



# Memorandum

**Date:** 06.23.15 **RE:** Transportation Authority Board  
June 23, 2015

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

**From:** Tilly Chang – Executive Director *TC*

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

## REGIONAL, STATE AND FEDERAL ISSUES

**California State Budget – Governor Brown calls special session to address transportation infrastructure needs:** On Tuesday June 16, Governor Brown announced he had reached an agreement with the legislature leadership on the state budget and called for two special sessions, including one to deal with the state infrastructure crisis. In his announcement he noted that with \$5.7 billion in unfunded needs to maintain the state’s highway system, the California Department of Transportation needed permanent and sustainable funding to address its transportation infrastructure crisis. On Friday June 19, the Legislature passed a revised version of the state budget that reflected the agreement and Governor Brown is expected to sign it. Alongside our partner organizations at the state level, we will continue to engage in shaping this effort and advocate for using this opportunity to address unfunded transit state of good repair needs as well.

**Affordable Housing Sustainable Communities (AHSC) Grant Program – San Francisco likely to receive \$15 million for two projects:** On June 22, the Strategic Growth Council announced its funding recommendations for its AHSC program, funded by cap and trade revenues. The recommendations include \$15 million for two Tenderloin Neighborhood Development Corporation projects: \$10 million for the Eddy and Taylor Family Housing project and \$5 million for the Mission Bay South Block 6 East project. A total of \$122 million was awarded across the state, so with 12.3% of state funding awarded to San Francisco projects we were very successful. The Bay Area region also was extremely successful compared to the rest of the state. The Strategic Growth Council will consider the staff recommendations at its June 30 meeting and we are already working with our city partners to line up project proposals for the next AHSC cycle.

**Federal Value Pricing Program Grant – \$508,000 Award for Reducing BART Crowding:** In partnership with BART, the Transportation Authority secured a Federal Value Pricing Program award to fund a novel approach to addressing peak-hour crowding at the BART Embarcadero and Montgomery Stations. The planned 6-month Travel Smart Rewards pilot program would provide direct incentives to encourage travelers to shift their travel to outside the most crowded periods. This type of program was successfully deployed in Singapore and resulted in a nearly 10 percent reduction in peak period crowding. For more information, contact Ryan Greene-Roesel, ryan@sfcta.org, 415-522-4808.

**Plan Bay Area 2040 – San Francisco call for projects deadline is July 17:** As a reminder, we are soliciting project ideas from members of the public and public agency sponsors for San Francisco’s project priorities for Plan Bay Area 2040. In particular we are looking for large, capacity-increasing projects such as the Caltrain Downtown Extension or Muni Forward. Smaller projects such as bicycle and pedestrian improvements or traffic calming will be bundled into programmatic categories and do not have to be

submitted. The deadline for members of the public to submit project ideas is July 17. Project ideas can be submitted via the Transportation Authority website: [sfcta.org/rtp](http://sfcta.org/rtp) or by calling (415) 522-4801. To submit ideas in Spanish or Cantonese please call (415) 593-1655 or visit our website. For more information please contact Amber Crabbe, Assistant Deputy Director, at [amber.crabbe@sfcta.org](mailto:amber.crabbe@sfcta.org) or (415) 522-4801.

**One Bay Area Grant (OBAG) Cycle 2 (FY 2017/18 – FY 2021/22):** OBAG Cycle 1 (FY 2012/13 - FY 2016/17) was the first joint effort between the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) to better integrate the region's federal transportation program with California's climate law and the Sustainable Communities Strategy, establishing funding commitments and policies for various regional and county programs. In May 2015, MTC released the draft staff OBAG Cycle 2 proposal, recommending minor revisions to the Cycle 1 framework, including:

- In anticipation of declining revenues, add no new programs, and reduce funding levels for most of the existing programs;
- Change the distribution formula for the OBAG county program by giving more weight to past housing production and affordable housing share, increasing San Francisco's share from 12% to 14.4%; and
- Eliminate Local Priority Development Area (PDA) planning as a stand-alone program.

MTC staff is still working to finalize its staff recommendation and will present the refined draft framework to MTC's Programming and Allocation Committee on July 8. Based on feedback received at that meeting and through ongoing discussions with agency partners, MTC will finalize its proposal for MTC Commission approval in November 2015. This would allow us to release a call for Cycle 2 OBAG projects in early 2016. For more information, contact Senior Transportation Planner Seon Joo Kim, [seonjoo.kim@sfcta.org](mailto:seonjoo.kim@sfcta.org), 415.522.4837.

## LOCAL ISSUES

**SF Transit Riders Mark End of OnBoardSF Challenge:** Yesterday marked the end of the 22-day OnBoardSF Challenge. Initiated by the San Francisco Transit Riders Union (SFTRU), the challenge called on Commissioners and the Mayor to ride Muni daily from June 1. The event succeeded in focusing attention on Muni's challenges and strengths as well as the need to support Muni because of the critical role that it - and all public transit - plays in our civic life. The Transportation Authority partnered with SFTRU on the event, helping to spread the word and participating in the challenge.

**McAllister Streetscape Improvements Completed:** Commissioner Kim joined with the Transportation Authority, UC Hastings Law School, Tenderloin Community Benefit District and Tenderloin Neighborhood Development Corporation to celebrate the completion of the McAllister Streetscape project. The project resulted in a series of pedestrian safety and streetscape improvements, including sidewalk widening, new pedestrian lighting, landscaping, tree plantings and corner curb extensions to reduce crossing distances for pedestrians. These improvements will help San Francisco achieve its Vision Zero goal of eliminating traffic-related fatalities by 2024. Friends of the Urban forest coordinated volunteers, who came from Twitter, Dropbox, Google, Stubhub and Visa to plant ginkgo and Burlingame box trees.

**Employer Telecommuting and Flexible Schedule Promotion – Workshops Planned for June 29th and 30th:** As our economy thrives, congestion on highways and transit is becoming acute. To address this issue, we are launching a series of employer workshops to encourage employer adoption of flexible work schedule and telecommuting policies. The lunchtime workshops will be hosted by the San Francisco Chamber of Commerce, and are being prepared in partnership with the San Francisco Department of Environment and BART, with funding support from the Metropolitan Transportation Commission. The workshops

complement the planned Travel Smart Rewards pilot program (see above), which will incentivize BART riders to travel outside of the most crowded periods. For more information, contact Ryan Greene-Roesel, [ryan@sfcta.org](mailto:ryan@sfcta.org), 415-522-4808.

**Neighborhood Transportation Improvement Program (NTIP) – Fiscal Year 2014/15 Recap and Look Ahead:** For Fiscal Year 2014/15 we anticipate having allocated or appropriated funds to four NTIP planning projects (Districts 1, 2, 5, and 9) and one NTIP capital project, the Cesar Chavez/Bayshore/Potrero Intersection Improvements project in District 10. We're also taking two NTIP capital projects for Districts 2 and 10 to the June Citizens Advisory Committee meeting and anticipate allocations in July 2015 at the Transportation Authority Board meeting. Over the next year we will continue to work closely with SFMTA and Commissioners to identify NTIP capital projects citywide and to develop the remaining NTIP planning efforts. For more information, please contact NTIP Coordinators Anna LaForte (Transportation Authority) at [anna@sfcta.org](mailto:anna@sfcta.org) or 415.522.4805 or Craig Raphael (SFMTA) at 415.701.4276 or [craig.raaphael@sfmta.com](mailto:craig.raaphael@sfmta.com). More information on NTIP projects, as well as other Transportation Authority-funded projects, can be found at [www.MyStreetSF.com](http://www.MyStreetSF.com).

**TA in the Community:** This past month, we participated in several city and community events joining members of the Board who also attended as well. We participated with Chair Wiener and Commissioner Campos at the Jewish Heritage month celebrations at City Hall, and with several Commissioners at the Chinese Chamber of Commerce spring banquet. Commissioners Breed and Cohen attended the African American Chamber of Commerce awards and their staff joined us there as well as at the APRI annual Juneteenth event. I was honored to attend the Business Times' Influential Women awards with Chair Wiener and we also took part in the California League of Conservation Voters event. Chair Wiener, Commissioner Kim and I also attended the Livable City Awards where several local transportation leaders were honored.

## **PROJECT DELIVERY**

**Doyle Drive Traffic Switch Scheduled for July 9-13:** The traffic switch off the temporary detour built in the first phase of the Doyle Drive project (by Caltrans) is scheduled for July 9 starting at 10 pm through 5 am on July 13, 2015. This closure will allow the construction contractor to perform the tie in at Richardson, construction of the Girard Road Intersection, paving of the north and southbound Battery and Main post tunnels, and tie into the Toll Plaza. In order to accommodate this closure, both regional and local traffic detours will be required. We are spreading the word about this closure and working with public safety, transit and construction officials to make sure the last of the roadway work gets done in a timely manner. Once the roadway is complete, construction activity continues into 2016 and includes removing the temporary roadway, reconstructing Halleck Street, replacing historic buildings and covering newly built tunnels with landscaping. More information about the extended weekend closure is available on the project website at [www.presidioparkway.org](http://www.presidioparkway.org).

**Transbay Joint Powers Authority (TJPA) Quitclaim:** A special TJPA Board meeting was held on June 19, 2015 to provide an update to the project status, anticipated upcoming expenditure and additional funding that may be necessary to close the project funding gap. The TJPA Board plans to approve the revised budget at their September 2014 meeting. To close the anticipated funding gap, TJPA is proposing to use the proceeds from the sale of the real estate known as "Parcel F" among other strategies. This Parcel includes portions of Transbay Parcel F, 75 Natoma, 546 Howard, as well as portions of the 77-79 Natoma Street, 564 Howard Street, and 568 Howard Street properties for which the Transportation Authority has a Quitclaim Agreement. A partial release of the Transportation Authority's Agreement for Quitclaim of Interest in the portions of these properties will be brought to the board for approval in July. The consolidation of these parcels into a larger Parcel F will maximize the value and usefulness of

the property after TJPA has completed constructing the Transbay Transit Center. Sale of Parcel F will allow TJPA to use the funds to implement the first phase of the project and to repay a bridge loan from Goldman Sachs while it awaits the receipt of a federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan anticipated in Fiscal Year 2016.

**New Pedestrian Refuge Islands – Prop K Sales Tax Funds Increase Safety for People Walking:** Pedestrians in three San Francisco neighborhoods are benefitting from the installation of raised median islands. The islands, located at Geneva Avenue and Stonebridge Lane (Districts 10/11), Stanyan Boulevard and Lone Mountain Terrace (District 1), and on Winston Drive east of Lake Merced (District 7), are traffic calming measures that visually narrow the street and provide pedestrians with an opportunity to cross one half of the roadway with a safe place to stop before crossing the second half of the roadway. These islands are most often used where there is a demand for pedestrians to cross the road, but where the numbers of pedestrians are not high enough to warrant a signalized pedestrian crossing. SFMTA also recently constructed additional pedestrian refuge islands using 2011 Road Repaving and Street Safety Prop B bond funds on Lake Street at 5th, 7th, 10th, and 11th Avenues. For more information on this and other Transportation Authority-funded projects, visit [www.MyStreetSF.com](http://www.MyStreetSF.com).

**Light Rail Vehicles (LRVs) in Development:** We enjoyed the recent tour and media event by the San Francisco Municipal Transportation Agency (SFMTA) of the full-scale mockup of their next generation LRV. We are excited to learn the first new LRVs will be put into service by early 2017. The new LRVs will provide even better service for more riders in coming years. As you recall, the Transportation Authority Board last October approved almost \$159M from the city's half-cent transportation sales tax to help SFMTA replace its entire fleet of LRVs. That represented the single largest allocation in the 25-year history of the agency's Prop K sales tax program. Muni is making great strides in becoming even greener and more efficient and we are glad to help make that happen.

## **MANAGEMENT AND ADMINISTRATION ISSUES**

**Financial Outlook – Transportation Authority Credit Rating Upgraded:** I am very pleased to announce that earlier this month, Moody's Investors Services raised the issuer rating for the Transportation Authority from Aa2 to Aa1. Moody's cited several reasons for the rating upgrade, including the size and diversity of the economic base that generates San Francisco's half-cent sales tax for transportation, as well as the strong growth in sales tax revenues since the recession and high current and anticipated coverage levels. Standard & Poor's Financial Services and Fitch Ratings reaffirmed issuer ratings for the Transportation Authority with scores of AA and AA+ respectively. On June 11, 2015 the Transportation Authority executed an agreement with State Street Lending Corporation for a revolving credit agreement which replaced its commercial paper program, which could reduce financing costs by as much as \$500,000. We wanted to extend a big thank you to our Deputy for Finance and Administration, Cynthia Fong, and our financial advisors, KNN and bond counsel, Nixon Peabody LLP, for their tremendous work on this agreement.