk Street cycle path facilities, Van Ness Avenue Bus Rapid Transit (BRT) and the Central Freeway and Octavia Boulevard. We thank Deputy Secretary of Environmental Policy and Housing Coordination Kate White for her support to San Francisco, and for facilitating this day-long event and opportunity to share San Francisco’s projects and experience with state leaders.

Treasure Island Mobility Management Agency (TIMMA) Legislation – Assembly Bill (AB) 141 (Ammiano) Set for State Senate Transportation Committee Hearing: On August 5 my staff will be traveling to Sacramento to testify on behalf of AB 141, a bill we are sponsoring that will allow our new role as the TIMMA to function independently of the Transportation Authority, and provide a legal and financial liability shield between TIMMA and the revenues currently controlled by the Transportation Authority. I want to personally thank our state legislative advocate Mark Watts for his tireless work on behalf of this important legislation and State Assemblymember Tom Ammiano for authoring it at this late date in the legislative session. I am also appreciative of support from the Mayor’s Office to put these important firewalls into place.

TIMMA Planning – Federal Grant Proposal Highlights Equity Issues, Public Involvement: This week the TIMMA team submitted a grant proposal to FHWA’s “Advancing Planning through Innovation and Research” funds. Entitled “Equitable Mobility: Implementing Congestion Pricing on Treasure Island,” the proposal identified how the case of Treasure Island uniquely captures the spectrum of equity issues that face congestion pricing implementation. These issues include capacity limitations of the Bay Bridge, aggressive transit performance targets tied to development approvals, a diverse set of existing and future residents, and the current affordability crisis in San Francisco. To address these equity questions, the team proposed to develop an equity framework to help guide policy decisions and sought outreach funding support. In 2012, the Transportation Authority received funds from this grant program to develop SF-CHAMP’s Dynamic Traffic Assignment tool. The TIMMA team expects to learn of the award status sometime in late September.

LOCAL ISSUES

Central Subway – The California Transportation Commission Allocates Funds Early: We are pleased to announce that at its June meeting the California Transportation Commission (CTC) awarded SFMTA an early allocation of more than \$12 million in State Transportation Improvement Program (STIP) funds that we programmed to the Central Subway project. By seeking an early allocation, SFMTA was able to secure the funds prior to July 1, allowing the award of the project’s final construction contract early in the fiscal year. The early award also allows SFMTA to avoid the allocation freeze the CTC is considering if the federal highway trust fund becomes insolvent. I appreciate MTC’s support for this early allocation of 2014 STIP funds to the project, as well as the staff work from our Policy and Programming Division.

OneBayArea Grant (OBAG) – Projects Avoid Delay in MTC’s Annual Federal Obligation Plan: Over the last month we

worked closely with SFMTA and DPW to advocate that MTC include San Francisco's OBAG priorities in the expected year of programming in its federal funding obligation plan. Due to an oversubscription of federal funds, MTC had anticipated potential delays in programming throughout the region, and had proposed shifting out funds for three San Francisco OBAG projects: Broadway Chinatown Complete Streets; Second Street Complete Streets and Road Diet; and Masonic Avenue Complete Streets. We appreciate the challenge faced by MTC as it needs to match the level of proposed programming in the region's Transportation Improvement Program (TIP) with the anticipated amount and timing of federal funds. However, after much discussion with MTC staff and project sponsors – wherein we emphasized the extensive leveraging of the San Francisco OBAG projects and the costs and consequences of any delays to the projects – we were able to make a compelling case resulting in MTC keeping all of our committed OBAG funding in the original year of programming. I want to thank Seon Joo Kim, Transportation Planner, and Amber Crabbe, Principal Planner, for their excellent staff work to help keep San Francisco OBAG projects on track.

Transportation 2030 (T2030) Update – MTC to Consider Endorsing T2030 Tomorrow: Last week the Board of Supervisors unanimously voted to place the 500 million general obligation bond on the November 2014 ballot. The bond, which requires a 2/3 vote to pass, would provide for smoother roads, improved transit and safer streets for all users. At its meeting on July 23, MTC will consider endorsing T2030 as a key source of local revenues that can also leverage federal, state and regional funds that come to the City from the MTC. The next piece of the T2030 recommendations, restoration of the Vehicle License Fee (VLF) to 2% in San Francisco would be placed on the ballot in November 2016 and would also require a majority vote to pass.

Transbay Transit Center/Downtown Extension – Community Facilities District Completes Phase 1 Funding Plan: Last week the Board of Supervisors (BOS) authorized approval of a Community Facilities District (CFD) pursuant to the Mello-Roos Community Facilities Act of 1982, for the Transbay Transit Center Area. The CFD revenue, in combination with other local, state, and federal funding, is expected to contribute to a roughly \$3 billion infrastructure program to improve the district's streets, open spaces, and transportation network to serve existing and future residents, workers, and visitors. The Transbay Transit Center CFD earmarks 82.6% of revenues (an estimated \$820 million) for the Transbay Transit Center, including City Park, and the Downtown Extension of Caltrain with bonding capacity in excess of \$1 billion. Revenues from the CFD have long been assumed in the project's funding plan and this action helps close the funding gap on the \$1.9 billion Phase 1 terminal project. Establishment of the district and companion legislation to allow for bonding against the CFD revenues also were necessary pre-conditions for TJPA to reserve some favorable modifications to the terms of its Transportation Infrastructure Finance and Innovation Act loan for Phase 1 – this which will help TJPA meet the project's cash flow needs. The Transbay Transit Center/Downtown Extension is one of Prop K's signature projects and has received Prop K, One Bay Area grant and State Transportation Improvement Program funds from the Transportation Authority.

Vision Zero – Projects Receive Infusion of Local Funds: In early July, the Board of Supervisors dedicated \$1.3 million in General Fund monies to the Vision Zero effort through end of year budgetary add-backs. These funds will support implementation of numerous Vision Zero projects such as crosswalk restriping, speed bumps, pedestrian path improvements, student crossing guard programs, community bike build projects, and others. Additionally, at today's Transportation Authority Board meeting, the Board will consider approval of Prop K 5-Year Prioritization Programs (5YPP) for 14 programs including pedestrian circulation/safety, bicycle circulation safety, traffic calming, new and upgraded streets, and new and upgrade signals and signs – all of which fund Vision Zero-related projects and programs. The 5YPPs were developed by project sponsors such as the SFMTA working closely with Transportation Authority staff. In total, the 21 5YPPs program nearly \$100 million in Prop K sales tax

funds to Vision Zero–related projects, e.g. projects that improve pedestrian and/or bicycle safety, in particular) in the next 5 years (FY 2014/15 – FY 2018/19). In July, agency staff began work developing a Vision Zero Charter which will include specific agency commitments necessary to achieve Vision Zero. We look forward to continuing to work with the SFMTA, other stakeholders and the Vision Zero Committee to support implementation of Vision Zero. The next Committee meeting is scheduled for September 11 at 2:00 p.m. in City Hall, Room 250. For more information on Vision Zero, contact Ryan Greene-Roesel at ryan@sfcta.org.

Geneva-Harney BRT Feasibility Study - Outreach Begins: Outreach for the Geneva-Harney BRT Feasibility Study is underway, starting with team meetings with individual community leaders and organizations along the study corridor. Team members met with G.L. Hodge of Providence Baptist Church in the Bayview and are arranging meetings and visits to other community groups in August and September. The goal of this outreach will be to introduce the new BRT project, learn about how different communities in the study corridor use transit, and develop effective ways to reach out to Geneva-Harney BRT corridor communities. This is in advance of outreach efforts scheduled for late fall and winter, when the team will host a series of public workshops and invite the community to review alternatives for the corridor. For more information on this study, contact Sarah Fine, at sarah.fine@sfcta.org.

Showplace Square Employer Pilot Program – Outreach Meeting Held: Over the last two years, we have been working with employers in the Showplace Square neighborhood to support coordination of employer shuttle services through a needs analysis, development of a consolidated shuttle service plan, and identification of institutional options for coordination. Coordination would allow shuttle services to be provided more cost effectively and would reduce duplicative shuttle travel. In June, our staff and consultants met with representatives from seven Showplace Square employers to select their preferred institutional model for coordination and provide feedback on refined service plan costs. The next steps are to gather final feedback on the service plan schedule and confirm which employers wish to move forward with the arrangement. The work is being funded through a regional Climate Initiatives Grant focused on identifying innovative approaches to reducing greenhouse gases from transportation. For more information, visit www.sfcta.org/tdm or contact Ryan Greene-Roesel at ryan@sfcta.org.

PROJECT DELIVERY

Prop K Creating Safer Streets – West Portal Elementary School: In June, the San Francisco Municipal Transportation Agency (SFMTA) completed construction of the Prop K-funded West Portal Elementary Safe Routes to School project, which included curb bulbs, pedestrian refuge islands, and a speed cushion on Claremont Boulevard, as well as pedestrian refuge islands and the enlargement of the roundabout at Dewey Circle. These improvements will provide safer access for school children and nearby residents accessing the West Portal Muni Metro station and the West Portal commercial district. We are looking forward to the completion of additional Prop K-funded Safe Routes to School projects this fall, including the Chinatown and Jefferson Elementary Safe Routes to School projects. To see which Transportation Authority-funded projects are done, underway or proposed in your neighborhood, visit Mystreetsf.com. For more information on Prop K, visit www.sfcta.org/propk or contact Courtney Aguirre, Transportation Planner, at courtney.aguirre@sfcta.org.

Van Ness Avenue BRT – Project Receives Phase 1 Approval from Arts Commission Civic Design Review Committee: We are pleased to note that yesterday the Van Ness Avenue BRT project received its initial approval from the San Francisco Arts Commission’s Civic Design Review Committee. The Committee appreciated SFMTA staff’s work to coordinate across departments to incorporate its prior input. SFMTA and ours staff provided an update on the project at this month’s Plans and Programs

Committee meeting last week and the project will come before the Board next in September as SFMTA requests funds for the final design phase. With these developments, we will transition to quarterly progress updates for the Board on this project.

MANAGEMENT AND ADMINISTRATION

We completed a preliminary assessment of Disadvantaged Business Enterprise (DBE), Local Business Enterprise (LBE) and Small Business Enterprise (SBE) participation in Transportation Authority professional services and construction contracts for the past three fiscal years and also projected performance through the end of current contracts. On average, we anticipate meeting the goals set for the current contracts in FY 2013/14 and anticipate that most contracts will meet or exceed their goals by contract close. In evaluating DBEs and LBEs, we recognize certifications from the California Unified Certification Program, the City and County of San Francisco, and the SBE certifications from the California Department of General Services. For FY 2013/14, we have made 15% of total contract payments to DBEs, 29% of total contract payments to LBEs and 14% of total contract payments to SBEs. Through continuous outreach and monitoring efforts, we continue to maintain a strong DBE/LBE Program and demonstrated commitment to providing DBEs, LBEs and SBEs with the maximum feasible opportunity to participate in the performance of contracts funded with federal, state and local funds. For more information, please visit www.sfcta.org/dbe or contact Lily Yu at lily.yu@sfcta.org.