



AGENDA

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY Meeting Notice

Date: Tuesday, June 28, 2016; 11:00 a.m.

Location: Legislative Chamber, Room 250, City Hall

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

Clerk: Steve Stamos

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6. Approve the Revised Rules of Order, and the Revised Debt, Equal Benefits, Fiscal, Investment, and Travel, Conference, Training and Business Expense Reimbursement Policies, and Adopt the Title VI Program – ACTION*	41
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9. Program \$360,000 in Supplemental Regional Safe Routes to School (SR2S) Funds to San Francisco Department of Public Health's SR2S Program, and Reprogram \$52,251 in One Bay Area Grant Funds and \$548,388 in Congestion Management Agency Block Grant Funds to San Francisco Public Works' Second Street Improvement Project – ACTION*	189
10. Allocate \$6,004,645 in Prop K Funds, with Conditions, and Appropriate \$75,000 in Prop K Funds, for Eight Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules – ACTION*	205

11. Approve the Fiscal Year 2016/2017 Transportation Fund for Clean Air Program of Projects – **ACTION*** 219
12. Authorize the Executive Director to Execute, with Conditions, a Seven Party Supplement to the 2012 Memorandum of Understanding that Adopted an Early Investment Strategy Pertaining to the Peninsula Corridor Electrification Project – **ACTION*** 231

Items for Direct Board Consideration

13. Development of a Potential Local Transportation Revenue Measure and Expenditure Plan – **INFORMATION*** 249

The Mayor and several members of the San Francisco Board of Supervisors have collaborated on a Transportation Expenditure Plan that would direct approximately \$100 million per year for 25 years to critical transit services and transportation improvements in every neighborhood, including safer, well-maintained streets, transit maintenance and expansion, and Muni equity and affordability programs. The Expenditure Plan is described in a charter amendment that would create General Fund set-asides for homelessness programs and for transportation (Attachment 1). The budget set-asides would be funded by the City's General Fund. A general sales tax increase of 0.75% has also been proposed for the November ballot. While the two measures are not legally linked, if both measures were approved, they would result at least initially, in approximately equivalent increases in General Fund revenues and expenditures. A separate 'back-up' option under consideration for the November ballot, should the Charter Amendment not move forward, is a dedicated 0.5% sales tax increase ordinance for transportation only (Attachment 3). The Expenditure Plans of both measures are identical. In order to keep the transportation sales tax 'back-up' option on the table, we must hold a public hearing on the sales tax Expenditure Plan before the Metropolitan Transportation Commission can approve the plan. This June 28 Board meeting will serve as the official public hearing for this purpose. A hearing on the Charter Amendment legislation has also been scheduled for the June 30 Rules Committee at the Board of Supervisors. We are seeking input on the Charter Amendment Measure and Transportation Expenditure Plan from the Board and public.

Other Items

14. Introduction of New Items – **INFORMATION**

During this segment of the meeting, Board members may make comments on items not specifically listed above, or introduce or request items for future consideration.

15. Public Comment
16. Adjournment

* Additional materials

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Board Meeting Agenda

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If any materials related to an item on this agenda have been distributed to the Transportation Authority Board after distribution of the meeting packet, those materials are available for public inspection at the Transportation Authority at 1455 Market Street, Floor 22, San Francisco, CA 94103, during normal office hours.

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DRAFT MINUTES

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Tuesday, May 24, 2016

1. Roll Call

Chair Wiener called the meeting to order at 11:05 a.m.

Present at Roll Call: Commissioners Avalos, Breed, Campos, Cohen, Kim, Peskin, Wiener and Yee (8)

Absent at Roll Call: Commissioners Farrell (entered during Item 3), Mar (entered during Item 8) and Tang (3).

2. Chair's Report – INFORMATION

Chair Wiener reported that earlier in the month he joined with Mayor Lee and staff from the San Francisco Municipal Transportation Agency and Transportation Authority to welcome U.S. Department of Transportation (DOT) Secretary Anthony Foxx to San Francisco. He said San Francisco was one of seven cities being considered for a \$50 million challenge grant offered by the U.S. DOT and Vulcan Foundation and that the DOT delegation was in town to hear the city's proposal on how it would combine research, community engagement and technology partnerships to demonstrate new ways to manage transportation. He said Secretary Foxx acknowledged the innovation that was occurring in cities and the necessity of local jurisdictions to take initiative, particularly regarding funding, given the political realities of Washington D.C. and most state capitals across the nation.

Chair Wiener said that along with Commissioner Avalos, he was grateful for the unanimous support at the Board of Supervisors meeting earlier in the month calling for the development of a transportation sales tax expenditure plan and funding measure for the November ballot. He said the need for a second half-cent sales tax was discussed in the city's 2013 Countywide Transportation Plan as well as in the Mayor's Transportation 2030 program formulated in 2014, which called for a three-part local revenue strategy comprised of a transportation bond, half-cent sales tax, and vehicle license fee. He said the first segment of the strategy, the transportation bond known as Prop A, passed in 2014 and focused on transit state of good repair and safer streets, though this was only a down payment on a much larger funding need. He said now the city had the opportunity to fund these items with the second segment of the strategy, which was the transportation sales tax. He said by extending the time horizon from 15 to 25 years as anticipated in the Countywide Transportation Plan and Plan Bay Area, the city could address several additional priorities such as Vision Zero, Muni's equity strategy, Muni vehicles and facilities, as well as regional investments such as Caltrain Electrification, BART's vehicle needs, and the U.S.-101 corridor managed lanes for buses and carpools.

Regarding regional investments, Chair Wiener said that he was aware that Contra Costa County had decided to move ahead with a revenue measure for the November ballot, and that Santa Clara County also was on track to make that decision in June. He noted that Alameda County had passed its half-cent sales tax in 2014, so it was critical for the city to maintain its ability to contribute its fair share of funds for the joint regional priorities. He said the city also needed to maintain its ability to provide local match for state, regional and federal funding opportunities. Lastly, he said he looked forward to the discussion of next steps in this effort, which involved coordination with the Board and the Mayor's Office regarding the appropriate structure of a potential measure for the November ballot.

There was no public comment.

3. Executive Director's Report – INFORMATION

Tilly Chang, Executive Director, presented the Executive Director's Report.

There was no public comment.

4. Approve the Minutes of the April 26, 2016 Meeting – ACTION

There was no public comment.

The minutes were approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Peskin, Wiener and Yee (9)

Absent: Commissioners Mar and Tang (2)

Items from the Finance Committee

5. Adopt Positions on State Legislation – ACTION

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Peskin, Wiener and Yee (9)

Absent: Commissioners Mar and Tang (2)

Items from the Plans and Programs Committee

6. Appoint Asher Butnik and Alexander Post to the Geary Corridor Bus Rapid Transit Citizens Advisory Committee – ACTION

There was no public comment.

The item approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Peskin, Wiener and Yee (9)

Absent: Commissioner Mar and Tang (2)

7. Allocate \$9,599,451 in Prop K Funds, with Conditions, for Three Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules – ACTION

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Peskin, Wiener and Yee (9)

Absent: Commissioners Mar and Tang (2)

Items for Direct Board Consideration

8. Development of a Transportation Sales Tax Expenditure Plan – INFORMATION

Tilly Chang, Executive Director, introduced the item and Maria Lombardo, Chief Deputy Director, who presented the item per the staff presentation.

During public comment, Peter Straus with the San Francisco Transit Riders and Transportation Justice Coalition said he strongly supported the development of the transportation expenditure plan as there were many unmet needs identified in the T2030 process. He said he also supported having the Transportation Authority as the allocation agency for the expenditure plan because of the continuity and expertise that the Transportation Authority offered, but noted that the decision was not yet finalized. Mr. Straus said that he would support an element of the sales tax to address unmet service needs, in particular needs identified in the Muni equity strategy such as evening and night service, as well as providing additional Muni Metro capacity and service. He added that the current funding structures did not have the ability to address all of the city's unmet needs. He said he also supported the inclusion of complete streets for Vision Zero, as well as the consideration of partial funding for affordability programs such as free Muni for youth and seniors, because of the somewhat regressive nature of the sales tax.

Janice Lee with the San Francisco Bicycle Coalition commented that San Francisco was becoming more expensive by the day and lacked affordable and safe transportation options which placed a continually growing burden on low-income working communities. She said the Board of Supervisors took an important first step to address this issue by developing a transportation expenditure plan and draft principles, and said that while it addressed known capital needs, it also needed to address new issues identified in planning efforts such as Vision Zero, the Muni equity strategy, and free Muni for youth, seniors and people with disabilities. Ms. Lee added that the city needed to continue to pursue every revenue option beyond the general obligation bond in 2014. She said the San Francisco Bicycle Coalition recognized that there were other costs not reflected in the numbers shown in the presentation, such as the lives affected by someone seriously injured or killed on the city's streets. She said she was glad that Vision Zero was reflected in both the resolution and expenditure plan principles, but that the final expenditure plan should do everything possible to build out safer and complete streets for the city's most vulnerable users which were those biking and walking.

Jackie Sachs with the Citizens Advisory Committee said that she had worked on two sales tax packages previously and that before the Board considered a new sales tax, it should consider that Prop K would have to be reauthorized by voters within a few years. She said that one project that was included in Prop K, the Geary Corridor Bus Rapid Transit project, was supposed to be rail ready but that there were no funds included in the five-year prioritization programs, and said that project should be considered before another sales tax package was approved.

Other Items

9. Introduction of New Items – INFORMATION

There was no public comment.

10. Public Comment

During public comment, Andrew Yip spoke regarding equality and justice.

Jackie Sachs commented that at the February 2016 Citizens Advisory Committee (CAC) meeting there was a presentation regarding “The Other 9 to 5” study of transportation options for people who worked late at night and relied on public transit. She said she had been involved with the study’s working group since October 2015 and that before the Board took action on the study’s final report, it should be considered by the CAC for input, especially since there was a new member on the CAC. Ms. Sachs added that the Geary Corridor Light Rail Transit project was a priority three project in Prop K and that there were no funds included in the five-year prioritization programs for this project.

11. Adjournment

The meeting was adjourned at 11:45 a.m.



ORDINANCE AMENDING THE TRANSPORTATION AUTHORITY'S ADMINISTRATIVE CODE

WHEREAS, The Transportation Authority's Administrative Code prescribes the powers and duties of officers of the Transportation Authority, the method and appointment of employees of the Transportation Authority, and the policies and systems of Transportation Authority operation and management; and

WHEREAS, The Administrative Code was last amended on January 27, 2015 through Ordinance 15-01 and Transportation Authority staff has proposed amendments to the Administrative Code, with assistance from general counsel, to provide clarifications as well as to better reflect state and local government codes; and

WHEREAS, At its May 25, 2016 meeting, the Citizens Advisory Committee considered the subject request and unanimously adopted a motion of support for the staff recommendation; and

WHEREAS, At its June 14, 2016 meeting, the Finance Committee considered the subject request and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby amends the Administrative Code as detailed in Attachment 1; and be it further

RESOLVED, That the Executive Director is hereby authorized to distribute the amended Administrative Code to all relevant parties.

Attachment:

1. Proposed Administrative Code



ADMINISTRATIVE CODE

SECTION 1. TITLE AND AUTHORITY.

This Ordinance is enacted pursuant to the provisions of California Public Utilities Code Section 131265, and may be referred to as the “San Francisco County Transportation Authority Administrative Code.” This Ordinance prescribes the powers and duties of officers of the San Francisco County Transportation Authority (Transportation Authority); the method of appointment of employees of the Transportation Authority; and the policies, and systems of operation and management of the Transportation Authority.

SECTION 2. DUTIES OF THE TRANSPORTATION AUTHORITY.

The Transportation Authority shall have the power, authority, and duty to do all things necessary and required to accomplish the stated purposes and goals of Division 12.5 of the California Public Utilities Code, also known as the Bay Area County Traffic and Transportation Funding Act, including the following:

- (a) The Transportation Authority shall administer the Transportation Expenditure Plan which became effective upon approval by the voters on November 7, 1989 of Proposition B, as superseded by the New Transportation Expenditure Plan which became effective upon adoption by the voters on November 4, 2003 of Proposition K, which extended the sales tax implemented by Proposition B for a 30-year period.
- (b) The Transportation Authority shall adopt an annual budget by June 30 and fix the compensation of its officers and employees. The compensation of Transportation Authority Officers shall be as provided in Section 3.2 herein.
- (c) The Transportation Authority shall cause a post audit of its financial transactions and records at least annually by a certified public accountant.
- (d) The Transportation Authority shall prepare and adopt an annual report by January 31 of each year on the progress to achieve the objectives of completion of the projects in the Transportation Expenditure Plan.
- (e) The Transportation Authority shall conduct an employee performance evaluation of the Executive Director by December 31 of each year for the Executive Director’s work performance for the current year.
- ~~(e)(f) The Transportation Authority shall perform other related responsibilities, including but not limited to (i) serving as the county program manager for the Transportation Fund for Clean Air, (ii) serving as the county Congestion Management Agency, and (iii) administering Proposition AA projects.~~

SECTION 3. POWERS AND DUTIES OF THE TRANSPORTATION AUTHORITY OFFICERS.

The eleven members of the Board of Supervisors of the City and County of San Francisco (City) shall be the officers of the Transportation Authority. They shall be known as “Commissioners.”

- (a) A Commissioner may designate another local elected official who represents the citizens of the City and County of San Francisco to serve as his or her alternate. The designation shall



be made in writing to the Chairperson of the Transportation Authority and shall become effective when delivered. The alternate's term of office shall be the same as that of the regular member. When the regular member is not present at the meeting of the Transportation Authority, the alternate may act as the regular member and shall have all the rights, privileges, and responsibilities of the regular member, including compensation for the meeting.

- (b) **Chairperson.** The Chairperson shall possess the following powers and duties:
1. To preside at all meetings;
 2. To appoint the membership and the Chairperson and Vice-Chairperson of the committees of the Transportation Authority;
 3. To decide the agenda of Transportation Authority meetings;
 4. To sign contracts, deeds, and other instruments on behalf of the Transportation Authority; and
 5. To perform such additional duties as may be designated by the Transportation Authority.
- (c) **Vice-Chairperson.** The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson.

SECTION 3.1. Method of Appointment of the Transportation Authority Officers.

- (a) The Chairperson shall be elected at the first meeting of the Transportation Authority, and thereafter, after the first complete calendar year, annually at the first meeting in January.
- (b) The Vice-Chairperson shall be elected at the first meeting of the Transportation Authority, and thereafter, after the first complete calendar year, annually at the first meeting in January.
- (c) If the Chairperson or Vice-Chairperson resigns or is removed from office, the election for Chairperson or Vice-Chairperson to serve the remainder of the term, shall be at the next meeting of the Transportation Authority.

SECTION 3.2. Compensation of Commissioners.

- (a) As required by the provisions of California Public Utilities Code Section 131268, Transportation Authority Commissioners or their alternates shall be compensated at the rate of \$100 for each day attending the business of the Transportation Authority, but not to exceed \$400 in any month, for any of the following occurrences that are related to business of the Transportation Authority:
1. A meeting of the legislative body;
 2. A meeting of an advisory body;
 3. A conference or organized educational activity, including ethics training; or
 4. Any other occurrence, if the Transportation Authority has adopted a written policy in a public meeting specifying that the attendance at such occurrence would constitute the performance of official duties for which Transportation Authority Commissioners may receive compensation.



- (b) Commissioners shall receive reimbursement for necessary travel and personal expenses incurred in the performance of their duties when such expenses are authorized in advance and as set forth in the Transportation Authority's adopted Travel, Conference, Training and Business Expense Policy.

SECTION 4. STAFF TO THE TRANSPORTATION AUTHORITY.

- (a) **Executive Director.** The Transportation Authority shall appoint the Executive Director, who shall serve at the pleasure of the Transportation Authority. The Executive Director shall possess the power and duty to administer the business of the Transportation Authority, including the following powers and duties:
1. To supervise and direct preparation of the annual draft budget for the Transportation Authority;
 2. To formulate and present plans for implementation of the Transportation Expenditure Plan of the Transportation Authority, including establishment of project priorities within the priorities set by the plan, and the means to finance them;
 3. To provide guidance to and to monitor and coordinate the activities of the project sponsors to ensure that the projects are completed;
 4. To submit to the Transportation Authority each year a complete report of the finances and administrative activities of the Transportation Authority for the preceding year;
 5. To direct the preparation and administration of purchase orders and contracts for goods and services, to execute contracts for goods, materials and services, including support services, and agreements with sponsoring agencies where estimated expenditures thereunder do not exceed \$75,000 and to execute any agreements with sponsoring agencies where sufficient funding for such is available in the Transportation Authority's budget;
 6. To administer the personnel system of the Transportation Authority, including hiring, controlling, supervising, promoting, transferring, suspending with or without pay or discharging any employee. To this end, the Executive Director shall prepare and maintain a personnel manual, stating the rules of employment of the Transportation Authority, and methods of compensation established by the Transportation Authority ([Personnel Manual](#)); and
 7. To provide the day-to-day administration of the Transportation Authority and to perform such other and additional duties as the Transportation Authority may prescribe.
- (b) **Chief Deputy Director.** The Executive Director shall appoint a Chief Deputy Director. In the event of the Executive Director's temporary absence, disability or unavailability or during a vacancy in that position, the Chief Deputy Director shall act as the Executive Director.
- (c) **Additional Staff.** The Executive Director may create additional staff positions subject to the approval of the Transportation Authority. Duties shall be defined by the Executive Director and shall be contained in a written job description. The Executive Director shall appoint additional staff members to approved positions. All employees are "at-will" employees and serve at the pleasure of the Executive Director.



SECTION 4.1 Benefits for Employees.

The Transportation Authority may contract with the appropriate agencies of the State of California to provide retirement and health benefits for its employees or with any other retirement or health system which it determines is in the best interests of its employees, and in accordance with applicable state and federal laws.

SECTION 4.2 Rules of Employment.

The Executive Director or his or her designee shall administer the personnel policies of the Transportation Authority as set forth in the Personnel Manual. The Executive Director shall take all necessary actions to hire, promote, transfer, suspend with or without pay, or discharge any employee in accordance with the procedures in the Personnel Manual.

SECTION 5. METHODS, PROCEDURES AND SYSTEMS OF OPERATION AND MANAGEMENT.

SECTION 5.1. Meetings and Rules of Procedure.

- (a) All proceedings of the Transportation Authority shall be in conformance with the provisions of the Bay Area County Traffic and Transportation Funding Act (Sections 131000 et seq. of Division 12.5 of the California Public Utilities Code), the San Francisco County Transportation Authority Reauthorization Ordinance (Article 14, commencing with Section 1401 of the San Francisco Business and Tax Regulations Code), and San Francisco Transportation Expenditure Plan adopted by the voters as Proposition B on November 7, 1989, as superseded by the New Transportation Expenditure Plan adopted by the voters as Proposition K on November 4, 2003, and this Administrative Code.
- (b) Except as otherwise determined by the Transportation Authority, regular meetings of the Transportation Authority shall be held on the fourth Tuesday of each month in the Legislative Chamber of City Hall or other location as designated with proper notice by the Transportation Authority, except when that day or any preceding Tuesday that month is a holiday, in which case the meeting shall be held on the following Tuesday.
- (c) The acts of the Transportation Authority shall be expressed by motion, resolution or ordinance.
- (d) The majority of the members of the Transportation Authority shall constitute a quorum for the transaction of business, and all official acts of the Transportation Authority shall require the affirmative vote of a majority of all the members of the Transportation Authority.
- (e) All meetings of the Transportation Authority shall be conducted in the manner prescribed by the Ralph M. Brown Act (Chapter 9 commencing with Section 54950 of Part 1 of Division 2 of Title 5 of the Government Code) and the Transportation Authority's adopted Sunshine Policy.

SECTION 5.2 Committees of the Transportation Authority.

- (a) **Plans and Programs Committee.** The Chairperson of the Transportation Authority shall appoint a Plans and Programs Committee which shall be composed of five Commissioners. Except as otherwise determined by the Chairperson of the Committee, regular meetings shall be held on the third Tuesday of each month in the Committee Room of City Hall or other



location as designated with proper notice by the Transportation Authority, except when that day or any preceding Tuesday that month is a holiday, in which case the meeting shall be held on the following Tuesday. The responsibilities of this Committee shall include the following:

1. To review projects and programs contained in the Transportation Expenditure Plan and recommend fund allocations to the Transportation Authority for their implementation in accordance with the priorities established by the Transportation Expenditure Plan;
2. To recommend fund allocations for the Transportation Fund for Clean Air program to the Transportation Authority;
3. To monitor project implementation;
4. To review the transportation plans of all City transportation agencies;
5. To recommend to the Transportation Authority programming of relevant federal and state funds;
6. To review and make recommendations on any policies necessary for the implementation of the Transportation Authority's plans and programs;
7. To review and make recommendations on the adoption of a Congestion Management Program and any other plans and programs for which the Transportation Authority has responsibility;
8. To recommend the allocation of funds to Proposition AA projects, in accordance with the Strategic Plan on the timing of expenditures, and to monitor and expedite delivery of Proposition AA projects;
9. To review and make recommendations on the filling of appointments and to monitor the efforts of the Citizens Advisory Committees.

(b) **Finance Committee.** The Chairperson of the Transportation Authority shall appoint a Finance Committee which shall be composed of five Commissioners. Except as otherwise determined by the Chairperson of the Committee, regular meetings shall be held on the second Tuesday of each month in the Committee Room of City Hall or other location as designated with proper notice by the Transportation Authority, except when that day is a holiday, in which case the meeting shall be held on the following Tuesday. The responsibilities of this Committee shall include the following:

1. To set the parameters (spending limits) of the Transportation Authority's annual budget, which shall include but not be limited to the detailed Administrative Operating Expenses, Debt Service (if applicable), and a single line item for Capital Expenditures; and recommend to the Transportation Authority the adoption of the budget and any necessary budget revisions, including any mid-year adjustments in the budget due to revisions in revenues and/or expenses;
2. To track, review and make recommendations on pending or proposed federal, state, and local legislation;
3. To review and recommend long-range financial planning for the Transportation Authority;



4. To review Transportation Authority investments, audits, and financial reports prepared by staff and to make any necessary recommendations to the Transportation Authority;
 5. To make recommendations to the Transportation Authority concerning the issuance of bonds;
 6. To review and make recommendations on any fiscal/procurement policies of the Transportation Authority;
 7. To review and recommend, as appropriate, the award of contracts requiring the approval of the Board of Commissioners (Board);
 8. To monitor and make recommendations on pending or proposed litigation; and
 9. To monitor Transportation Authority implementation of adopted policies.
- (c) **Personnel Committee.** The Chairperson of the Transportation Authority shall appoint a Personnel Committee which shall be composed of the Chairperson of the Transportation Authority, and the Chairpersons of the Plans and Programs and Finance Committees. The Transportation Authority Chairperson or his or her designee shall serve as the Chairperson and a voting member of the Personnel Committee. Two members shall constitute a quorum and all official acts of the Personnel Committee shall require the affirmative vote of a majority of the authorized number of members of the Committee. Meetings of the Personnel Committee shall be held at the call of the Committee Chairperson. The responsibilities of this Committee shall include the following:
1. To make recommendations on the hiring, firing, and employment status of the Executive Director of the Transportation Authority;
 2. To conduct annual performance evaluations of the Executive Director; and
 3. To make recommendations on the Transportation Authority's policies and actions related to staffing levels, job specifications, compensation ranges and employment conditions.
- (d) **Additional Committees.** The Transportation Authority may create, and the Chairperson of the Transportation Authority shall appoint the membership of select committees established consistent with the following criteria:
1. The committee shall have a clear, simple, narrow, single statement of purpose;
 2. The committee will be created for a specified maximum period of time; and
 3. The size of the committee will be no less than three nor more than five Commissioners, based on the committee purpose.
- (e) **Transportation Authority Committee Procedures.** In addition to the regular members of each Committee, with the exception of the Personnel Committee, the Transportation Authority Chairperson shall serve on each Transportation Authority Committee established under this Code or any select committee established by the Transportation Authority, as a non-voting, ex-officio member, except that the Chairperson shall serve as a voting member when his/her presence is necessary in order to constitute a quorum. With the exception of the Personnel Committee, three members of the Transportation Authority Committee shall constitute a quorum for the transaction of business and all official acts of the Transportation Authority



Committee shall require the affirmative vote of the majority of the authorized number of members of the Committee. In the case of a tie vote in any Transportation Authority Committee, the Transportation Authority Chairperson, who is present but not acting as a voting member, may cast the deciding vote.

SECTION 5.3. Citizen Advisory Committees.

- (a) **Citizens Advisory Committee.** The Transportation Authority shall appoint eleven members to a Citizens Advisory Committee. This Committee shall include representatives from various segments of the community, such as public policy organizations, labor, business, senior citizens, the disabled, environmentalists, and the neighborhoods, and reflect broad transportation interests. The committee members shall be residents of San Francisco and shall serve without compensation for a two-year period. Any member who is absent for four of any twelve regularly scheduled consecutive meetings shall be automatically terminated. Any resulting vacancy shall be filled for a new two-year period. Any terminated member who wishes to be reappointed shall contact his or her district Supervisor and shall reappear before the Plans and Programs Committee to speak on his or her behalf. This Committee shall meet at least quarterly and all meetings shall be open to the public. The regular meetings of the Committee shall be held on the fourth Wednesday of each month at 6:00 p.m. at the Transportation Authority's offices at 1455 Market Street, Floor 22, San Francisco, California. The staff of the Transportation Authority will be available to assist the Committee. This Committee shall assist the Transportation Authority in:

1. Defining the mission of the Transportation Authority;
2. Reflecting community values in the development of the mission and program of the Transportation Authority, and channeling that mission and program back to the community;
3. Defining criteria and priorities for implementing the Transportation Expenditure Plan program consistent with the intention of Proposition B, as amended and superseded by the New Transportation Expenditure Plan program consistent with the intention of Proposition K; and
4. Monitoring the Transportation Authority's programs and evaluating the sponsoring agencies' productivity and effectiveness.

- (b) **Additional Advisory Committees.** The Transportation Authority may appoint any other advisory committees that it deems necessary.

SECTION 5.4 Contracts.

- (a) Contracts for the purchase of supplies, equipment and materials in excess of \$75,000 shall be awarded after a formal competitive procurement process in conformance with the Transportation Authority's adopted Procurement Policy.
- (b) Contracts for the purchase of services in excess of \$75,000 shall be awarded after a formal competitive procurement process in conformance with the Procurement Policy.
- (c) The Executive Director is authorized to contract for goods and services for an amount less than or equal to \$75,000 in conformance with the Procurement Policy. The Executive



Director is authorized to amend contracts and agreements within the parameters specified in the Procurement Policy.

- (d) Where advantageous, the Transportation Authority may contract without initiating a competitive procurement process with the City to render designated services or to provide materials on behalf of the Transportation Authority.
- (e) All contracts shall reflect the Disadvantaged Business Enterprise/Local Business Enterprise goals, if applicable and as permitted by law, and Equal Benefits provisions adopted by the Transportation Authority.

SECTION 5.5 Procedures for Implementing the California Environmental Quality Act.

SECTION 5.5.1. Authority and Mandate.

- (a) This Section 5.5 is adopted pursuant to the California Environmental Quality Act, Public Resources Code Sections 21000 and following, as amended; and pursuant to the Guidelines for Implementation of the California Environmental Quality Act, as amended, appearing as Title 14, Division 6, Chapter 3 of the California Code of Regulations (hereinafter referred to collectively as “CEQA”).
- (b) Any amendments to CEQA adopted subsequent to the effective date shall not invalidate any provision of this Section 5.5. Any amendments to CEQA that may be inconsistent with this Section 5.5 shall govern until such time as the relevant provision is amended to remove such inconsistency.
- (c) This Section 5.5 shall govern in relation to all other ordinances of the Transportation Authority and rules and regulations pursuant thereto. In the event of any inconsistency, the provisions of this Section 5.5 shall prevail.

SECTION 5.5.2. Incorporation by Reference.

The provisions of CEQA are not repeated here, but are expressly incorporated herein by reference as though fully set forth.

SECTION 5.5.3. Responsibility.

The administrative actions required by CEQA with respect to the preparation of environmental documents, giving of notice and completing other activities shall be performed by staff of the Transportation Authority or by consultants under the direction of the Transportation Authority. These activities may include, but are not limited to:

- (a) Preparing any necessary forms, checklists and processing guidelines to implement CEQA in accordance with this Section 5.5;
- (b) Determining excluded and exempt activities which are not subject to CEQA;
- (c) Determining when a negative declaration or environmental impact report (EIR) is required when acting as a lead agency or as is otherwise required by CEQA;
- (d) Ensuring that agencies and other interested parties are consulted and have an opportunity to comment during the CEQA process when acting as a lead agency or as is otherwise required by CEQA;



- (e) Preparing environmental documents and notices when acting as a lead agency or as is otherwise required by CEQA;
- (f) Consulting, providing comments, and attending hearings as necessary on behalf of the Transportation Authority when it acts as a responsible agency under CEQA; and
- (g) Ensuring coordination with federal lead and responsible agencies when project review is required under both CEQA and the National Environmental Policy Act (“NEPA”).

SECTION 5.5.4. List of Non-Physical and Ministerial Projects.

The Transportation Authority shall maintain a list of types of ministerial projects excluded from CEQA. Such lists shall be modified over time as the status of types of projects may change under applicable laws, ordinances, rules and regulations. The list shall not be considered totally inclusive, and may at times require refinement or interpretation on a case-by-case basis. The list of ministerial projects and modifications thereto shall be kept posted in the offices of the Transportation Authority, and copies shall be sent to the Board.

SECTION 5.5.5. Categorical Exemptions.

The Transportation Authority shall maintain a list of types of projects which are categorically exempt from CEQA. This list shall be kept posted in the offices of the Transportation Authority, with copies sent to the Board. The list shall be kept up to date in accordance with any changes in CEQA.

SECTION 5.5.6. Initial Evaluation of Projects

- (a) For projects that are not statutorily excluded or categorically exempt from CEQA, an initial study shall be prepared to establish whether a negative declaration or an EIR is required prior to the decision as to whether to carry out or approve the project. If it is clear at the outset that an EIR is required, however, such determination may be made immediately and no initial study shall be required.
- (b) Each initial study shall meet the requirements of CEQA with respect to contents and consultation with Responsible and Trustee Agencies. During preparation of the initial study, the Transportation Authority may consult with any person having knowledge or interest concerning the project.
- (c) If a project is subject to both CEQA and NEPA, an initial evaluation prepared pursuant to NEPA may be used to satisfy the requirements of this Section.
- (d) Based on the analysis and conclusions in the initial study, the Transportation Authority shall determine, based on the requirements of CEQA, whether there is substantial evidence that any aspect of the project may cause a significant effect on the environment, and whether a negative declaration or and EIR shall be prepared.

SECTION 5.5.7. Negative Declarations or Mitigated Negative Declarations.

- (a) When a negative declaration is required, it shall be prepared by or at the direction of the Transportation Authority. All CEQA requirements governing contents, notice, and recirculation shall be met.



- (b) The Board shall review and consider the information contained in the final negative declaration, together with any comments received during the public review process, and, upon making the findings as provided in CEQA, shall adopt the negative declaration, prior to approving the project. If the Board adopts a mitigated negative declaration, it shall also adopt a program for reporting on or monitoring the mitigation measures for the project that it has either required or made a condition of approval to mitigate or avoid significant environmental effects.

SECTION 5.5.8. Draft Environmental Impact Reports.

- (a) If it is determined that a project may have a significant effect on the environment and that an EIR is required, the Transportation Authority shall prepare a Notice of Preparation and shall meet all requirements for notice and circulation as required by CEQA.
- (b) The EIR shall be prepared by or under the direction of the Transportation Authority. The EIR shall first be prepared as a draft report. During preparation of the draft EIR, the Transportation Authority may consult with any person having knowledge or interest concerning the project and shall meet all CEQA consultation requirements.
- (c) When the draft EIR has been prepared, the Transportation Authority shall file a Notice of Completion and shall provide public notice of the draft EIR, as required by CEQA. The comment period on draft EIRs shall meet the requirements of CEQA. The draft EIR shall be available to the general public upon filing of the Notice of Completion.
- (d) Public participation, both formal and informal, shall be encouraged at all stages of review, and written comments shall be accepted at any time up to the conclusion of the public comment period. The Transportation Authority may give public notice at any formal stage of the review process, beyond the notices required by CEQA, in any manner it may deem appropriate, and may maintain a public log as to the status of all projects under formal review. Members of the general public shall be encouraged to submit their comments in writing as early as possible.

SECTION 5.5.9. Final Environmental Impact Reports.

- (a) A final EIR shall be prepared in accordance with CEQA by, or at the direction of, the Transportation Authority, based upon the draft EIR, the consultations and comments received during the review process, and additional information that may become available.
- (b) In the judgment of the Board, if the final EIR is adequate, accurate and objective, and reflects the independent judgment and analysis of the Board, the Board shall certify its completion in compliance with CEQA. The certification of completion shall contain a finding as to whether the project as proposed will, or will not, have a significant effect on the environment.

SECTION 5.5.10. Actions on Projects.



- (a) Before making its decision whether to carry out or approve the project, the Board shall review and consider the information contained in the environmental document and shall make findings as required by CEQA.
- (b) After the Board has decided to carry out or approve a project, the Transportation Authority may file a notice of determination with the county clerk of the county or counties in which the project is to be located and as required by CEQA. Such notice shall contain the information required by CEQA. If required by CEQA, the notice of determination shall also be filed with the California Governor's Office of Planning and Research.

SECTION 5.5.11. Additional Environmental Review.

If the Transportation Authority or the Board determine that additional environmental review is required by CEQA, or if modifications to a project require additional environmental review, such review will be conducted as provided by CEQA and in accordance with the applicable procedures set forth in this Section 5.5.

SECTION 5.5.12. Evaluation of Modified Projects.

- (a) After evaluation of a proposed project has been completed, a substantial modification of the project may require reevaluation of the proposed project.
- (b) Where such a modification occurs as to a project that has been determined to be excluded or categorically exempt, a new determination shall be made. If the project is again determined to be excluded or categorically exempt, no further evaluation shall be required. If the project is determined not to be excluded or categorically exempt, an initial study shall be conducted as provided in Section 5.5.6.
- (c) Where such a modification occurs as to a project for which a negative declaration has been adopted or a final EIR has been certified, the Transportation Authority shall reevaluate the proposed project in relation to such modification. If, on the basis of such reevaluation, the Transportation Authority determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons supporting the determination shall be noted in writing in the case record, and no further evaluation shall be required. If the Transportation Authority determines that additional environmental review is necessary, a new evaluation shall be completed prior to the decision by the Board as to whether to carry out or approve the project as modified. CEQA sets forth specific requirements for the determination of whether a supplemental or subsequent EIR is necessary, as well as the applicable process.

SECTION 5.5.13. Multiple Actions on Projects.

- (a) The concept of a project is broadly defined by CEQA so that multiple actions of the same or of different kinds may often constitute a single project. This concept of a project permits all the ramifications of a public action to be considered together, and avoids duplication of review.
- (b) Early and timely evaluation of projects and preparation of EIRs shall be emphasized.
- (c) Only one initial study, negative declaration or EIR shall be required for each project.



- (d) Only one evaluation of a project or preparation of an EIR shall occur in cases in which both the Transportation Authority and one or more other public agencies are to carry out or approve a project. In such cases the evaluation or preparation is performed by the lead agency, which agency is selected by reference to criteria in CEQA.
- (e) CEQA provides that a single initial study, negative declaration or EIR may be employed for more than one project, if all such projects are essentially the same in terms of environmental effects. Furthermore, an initial study, negative declaration or EIR prepared for an earlier project may be applied to a later project, if the circumstances of the projects are essentially the same.
- (f) Reference is made in CEQA to simultaneous consideration of multiple and phased projects, related projects, cumulative effects of projects, projects elsewhere in the region, existing and planned projects.

SECTION 5.5.14. Severability.

- (a) If any article, section, subsection, paragraph, sentence, clause or phrase of this Section 5.5, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, or other competent agency, such decision shall not affect the validity or effectiveness of the remaining portions. The Board hereby declares that it would have passed each article, section, subsection, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more articles, sections, subsections, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid or ineffective.
- (b) If the application of any provision or provisions of this Section 5.5 to any person, property or circumstances is found to be unconstitutional or invalid or ineffective in whole or in part by any court of competent jurisdiction, or other competent agency, the effect of such decision shall be limited to the person, property or circumstances immediately involved in the controversy, and the application of any such provision to other persons, properties and circumstances shall not be affected.
- (c) These severability provisions shall apply to this Section 5.5 as it now exists and as it may exist in the future, including all modifications thereof and additions and amendments thereto.

SECTION 6. PRINTING OF THE ADMINISTRATIVE CODE.

The Transportation Authority may provide for the printing of its administrative code and all subsequent amendments thereto.

SECTION 7. SEAL.

The Transportation Authority may provide for and adopt an official seal. The use of the seal of the Transportation Authority shall be for purposes directly connected with the official business of the Transportation Authority.



Memorandum

Date: 06.09.16 **RE:** Finance Committee
June 14, 2016

To: Finance Committee: Commissioners Mar (Chair), Cohen (Vice Chair), Campos, Kim, Yee and Wiener (Ex Officio)

From: Cynthia Fong – Deputy Director for Finance and Administration *CF*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Approval of the Revised Administrative Code, the Revised Rules of Order, and the Revised Debt, Equal Benefits, Fiscal, Investment and Travel, Conference, Training and Business Expense Reimbursement Policies, and Adoption of the Title VI Program

Summary

While it is Transportation Authority direction to review the Investment Policy and Debt Policy on an annual basis, it is also important to review the administrative code and all policies periodically, to ensure compliance with current statutes and the Transportation Authority's objectives. Upon the advice of the Transportation Authority's financial advisors, bond counsel and legal counsel, we are recommending changes to the Administrative Code; Rules of Order; Debt, Equal Benefits, Fiscal, Investment and Travel, Conference, Training and Business Expense Reimbursement Policies, and adoption of the Title VI Program to conform to applicable law and to be consistent with state and local government codes.

BACKGROUND

The Transportation Authority develops and implements policies and procedures to organize and formalize agency activities, and to ensure compliance with current statutes and Transportation Authority objectives.

It is Transportation Authority direction to review its Debt Policy annually, to maintain prudent debt management principles and to maximize the Transportation Authority's debt capacity, and its Investment Policy annually, to ensure policy language remains consistent with its governing code, while continuing to meet the primary investment objectives of safety of principal, liquidity, and a return on investment consistent with both the risk and cash flow characteristics of the Transportation Authority's portfolio. While the Transportation Authority is not required to annually review its Administrative Code, Rules of Order, Equal Benefits, Fiscal, Procurement, and Travel, Conference, Training and Business Expense Reimbursement Policies, it is good management practice to do so on a regular basis. In addition, the Transportation Authority is recommending the adoption of a new Title VI Program to comply with Federal funding requirements.

DISCUSSION

The purpose of this memorandum is to present staff recommendations for updates to the Transportation Authority's policies. Attachment 1 provides a matrix of the proposed changes and explanations of the

changes. The full redline versions of these policies are posted on the meeting page on our website at www.sfcta.org/meetings. Below are brief descriptions of each policy and procedure.

Administrative Code: The Administrative Code prescribes the powers and duties of officers of the Transportation Authority, the method and appointment of employees of the Transportation Authority, and the policies and systems of Transportation Authority operation and management. At the Transportation Authority's request, Wendel, Rosen, Black & Dean LLP (Wendel Rosen), co-general counsel to the Transportation Authority, reviewed the Administrative Code adopted on January 27, 2015 through Ordinance 15-01. Based on that review, we are recommending changes as redlined in Attachment 1.

Rules of Order: The Rules of Order establishes procedures to ensure its Board and Committee meetings are conducted in a clear and efficient manner, while in compliance with current statutes and Transportation Authority objectives. Wendel Rosen reviewed the Rules of Order adopted on January 27, 2015 through Resolution 15-31, and based on that review, we are recommending changes as redlined in Attachment 1.

Debt Policy: The purpose of the Debt Policy is to organize and formalize debt issuance-related policies and procedures. At the Transportation Authority's request, the Transportation Authority's financial advisor, KNN Public Finance (KNN), and the Transportation Authority's bond counsel, Nixon Peabody LLP (Nixon Peabody), reviewed the Debt Policy adopted on January 27, 2015 through Resolution 15-31. Based on that review, we are recommending changes as redlined in Attachment 1.

Equal Benefits Policy: The purpose of the Equal Benefits Policy is to enforce nondiscrimination provisions in all Transportation Authority contracts and to prohibit the Transportation Authority from contracting with vendors that discriminate in the provisions of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees. Wendel Rosen reviewed the Equal Benefits Policy adopted on April 29, 1999 through Resolution 99-27, and based on that review, we are recommending a completely revised policy as shown in Attachment 2, which is modeled off of the City's Administrative Code Chapter 12B: Nondiscrimination in Contracts.

Fiscal Policy: The Fiscal Policy is designed to guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements of the Transportation Authority. KNN and Nixon Peabody reviewed the Fiscal Policy adopted on January 27, 2015 through Resolution 15-31, and based on that review, we are recommending changes as redlined in Attachment 1.

Investment Policy: The purpose of the Investment Policy is to set out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. KNN and Nixon Peabody reviewed the Investment Policy adopted on January 27, 2015 through Resolution 15-31, and based on that review, we are recommending changes as redlined in Attachment 1.

Travel, Conference, Training and Business Expense Reimbursement Policy: This document establishes a set of policies relating to travel, conference, training and business expenses, and establishes procedures for reimbursement of commissioners and employees. These rules and guidelines are designed to safeguard public funds and to ensure the Transportation Authority and its personnel are using the most economical and well-documented procedures in a consistent manner. Based on the Transportation Authority's review of the Travel, Conference, Training and Business Expense Reimbursement Policy adopted on January 27, 2015 through Resolution 15-31, we are recommending changes as redlined in Attachment 1.

Title VI Program: Title VI of the Civil Rights Act of 1964 (Title VI) prohibits discrimination by recipients of

Federal financial assistance on the basis of race, color, and national origin, including the denial of meaningful access for limited English proficient persons. In addition, Title VI and U.S. Department of Transportation regulations prohibit recipients from intentionally discriminating against people on the basis of race, color, and national origin. As a recipient and subrecipient of Federal funds, the Transportation Authority is recommending the adoption of the Title VI Program, to ensure services are provided in a non-discriminatory manner. Wendel Rosen reviewed the Title VI Program, and based on that review, we are recommending a program as shown in Attachment 3.

ALTERNATIVES

1. Recommend approval of the revised Administrative Code, the revised Rules of Order, and the revised Debt, Equal Benefits, Fiscal, Investment and Travel, Conference, Training and Business Expense Reimbursement policies, and adoption of the Title VI Program, as requested.
2. Recommend approval of the revised Administrative Code, the revised Rules of Order, and the revised Debt, Equal Benefits, Fiscal, Investment and Travel, Conference, Training and Business Expense Reimbursement policies, and adoption of the Title VI Program, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC considered this item at its May 25, 2016 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

There is no financial impact to the Transportation Authority's proposed FY 2016/17 budget from the requested action.

RECOMMENDATION

Recommend approval of the revised Administrative Code, the revised Rules of Order, and the revised Debt, Equal Benefits, Fiscal, Investment and Travel, Conference, Training and Business Expense Reimbursement policies, and adoption of the Title VI Program.

Attachments (3):

1. Policies Matrix
2. Draft Equal Benefits Policy
3. Draft Title VI Program

Attachment 1

San Francisco County Transportation Authority
Policies Matrix

ADMINISTRATIVE CODE			
SECTION	REVISION	REASON	PAGE
2(f) [new §]	<u>(f) The Transportation Authority shall perform other related responsibilities, including but not limited to (i) serving as the county program manager for the Transportation Fund for Clean Air, (ii) serving as the county Congestion Management Agency, and (iii) administering Proposition AA projects.</u>	Clarification to include the other agency responsibilities mentioned in §5.2(a) as being within the Plans & Programs Committee's responsibilities.	1
4(a)(6)	To administer the personnel system of the Transportation Authority, including hiring, controlling, supervising, promoting, transferring, suspending with or without pay or discharging any employee. To this end, the Executive Director shall prepare and maintain a personnel manual, stating the rules of employment of the Transportation Authority, and methods of compensation established by the Transportation Authority (<u>Personnel Manual</u>); and	Minor clarification to define Personnel Manual as referenced later in the Administrative Code.	3
5.2(a)	Plans and Programs Committee. The Chairperson of the Transportation Authority shall appoint a Plans and Programs Committee which shall be composed of five Commissioners. Except as otherwise determined by the Chairperson of the Committee, regular meetings shall be held on the third Tuesday of each month <u>in the Committee Room of City Hall or other location as designated with proper notice by the Transportation Authority</u> , except when that day or any preceding Tuesday that month is a holiday, in which case the meeting shall be held on the following Tuesday. The responsibilities of this Committee shall include the following.	Minor clarification regarding meeting location.	4-5
5.2(b)	Finance Committee. The Chairperson of the Transportation Authority shall appoint a Finance Committee which shall be composed of five Commissioners. Except as otherwise determined by the Chairperson of the Committee, regular meetings shall be held on the second Tuesday of each month <u>in the Committee Room of City Hall or other location as designated with proper notice by the Transportation Authority</u> , except when that day is a holiday, in which case the meeting shall be held on the following Tuesday. The responsibilities of this Committee shall include the following:	Minor clarification regarding meeting location.	5
5.3(a)	Citizens Advisory Committee. The Transportation Authority shall appoint eleven members to a Citizens Advisory Committee. This Committee shall include representatives from various segments of the community, such as public policy organizations, labor, business, senior citizens, the disabled, environmentalists, and the neighborhoods, and reflect broad transportation interests. The committee members shall be residents of San Francisco and shall serve without compensation for a two-year period. <u>Any member who is absent for four of any twelve regularly</u>	Clarifications to correspond with CAC's By-Laws.	7

Attachment 1

ADMINISTRATIVE CODE		
SECTION	REVISION	REASON
	<p>scheduled consecutive meetings shall be automatically terminated. Any resulting vacancy shall be filled for a new two-year period. Any terminated member who wishes to be reappointed shall contact his or her district Supervisor and shall reappear before the Plans and Programs Committee to speak on his or her behalf. This Committee shall meet at least quarterly and all meetings shall be open to the public. <u>The regular meetings of the Committee shall be held on the fourth Wednesday of each month at 6:00 p.m. at the Transportation Authority's offices at 1455 Market Street, Floor 22, San Francisco, California.</u> The staff of the Transportation Authority will be available to assist the Committee.</p>	

Attachment 1

RULES OF ORDER			
SECTION	REVISION	REASON	PAGE
Rules 1.6, 1.9, 1.17 (first instance only), 2.5, 2.6 (first instance only), 2.9, 2.14 (first and third instances only), 3.1, 3.10 (last instance only), 4.3	Changing "Transportation Authority" to "Board" in each location.	Clarifications to ensure that the Rules of Order use the term "Board" when referring to the governing body, and "Transportation Authority" when referring to the entity.	Various
Rule 1.11	Rule 1.11 "Measure" shall mean and include a proposal, in whatsoever form presented, fulfillment of the purpose of which requires action of the Transportation Authority by Code , amendment, ordinance, resolution or motion, other than a motion designed to accomplish an action strictly parliamentary in character.	Cleanup change.	1
Rule 5.2	Rule 5.2 Smoking Prohibited. Smoking during Board or committee meetings is prohibited.	Cleanup change, smoking already outlawed in public buildings per CA Government Code.	13

Attachment 1

TRAVEL, CONFERENCE, TRAINING AND EXPENSE REIMBURSEMENT POLICY		
SECTION	REVISION	PAGE
I.C.	<p>Limitations. Travel and meeting expenditures shall not exceed the approved budget, except with justification and documentation, and shall be consistent with associated policies established by the Transportation Authority. Eligible Transportation Authority personnel are entitled to claim reimbursement for actual, reasonable and necessary expenses for eligible expenses incurred in the discharge of their official duties, subject to the limitations set forth herein.</p>	1
II.B.	<p>Eligible Travel Expenses. The following expenses are eligible for reimbursement in connection with authorized Transportation Authority business, travel, conferences, meetings, and training, subject to the restrictions identified in this policy. Travel expenses are subject to review by the Deputy Director for Finance and Administration and will only be approved if deemed reasonable and proper. Reimbursements shall be for actual expenditures (receipts required for expenses greater than \$25) for amounts not to exceed the per diem rates and allowances established by the General Services Administration (GSA) and/or United States Department of Defense (USDOD) as appropriate.</p>	1
II.B.3.	<p>3. Transportation charges (including commercial carrier fares, rental car charges, private car mileage allowances, parking, bridge and road tolls, and necessary taxi, transportation network company or public transit fares); and</p>	2
II.B.4.c.	<p>c. Tips to porters, baggage carriers, bellhops, hotel staff, and stewards or stewardesses not to exceed \$2-per-bag;</p>	2
II.C.2. [new §]	<p>2. Alcoholic beverages and entertainment expenses;</p>	2
II.C.4.	<p>4. Expenses which are excessive or unreasonable as determined by the Deputy Director for Finance and Administration; Transportation Authority.</p>	2
IV.E.	<p>Receipts. Receipts or proof of payment must be submitted with the claim to substantiate expenditures for public carrier fares, rental cars, lodging (indicating the single rate), meals, conference or seminar registration fees, and for any unusual items or items not specifically related to travel. Claims must be recorded and certified on an expense report. For any official business in-transit travel destination, Transportation Authority personnel must provide a receipt and narrative to substantiate claimed travel expenses for lodging and a receipt for any authorized expenses incurred costing over \$25. Itemized receipts shall be obtained and submitted with the expense report. If a receipt cannot be obtained or has been lost for expenses greater than \$25, a statement to that effect shall be made on the expense report and the reason given. In absence of a satisfactory explanation, the amount involved shall not be allowed.</p>	4
IV.G.	<p>Expenses Not Covered by Transportation Authority Policy. In the event where an expense does not qualify for reimbursement under this policy, to be reimbursable,</p>	4

Attachment 1

TRAVEL, CONFERENCE, TRAINING AND EXPENSE REIMBURSEMENT POLICY			
SECTION	REVISION	REASON	
		PAGE	
V.	<p>the expense shall be approved by the Transportation Authority Board, in a public meeting before the expense is incurred, unless the expense is related to lodging in connection with a conference or organized educational activity conducted in compliance with California Government Code s. 54952.2(c), including but not limited to ethics training required by Article 2.4 (commencing with §. 53234) of the Government Code. Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that the lodging at the group rate is available to the member of a legislative body at the time of booking. If the group rate is not available, the member of a legislative body shall use comparable lodging that is consistent with the requirements of this policy.</p>	Minor clarification.	4
VI.A.	<p>All requests for prepayment of conference/seminar/training will be submitted for approval a minimum of ten working days in advance of the conference/seminar/training. unless reasonable justification is provided. If the ten-day requirement cannot be met, Transportation Authority personnel may personally pay registration fees and other expenses at their own risk and seek reimbursement on the expense report.</p> <p>General. Transportation Authority personnel may incur expenses for the purchase of meals for persons not employed by the Transportation Authority, with whom the Transportation Authority is transacting business. The name and business affiliation of the person, as well as the purpose of the business meetings, must be included in the expense report. The maximum per-person expenditure shall not exceed a reasonable amount under the particular circumstances and shall not exceed the per diem amount established by the GSA or USDOD as appropriate. Actual costs shall include reasonable and customary gratuities, but not the cost of alcoholic beverages. All such expenditures for personnel must be approved in advance by the Executive Director.</p>	Minor clarification.	5
VI.D.	<p>Out-of-Area Meals. Reimbursement for employee meals during periods of approved trips out-of-area must be approved on the travel authorization form. Reimbursement for out-of-area meals will be based on either actual costs, for which receipts must be provided for expenditures exceeding \$25, and in accordance with the per diem of the federal standard meal allowance, including single day and total trip meal rates, as established by the GSA or USDOD as appropriate. Unusual costs must be justified in writing.</p>	Minor clarification.	5
VII.	<p>Transportation Authority personnel will be expected to be prudent in the choice of lodging and will submit proper documentation to justify the expense. The Executive Director will approve the lodging as part of the approval of the travel request, and reserves the right to determine which lodging is prudent, based on economic, comfort, safety, and reasonability considerations. If lodging is required in connection with a conference or activity, the lodging costs shall not exceed the maximum group rate published by the sponsor of the conference. Lodging shall be at the location where the</p>	Text moved from Section IV.G. Minor clarification regarding lodging rates.	6

Attachment 1

TRAVEL, CONFERENCE, TRAINING AND EXPENSE REIMBURSEMENT POLICY			
SECTION	REVISION	REASON	PAGE
	<p>conference or activity is being held. Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that the lodging at the group rate is available at the time of booking. If the group rate is not available and the hotel has no remaining vacancies, comparable lodging that is consistent with the requirements of this policy shall be used. No lodging shall be reimbursed on the final day of a conference or activity unless reasonable justification is provided or unless authorized by the Executive Director. If no group rate is available at the time of booking, the Transportation Authority will reimburse its personnel for lodging up to the rates established by the GSA or USDOD as appropriate.</p> <p>3. taxi, cabs, or transportation network companies; and</p>	Minor clarification.	7
VIII.C.	<p>Air and Rail Travel. Transportation Authority personnel shall use air coach class (or similar reduced fare equivalent accommodations) shall be used for air and rail travel if it is available whenever possible. Any additional fees for seat location upgrades, seat spacing upgrades, or preferential boarding will not be reimbursed unless documentation is provided that there were no other reasonable options available and unless authorized by the Executive Director for special circumstances (e.g. physical or medical conditions). All reasonable fare reductions or reduced fare flights as appropriate shall be utilized.</p>	Clarification regarding allowable flight and rail accommodations.	7
VIII.D(d)	<p>In order to be paid mileage for travel which originates other than at the normal work location, the mileage must be in excess of that normally driven from the traveler's residence to and from the normal work location. The requesting traveler will include justification in attach an explanation to the expense report. In the absence of a satisfactory explanation justification, the mileage expense shall not be allowed.</p>	Cleanup change.	7
VIII.E.	<p>Other Modes of Transportation. Limousine, and taxi and transportation network company fares will be allowed for travel where public transportation is not practical or available. Examples may include, but are not limited to, travel between transportation terminal and hotel, between hotel and place of business, and between places of business.</p>	Minor clarification.	8
IX.	<p>Charges incurred for excess baggage will be reimbursed if justified as necessary for the purpose of the trip. An explanation of the circumstances and payment receipts must accompany the claim for reimbursement. Charges for checking and handling of baggage, including reasonable and customary gratuities (\$2 per bag per baggage) will be allowed.</p>	Cleanup change.	8

Attachment 1

San Francisco County Transportation Authority
Policies Matrix

FISCAL POLICY			
SECTION	REVISION	REASON	PAGE
III.A.	The Executive Director is charged with responsibility for the preparation of a draft budget for each fiscal year. The draft budget will consist of line items for Revenues, including investment income, Administrative Operating Expenses, Debt Service Expenses as applicable, Program and Operating Reserve, and a single line item for each of the Transportation Authority's capital expenditure programming roles as Proposition K Sales Tax (Prop K) Administrator; San Francisco Congestion Management Agency (CMA); and San Francisco Program Manager for the Transportation Fund for Clear Air (TFCA); <u>and Proposition AA Vehicle Registration Fee (Prop AA) administrator</u> . Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items. The draft budget may also include other functional categories as deemed appropriate.	Minor cleanup change.	1
III.B.	The draft budget shall be presented at a public hearing at a publicly noticed Transportation Authority meeting prior to being approved by the Board. Notice of the time and place of the public meeting shall be published pursuant to Sections <u>6060 and 6061</u> of the California Government Code no later than the 15th day prior to the day of the hearing, and the draft budget shall be available for public inspection at least 15 days prior to the hearing.	Minor clarification regarding how the notice is published.	2
III.D.	Except as otherwise provided in this section, the adopted final budget is not subject to further review or reopening after the Board resolution has passed. The adopted final budget may be amended during the fiscal year to reflect actual revenues and expenses incurred to the date of amendment during the fiscal year. <u>Amendments to the budget will be presented at a publicly noticed Transportation Authority meeting prior to being approved by the Board.</u> The Executive Director shall be responsible for proposing amendments to the adopted final budget; the Finance Committee shall be responsible for review of the proposed amended adopted final budget, and for making a recommendation regarding the amended final budget to the Board. The amended final budget shall be adopted by Board resolution.	Minor clarification consistent with adoption of the budget.	2

Attachment 1

FISCAL POLICY

SECTION	REVISION	REASON	PAGE
IV.A.3.	<p>A petty cash revolving account in the amount of one thousand dollars (\$1,000) may be established and maintained by the Executive Director for the purposes of paying miscellaneous expenses of the Transportation Authority. Individual expenditures may not exceed two hundred and fifty dollars (\$250). Such miscellaneous expenses include but not be limited to, outside photocopying expenses, office supplies, meeting and travel expenses, and other practical expenses as determined by the Executive Director to be necessary and/or convenient for proper administration. The Executive Director is authorized from time to time to seek reimbursement of this account to the maximum balance by allocation from the operating budget.</p>	<p>Cleanup change, as there is already a catch-all for anything necessary or convenient.</p>	3
IX.	<p>The selection of <u>providers of</u> professional services, such as legal, financial advisory, private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms, shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required in accordance with the Transportation Authority's Procurement Policy.</p>	<p>Minor clarifying change.</p>	5

Attachment 1

DEBT POLICY

SECTION	REVISION	REASON	PAGE
VI.A.	<p>Credit quality is an important consideration and will be balanced with the Transportation Authority's objectives and the associated size, <u>structure</u> and frequency of issuances of debt. All Transportation Authority debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest credit ratings possible consistent with the Transportation Authority's debt management objectives, and to maintaining or improving the current credit ratings assigned to the Transportation Authority's outstanding debt by the major credit rating agencies.</p>	<p>Minor clarification that structure of Transaction will also be affected by Transportation Authority's objectives.</p>	2
VI.B.	<p>The Transportation Authority will issue long-term debt only to finance and refinance long-term capital projects. When the Transportation Authority finances capital projects by issuing bonds, the <u>average principal amortization should not exceed 120% of the weighted average useful life of the project being financed if the bonds are intended to be federally tax-exempt and the debt repayment period should not exceed the earliest of the following: (1) 420% of the useful life of the project being financed, (2) the end of the term sunset date of the current sales tax Expenditure Plan or (3) forty (40) years from the date of issuance. Inherent in its long-term debt policies, the Transportation Authority recognizes that future taxpayers will benefit from the capital investment and that it is appropriate that they pay a share of the asset cost. Long-term debt financing shall not be used to fund operating costs unless such costs qualify as capital expenditures under federal tax principles.</u></p>	<p>Clarification that the 120% test only applies for tax-exempt debt and is applied by comparing the average amortization of debt to the weighted average life of the financed assets.</p>	2
VI.C.	<p>The Transportation Authority will evaluate the use of available financial alternatives including, but not limited to, tax-exempt and taxable debt, long-term debt (both fixed and variable), short-term debt, commercial paper, <u>lines of credit</u>, sales tax revenue and grant anticipation notes, private placement and inter-fund borrowing. The Transportation Authority will utilize the most advantageous financing alternative that effectively balances the cost of the financing with the risk of the financing structure to the Transportation Authority.</p>	<p>Specifically reference lines of credit, particularly given that the Transportation Authority now has a revolving credit facility.</p>	2
VI.D.	<p>The Transportation Authority shall maintain all debt-related records for a period for no less than the term of the debt <u>plus three years</u>. At a minimum, this repository will include all official statements, bid documents, ordinances, indentures, trustee reports, continuing disclosure reports, material events notices, tax certificates, information regarding the investment of and project costs paid with bond proceeds, underwriter and</p>	<p>Minor clarification to make consistent with IRS requirements.</p>	2

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DEBT POLICY			
SECTION	REVISION	REASON	PAGE
VI.E.	<p>other agreements, etc. for all Transportation Authority debt. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice (transcripts may be hard copy or stored on CD-ROM). The Transportation Authority will develop a standard procedure for archiving transcripts for any new debt. The Transportation Authority will establish internal controls to ensure compliance with the Debt Policy, all debt covenants and any applicable requirements of applicable law.</p> <p><u>Tax Law Compliance, Rebate Policy and System.</u> <u>Debt issued by the Transportation Authority, the interest on which is intended to be federally tax-exempt, is subject to requirements and limitations in order that such debt initially qualify for tax-exemption and on an ongoing basis until such debt is fully repaid in order that such debt remain tax-exempt. Failure to comply with such requirements and limitations could cause an issue of the Transportation Authority's debt to be determined to fail to qualify for tax-exemption, retroactive to the date of issuance. The Transportation Authority designates the Executive Director with designee to periodically undertake procedures to confirm compliance with such requirements and limitations. In furtherance thereof, the Executive Director with designee will consult with the Transportation Authority's bond counsel or others as deemed necessary regarding such periodic procedures or in the event that it is discovered that noncompliance has or may have occurred.</u></p> <p>TheIn addition, in furtherance of the above, the Transportation Authority will accurately account for all interest earnings in debt-related funds. These records will be designed to ensure that the Transportation Authority is in compliance with all debt covenants, and with applicable laws. The Transportation Authority will maximize the interest earnings on all funds within the investment parameters set forth in each respective indenture, consistent with consideration of applicable yield limits and arbitrage requirements and as permitted by the Investment Policy. The Transportation Authority will develop a system of reporting interest earnings that relates to and complies with any tax certificates relating to its outstanding debt and Internal Revenue Code rebate, yield limits and arbitrage, and making any required filings with State and Federal agencies. The Transportation Authority will retain records as required by its tax certificates. The Transportation Authority shall have the authority to retain the services of an Arbitrage Rebate Consultant.</p>	<p>Clarifying coverage to address tax law compliance more broadly and designating an individual to undertake procedures for compliance.</p>	3

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DEBT POLICY			
SECTION	REVISION	REASON	PAGE
VII.A.2.	Refunding debt is bonds are issued to retire all or a portion of an outstanding bond issue or other debt. Refunding issuances can be used to achieve present-value savings on debt service, to modify interest rate risk, or to restructure the payment schedule, type of debt instrument used, or covenants of existing debt. The Transportation Authority must analyze each refunding issue on a present-value basis to identify economic effects before approval. Policies on the administration of refunding financings are detailed further in Section X: Refinancing Outstanding Debt.	Clarifying that refunding could be with debt other than bonds.	4
VII.B.1.	The Transportation Authority may issue long-term debt (e.g. fixed or variable rate revenue bonds) when funding allocations cannot be financed from current revenues. The proceeds derived from long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that the obligations average principal amortization do not exceed the earliest of the following: (a) 120% of the expected weighted average useful life of the project (b) being financed, (c) if the bonds are intended to be federally tax-exempt and the debt repayment period does not exceed the earliest of the following: (a) the sunset date of the current sales tax-Expenditure Plan or (eb) forty (40) years from the date of issuance.	Clarifying that the 120% test only applies to tax-exempt debt and is applied by comparing the average amortization of debt to the weighted average life of the financed assets.	4
VII.B.2.	Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues, where anticipated revenues are defined as an assured revenue source with the anticipated amount based on conservative estimates. In the case of the Transportation Authority's <u>revolving credit facility or any future commercial paper program</u> , short-term borrowings may also be utilized for funding of the Transportation Authority's capital projects. The Transportation Authority will determine and utilize the least costly method for short-term borrowing. The Transportation Authority may issue short-term debt when there is a defined repayment source or amortization of principal, subject to the following policies: a) <i>Commercial Paper Notes</i> may be issued as an alternative to fixed rate debt, particularly when the timing of funding requirements is uncertain. The Transportation Authority may maintain an ongoing commercial paper program to ensure flexibility and immediate access to capital funding when needed. In March 2004, the Board approved a \$200 million tax-exempt commercial paper program. Periodic issuances of a retirement of commercial paper notes within the \$200 million Board approved	Reflecting termination of commercial paper program and entry into revolving credit facility, and clarifying limits on term for draws on revolving facility and refinancings thereof.	5-6

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DEBT POLICY

SECTION	REVISION	REASON	PAGE
	<p>program do not require further Board action. The retirement of commercial paper is most commonly a result of the issuance of long-term bonds or the repaying of principal from cash on hand.</p> <p>d) <u>Letters or Lines of Credit</u> shall be considered as an alternative to or credit support for other short-term borrowing options. In 2015, the Transportation Authority replaced its prior commercial paper program with a \$140 million revolving credit facility. Amounts can be repaid and reborrowed without further Board action. The average amortization of amounts drawn under the revolving credit facility may not exceed 120% of the weighted average useful life of the project being financed if the borrowing is intended to be federally tax-exempt and the borrowing must be full repaid by the earliest of the following: (a) the sunset date of the current Expenditure Plan or (b) forty (40) years from the date of issuance. The repayment of loans under a revolving credit facility is often facilitated by the issuance of long-term bonds or the repaying of principal from cash on hand. If proceeds of long-term bonds are used to repay loans under the revolving credit facility, the amortization and the repayment of the long-term bonds must satisfy the limits set forth above.</p>		
VII.B.3.	<p>a) <u>Variable Rate Debt Capacity.</u> Except for the existing \$140000 million commercial paper program (which is not covered by revolving credit facility (to which the following requirements of variable rate debt do not apply), the Transportation Authority will maintain a conservative level of outstanding variable rate debt in consideration of general rating agency guidelines recommending a maximum of a 20-30% variable rate exposure, in addition to maintaining adequate safeguards against risk and managing the variable revenue stream both as described below:</p>	Reflecting termination of commercial paper program and entry into revolving credit facility.	6
VIII.A.	<p>All capital improvements financed through the issuance of debt will be financed for a period <u>such that average principal amortization of the debt does not exceed 120% of the expected weighted average useful life of the assets project being financed, and in no event should if the bonds are intended to be federally tax-exempt, and the debt repayment period does not exceed the lesser of forty (40) years or the period earliest of time the following: (a) the sunset date of the current sales tax Expenditure Plan or (b) forty (40) years from the date of issuance.</u></p>	Clarify that the 120% test only applies to tax-exempt debt and is applied by comparing the average amortization of debt to the weighted average life of the financed assets.	7

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DEBT POLICY

SECTION	REVISION	REASON	PAGE
VIII.B.	<p>The nature of the Transportation Authority's revenue stream is such that funds are generally continuously available and the use of capitalized interest should not normally be necessary. However, certain types of financings may require the use of capitalized interest from the issuance date until the project sponsor has constructive use of the financed project. Unless otherwise required, the Transportation Authority will avoid the use of capitalized interest to obviate unnecessarily increasing the bond issuance size. Interest shall not be funded (capitalized) beyond three (3) years or a shorter period if further restricted by statute. The Transportation Authority may require that capitalized interest on the initial series of bonds be funded from the proceeds of the bonds. Interest earnings may, at the Transportation Authority's discretion <u>and, if permitted under applicable federal tax law</u>, be applied to extend the term of capitalized interest but in no event beyond the authorized term.</p>	<p>Clarify intention to comply with federal tax law.</p>	7
X.C.	<p>The<u>Except for commercial paper and loans under a line of credit (including the current revolving credit facility), the</u> Transportation Authority will refund bonds within the term of the originally issued debt. However, the Transportation Authority may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Transportation Authority may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.</p>	<p>Specifically state that refinancing of loans under revolver do not have to meet the requirements of this section.</p>	10
X.E.	<p>The Transportation Authority shall take all necessary steps <u>(permitted under federal tax law when tax-exempt debt is involved)</u> to optimize escrows and to avoid negative arbitrage in its refundings. Any resulting positive arbitrage will be rebated as necessary according to Federal guidelines.</p>	<p>Clarifying intention to comply with federal tax law.</p>	10
X.F.	<p>Commercial Paper Program, Revolving Credit Facility. The requirements of this Section X shall not apply to or restrict the issuance of commercial paper notes for the purpose of refunding maturing commercial paper notes <u>or of borrowing under a revolving credit facility for the purpose of repaying prior loans under the facility, nor shall this Section X apply to long term take out of commercial paper or of loans under a revolving credit facility, subject to limitations otherwise contained in this policy.</u></p>	<p>Reflecting termination of commercial paper program and entry into revolving credit facility.</p>	10

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DEBT POLICY			
SECTION	REVISION	REASON	PAGE
XI.A.	Participation from Disadvantaged Business Enterprise (DBE) firms is best effort and not required for winning bid.	Minor change since DBE is already defined in glossary.	11
XI.C.	From time to time the Transportation Authority may elect to privately place its debt or borrow directly from a bank or other financial institution. Such placement or borrowing shall only be considered if this method is likely to result in a cost savings to the Transportation Authority relative to other methods of debt issuance on a net present value basis, using the Transportation Authority's investment rate as the appropriate measure of the discount rate.	Updating reference to direct borrowing since the Transportation Authority is party to a revolving credit facility.	12
GLOSSARY	<p><i>Capitalized Interest.</i> A portion of the proceeds of an issue that is set aside to pay interest on the securities for a specific period of time. Interest is commonly sometimes capitalized for the construction period of the project.</p> <p><i>Commercial Paper.</i> Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank that, upon the maturity thereof, successively rolls into other short term promissory notes until the principal thereof is paid by the Transportation Authority.</p>	<p>Reflecting that capitalized interest is not used as frequently as "commonly" might suggest. Clarifying that commercial paper typically continues to roll until refinanced with long term bonds or otherwise paid.</p>	17

Attachment 1

INVESTMENT POLICY			
SECTION	REVISION	REASON	PAGE
II.	Bond proceeds shall be invested in the securities permitted pursuant to bond documents approved by the Transportation Authority Board approved of Commissioners (Board bond documents) . If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. In addition to the securities listed in Section IX below, bond proceeds may also be invested in investments and forward delivery agreements. Notwithstanding the other provisions of this Investment Policy, the percentage or dollar portfolio limitations listed elsewhere in this Investment Policy do not apply to bond proceeds.	Cleanup change to include complete name of Board.	1
IX.12.	The California Asset Management Program, as authorized by Section 53601 (p) of the California Government Code. The Program constitutes shares in a California common law trust established pursuant to Section 6509.7 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by subdivisions (a) to (o) and (q) of Section 53601 of the Government Code of California, as it may be amended.	Cleanup change to reflect amendments to CA Government Code 53601 that added a new section q which took effect in 2015.	4



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RESOLUTION APPROVING THE REVISED RULES OF ORDER; THE REVISED DEBT, EQUAL BENEFITS, FISCAL, INVESTMENT, AND TRAVEL, CONFERENCE, TRAINING AND BUSINESS EXPENSE REIMBURSEMENT POLICIES; AND ADOPTING THE TITLE VI PROGRAM

WHEREAS, The Transportation Authority develops and implements policies and procedures to organize and formalize agency activities, and to ensure compliance with current statutes and Transportation Authority objectives; and

WHEREAS, It is Transportation Authority direction to review its Debt Policy annually, to maintain prudent debt management principles and to maximize the Transportation Authority's debt capacity, and its Investment Policy annually, to ensure policy language remains consistent with its governing code, while continuing to meet the primary investment objectives of safety of principal, liquidity, and a return on investment consistent with both the risk and cash flow characteristics of the Transportation Authority's portfolio; and

WHEREAS, While the Transportation Authority is not required to annually review its Rules of Order, Equal Benefits, Fiscal, and Travel, Conference, Training and Business Expense Reimbursement Policies, it is good management practice to do so on a regular basis, and

WHEREAS, The Rules of Order establishes procedures to ensure that Board and Committee meetings are conducted in a clear and efficient manner, while in compliance with current statutes and Transportation Authority policies and objectives; and

WHEREAS, The Debt Policy's purpose is to organize and formalize debt issuance-related policies and procedures; and

WHEREAS, The purpose of the Equal Benefits Policy is to enforce nondiscrimination provisions in all Transportation Authority contracts and to prohibit the Transportation Authority



from contracting with vendors that discriminate in the provisions of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees; and

WHEREAS, The Fiscal Policy guides decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements; and

WHEREAS, The Investment Policy reflects the requirements in state and federal law regarding the administration of investments by public agencies, and establishes rules for the investment of all funds directly administered by the Transportation Authority; and

WHEREAS, The Travel, Conference, Training and Business Expense Reimbursement Policy establishes a set of policies relating to travel, conference, training and business expenses, and establishes procedures for reimbursement of commissioners and employees; and

WHEREAS, Title VI of the Civil Rights Act of 1964 (Title VI) prohibits discrimination by recipients of Federal financial assistance and Title VI and U.S. Department of Transportation regulations prohibit recipients from intentionally discriminating against people, therefore as a recipient and subrecipient of Federal funds, the Transportation Authority is recommending the adoption of the Title VI Program to ensure services are provided in a non-discriminatory manner; and

WHEREAS, With assistance and guidance from the Transportation Authority's bond counsel, financial advisors and legal counsel, Transportation Authority staff are updating policies to conform to applicable law and consistent with state and local government codes; and

WHEREAS, At its May 25, 2016 meeting, the Citizens Advisory Committee considered the subject request and unanimously adopted a motion of support for the staff recommendation; and

WHEREAS, At its June 14, 2016 meeting, the Finance Committee considered the subject request and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby adopts the Rules of Order as presented in Attachment 1; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Debt Policy as presented in Attachment 2; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Equal Benefits Policy as presented in Attachment 3; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Fiscal Policy as presented in Attachment 4; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Investment Policy as presented in Attachment 5; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Travel, Conference, Training and Business Expense Reimbursement Policy as presented in Attachment 6; and be it further

RESOLVED, That the Transportation Authority hereby adopts the Title VI Program as presented in Attachment 7; and be it further

RESOLVED, That the Executive Director is hereby authorized to communicate the policies to all relevant parties.

Attachments (7):

1. Proposed Rules of Order
2. Proposed Debt Policy
3. Proposed Equal Benefits Policy
4. Proposed Fiscal Policy
5. Proposed Investment Policy
6. Proposed Travel, Conference, Training and Business Expense Reimbursement Policy
7. Proposed Title VI Program



RULES OF ORDER: CHAPTER 1. DEFINITIONS

- Rule 1.1** As used in these Rules, the following words and phrases shall have the meanings respectively ascribed to them by Rules 1.2 through 1.18.
- Rule 1.2** “Administrative Code” shall mean the San Francisco County Transportation Authority’s Administrative Code.
- Rule 1.3** “Adopted” in connection with proposed resolutions or ordinances, shall mean and include adoption of such proposed resolutions or ordinances by the San Francisco County Transportation Authority.
- Rule 1.4** “Transportation Authority” shall mean the San Francisco County Transportation Authority.
- Rule 1.5** “Board” shall mean the Board of Commissioners of the San Francisco County Transportation Authority.
- Rule 1.6** “Chair” shall mean the Chair of the ~~Transportation Authority~~Board or in the absence of the Chair, the Vice-Chair acting as Chair.
- Rule 1.7** “Code” shall mean the California Public Utilities Code, Section 131000 et seq., under which the Transportation Authority was created.
- Rule 1.8** “Clerk” shall mean the Clerk of the Transportation Authority.
- Rule 1.9** “Committee” shall mean a committee of ~~Transportation Authority~~Board, including select as well as standing committees.
- Rule 1.10** “Communication” shall mean any matter, other than the measure, in whatsoever form addressed to the Board for consideration or action by the Board or its committees.
- Rule 1.11** “Measure” shall mean and include a proposal, in whatsoever form presented, fulfillment of the purpose of which requires action of the Transportation Authority by ~~Code~~, amendment, ordinance, resolution or motion, other than a motion designed to accomplish an action strictly parliamentary in character.
- Rule 1.12** “Member” shall mean a member of the Board of Commissioners.
- Rule 1.13** “Ordinances” shall mean procedures for establishing all rules of conduct affecting third parties under the jurisdiction of the Transportation Authority and of a permanent nature and shall include but not be limited to the Administrative Code and employment rules.
- Rule 1.14** “Précis” shall mean a summary of a measure prepared by staff and presented as a part of the Board or committee folder.
- Rule 1.15** “Presiding Officer” shall mean the Chair or acting chair.
- Rule 1.16** “Previous Question” shall be a call to end debate on a matter.
- Rule 1.17** “Resolution” shall mean the procedures for establishing all expressions of opinion of the ~~Transportation Authority~~Board which may or may not be of a permanent nature or affect third parties under the Transportation Authority’s jurisdiction.
- Rule 1.18** “Rules” shall mean the Rules of Order of the San Francisco County Transportation Authority.



CHAPTER 2. ORGANIZATION AND MEETINGS

- Rule 2.1 Adoption of Rules of Order.** The Rules of Order (Rules) shall be adopted by motion carried by an affirmative recorded vote of a majority of the members of the Board. When adopted, such Rules shall remain in effect unless suspended or amended as provided herein. The Chair or committee chair may adopt temporary rules to address a specific situation or point of order in the Board meeting.
- Rule 2.2 Suspension of Rules.** Except this rule and Rules which are restatements of other applicable laws and which are designated in these Rules by an asterisk, any rule may be suspended by the affirmative vote of eight (8) members unless there be less than eight (8) members present, in which case the unanimous consent of the members present, but not less than six (6) shall be required. A motion to suspend the rules is not debatable.
- Rule 2.3 Amendment to Rules.** All proposed amendments to the Rules shall be referred to the Finance Committee for consideration and recommendation to the Board for adoption.
- Rule 2.4 Parliamentary Authority.** On any question or point of order not contained in these Rules, the Chair shall issue a ruling.
- Rule 2.5 Organization and Election of Chair.** Annually at the first meeting of the Board in January, the newly elected and continuing members of the Board of Commissioners shall elect the Chair and Vice-Chair of the ~~Transportation Authority Board~~. The newly appointed Chair shall immediately preside following his or her election at the same meeting (Section 131260 of the Code).
- Rule 2.6 Meetings and Rules of Procedures.** *All proceedings of the ~~Transportation Authority Board~~ shall be in conformance with the provisions of the Bay Area Traffic and Transportation Funding Act [Sections 131000 et seq. of Division 12.5 of the California Public Utilities Code], the San Francisco County Transportation Reauthorization Authority Ordinance, as amended by Resolution 486-03 (Article 14, commencing with Section 1401 of the San Francisco Business and Tax Regulations Code), the Transportation Authority's Administrative Code, and the New Transportation Expenditure Plan for San Francisco adopted together with Board of Supervisors Resolution 485-03 by the voters on November 4, 2003 as Proposition K.
- Except as otherwise determined by the Board, regular meetings of the Board shall be held at 11:00 a.m. on the fourth Tuesday of each month in the Legislative Chamber of City Hall. However, when that day is a holiday, the meeting shall be held on the following business day. Committee meetings shall be held in Room 263 of City Hall.
- *The acts of the Board shall be expressed by motion, resolution or ordinance (Section 131263 of the Code).
- *All meetings of the Board shall be conducted in the manner prescribed by the Ralph M. Brown Act (Chapter 9 commencing with Section 54950 of Part 1 of Division 2 of Title 5 of the Government Code) and the Transportation Authority's adopted Sunshine Policy.
- Rule 2.7 Temporary Meeting Place.** In the event of the regular meeting place is unavailable, the Chair shall designate some other appropriate place as its temporary meeting place.



Rule 2.8 Special Meetings of the Board. A special meeting of the Board of Commissioners may be called, subject to the Ralph M. Brown Act, by the Chair.

Rule 2.9 Attendance at Meetings. All members of the ~~Transportation Authority Board~~ shall be in their respective seats at the hour appointed for each regular, special or recessed meeting of the Board or one of its committees. The Clerk shall keep a record of the attendance of the members and shall report such record in the minutes.

Rule 2.10 *Quorum. A majority of the members of the Board constitutes a quorum for the transaction of business, and all official acts of the Transportation Authority require the affirmative vote of a majority of the members of the Board (Section 131262 of the Code).

Rule 2.11 Rights of the Members Less Than Quorum. In the absence of a quorum no information may be presented and no official action shall be taken by the members present except to order a call of the Board or committee, to reschedule the same meeting, to recess or to adjourn.

Rule 2.12 Call of the Board or Committee. Whether there be a quorum or not, upon a call of the Board or one of its committees, those absent members shall be sent for by the Board or committee chair and be brought to the Legislative Chamber or to Room 263 for committee meetings by special messengers appointed for the purpose.

When the Board or one of its committees is under call, no member shall leave the Chamber or Room 263 without an announcement from the Chair or committee Chair that the member is excused.

During a call of the Board or one of its committees, when there is a quorum present, business may be transacted as usual, except that no action shall be taken with respect to the matter in connection with which the call was made.

Rule 2.13 Permission to Leave Meeting. No member shall leave the Board or committee meeting while in session if the departure would cause the loss of a quorum.

Rule 2.14 *Power and Duties of Chair and Vice-Chair of the Board. The Chair shall possess the following powers and duties:

To preside at all meetings;

To appoint the membership and the chair and vice-chair of the committees of the ~~Transportation Authority Board~~, except for the Citizens Advisory Committee;

To decide the agenda of Board meetings;

To sign contracts, deeds, and other instruments on behalf of the Transportation Authority; and

To perform such additional duties as may be designated by the ~~Transportation Authority Board~~.

The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair (Section 3 of the Administrative Code).

Rule 2.15 Permission to Remove Disruptive Persons. The Board or committee Chair shall possess the power and duty to order removed from the meeting room any person who commits the



following acts in respect to a regular or special meeting of the Board or a standing or select committee:

Disorderly, contemptuous or insolent behavior toward the Board or committee or any member thereof, tending to interrupt the due and orderly course of said meeting.

A breach of the peace, boisterous conduct or violent disturbance tending to interrupt the due and orderly course of said meeting;

Disobedience of any lawful order of the presiding officer, which shall include an order to be seated or to refrain from addressing the Board or committee, and

Any other unlawful interference with the due and orderly course of said meeting.

Any person so removed shall be excluded from further attendance at the meeting from which removed, unless permission to attend be granted upon motion adopted by a majority vote of the Board or committee, and such exclusion shall be effected by attendant law enforcement officer or officers upon being so requested by the presiding officer.

Any law enforcement officer or officers on duty and in attendance at the meeting or whose services are requested by the presiding officer shall carry out all orders and instructions given by the presiding officer for the purpose of maintain order and decorum at the Board or committee meeting.

In addition to effecting removal of any person who, in the opinion of the presiding officer, has violated the order and decorum of any meeting, such presiding officer may request any law enforcement officer or officers to place such person under arrest for violation of Section 403 or Section 415 of the California Penal Code, or any other applicable law, and shall cause such person to be prosecuted therefore, the complaint to be signed by such presiding officer.



CHAPTER 3. BOARD RULES AND PROCEDURES

- Rule 3.1 Call to Order and Roll Call.** The Chair shall preside at all Board meetings, and shall call each regular, adjourned, recessed or special meeting to order at the appointed hour. Immediately after the call to order, the Clerk shall call the roll of the members of the ~~Transportation Authority Board~~ and shall record those members present and shall enter in the minutes the names of those members present as well as those members who arrive subsequent to the first roll call and those absent. In the absence of the Chair, the Vice-Chair shall preside and in the absence of both the Chair and the Vice-Chair, the members present after waiting fifteen (15) minutes from the scheduled onset of the meeting, by an order entered in the minutes, shall elect one of their members to act as Chair pro tempore, who, while so acting, shall have the authority of the Chair. The presiding officer shall proceed with the Order of Business.
- Rule 3.2 Order of Business.** The normal Order of Business for the Board shall be as follows:
1. Roll Call
 2. Approval of Minutes
 3. Chair's Report
 4. Executive Director's Report
 5. Consent Agenda
 6. Old Business
 7. Introduction of New Items
 8. Public Comment
 9. Adjournment
- Rule 3.3 Addressing the Board.** When a member desires to address the Board, the member shall either rise in place or raise his or her microphone, address the presiding officer, and when recognized shall proceed to speak, confining discussion to the question before the Board. Members shall not be recognized when away from their seats.
- Rule 3.4 Member Entitled to Floor.** When two (2) or more members arise at the same time to address the Board, the presiding officer shall designate the member who is entitled to the floor.
- The committee chair, or in his or her absence or forbearance another member of the committee, shall be accorded priority in addressing the Board for the purpose of making a presentation concerning any matter submitted to the Board by the committee.
- Rule 3.5 Agenda.** Prior to preparation of the agenda, the Executive Director shall review and finalize with the Chair all matters to be considered at the meeting. Any member may request of the Chair in writing ten (10) business days prior to the scheduled Board or committee meeting that an item be included on the agenda. The Chair shall either refer the issue to committee within a reasonable time or advise the member why it will not be scheduled.
- Rule 3.6 Calling of Items.** The Chair shall decide whether items may be acted upon individually (or grouped) when the question is called, unless a member requests that they be separate.



- Rule 3.7 Reading Titles.** The Clerk may read abbreviated titles of measures on the agenda when the abbreviated working will clearly express to the members and to the listening public the nature of the measure.
- Rule 3.8 Introduction of Measures.** Unless provided for by the Administrative Code, the Chair shall decide which items shall be referred to which committee or to the Board. The Executive Director shall prepare a précis of each item to be considered by the Board.
- Rule 3.9 *Measures Not on the Agenda.** Before considering an item of business not on the agenda, the Board shall adopt a motion (i) by majority vote of the full membership of the Board that an emergency exists, as defined in Government Code Section 54956.5; or (ii) by a two-thirds vote of the full membership, or if less than two-thirds of the members are present, a unanimous vote of those members present, determining that there is a need to take immediate action and that the need to take action arose after the agenda was posted (Section 54954.2 of the Government Code).
- Rule 3.10 Action by Motion.** All resolutions, ordinances, parliamentary actions, all recommendations of a committee, actions on matters which concern only the internal functioning of the Board, directives to the staff of the Transportation Authority to perform some specific act in the line of the official duty, adoption of the annual report, inquires, actions of a ceremonial or commemorative nature, and such other actions as may be approved by the Transportation Authority's legal counsel, may be accomplished by motion.
- Unless otherwise provided by these Rules, a motion of a parliamentary nature shall require for adoption the affirmative vote of at least a majority of the members of the Board or committee, there being present not less than a quorum.
- *All other motions shall require for adoption the affirmative vote of a majority of all the members of the ~~Transportation Authority Board~~, except as otherwise provided by these Rules, the Code, or other applicable law (Section 131262 of the Code).
- Rule 3.11 Motions to be Stated and Seconded.** The Clerk shall state all motions prior to debate. All motions are to be seconded unless provided for otherwise in these Rules. The Chair shall acknowledge members as they make motions and seconds.
- Rule 3.12 Motion Not Required.** The Board shall consider, without the necessity for a motion and a second, all measure recommended to the Board by the Committee.
- Rule 3.13 Division of the Question.** On the demand of any member, the Chair shall order a question divided if it includes propositions so distinct in substance that one being taken away, one of more substantive proposition shall remain for the decisions of the Board. When divided, each proposition shall then be considered and voted upon separately as if it has been offered alone.
- Rule 3.14 Seriatim Consideration.** When a measure under debate includes points which are ultimately connected, any member may have the matter considered by section or paragraphs. Each section or paragraph may be amended while being considered, and the proposition as a whole shall then be voted upon.
- Rule 3.15 The Previous Question.** The previous question shall only be admitted when called for by three (3) members, and if the motion carries, its effect shall be to terminate all debate on the matter pending, except that the author or mover of the measure, motion or amendment



shall have the right to close and the question under discussion shall thereupon be immediately put to a vote.

It shall require a two-thirds vote of the members present to adopt a motion calling for the previous question.

The previous question shall be put in the following form: "Shall the previous question be now put?"

Rule 3.16 **Withdrawal of Motion.** After the motion has been stated, it shall be in the possession of the Board. Before it is acted upon, a motion may be withdrawn by the mover only with the consent of a majority of the members present.

Rule 3.17 **Reconsideration.** When a motion has been made and carried or lost, it shall be in order for any member voting with the prevailing side to move to reconsider the vote on that question.

To be recorded as having voted with the prevailing side, in order to move to reconsider the vote on any question, a member may change a vote before the result of the roll call has been announced.

Rule 3.18 **Rescind.** When a vote has been taken by the Board and carried or lost, it shall be in order at the same meeting for any member to move to rescind that vote unless something has been done as a result of the vote which is impossible to undo.

Rule 3.19 ***Voting Requirements and Procedure.** *Every member present when a measure is put forth shall vote for or against it unless prohibited from voting by applicable law because of a conflict of interest which shall be disclosed (Section 1090 et seq. of the Government Code, Section 87100 et seq. of the Government Code, and all other relevant laws or regulations).

No member shall be permitted to vote upon a question until the roll is called or before the vote is announced.

*A tie vote on any matter before the Board shall be deemed to be a disapproval (Section 131262 of the Code).

Rule 3.20 **Vote to be Entered in the Minutes.** After the Board has voted upon any matter, the name of the members who voted for and those who voted against the question shall be entered in the Minutes, and the votes by ayes and noes shall be recorded in the minutes.

Rule 3.21 **Identification, Filing and Indexing.** The Clerk shall assign to all measures appropriate identification. Thereafter, the Clerk shall maintain a legislative record and index of all measures.

Rule 3.22 **Disposition of Communications.** Communications shall be time-stamped and shall be deemed received by the Clerk when presented to the Transportation Authority's office.

Communications received prior to the printing of the agenda shall be noted on the agenda for the next following Board meeting.

Communications received after the printing of the agenda shall be summarized by the Clerk at the Board meeting.

Rule 3.23 ***Posting of the Agenda.** The Clerk shall post the agenda and send a copy of the agenda to all persons known or presumed to be interested in the particular measure to be considered, and



such notice shall be initiated so as to be reasonably designed to reach notificants not later than seventy-two (72) hours before any regularly scheduled Board meeting and twenty-four (24) hours before any special meeting is scheduled (Sections 59454.2, 54956 of the Government Code).

In the case of a rescheduled meeting, notice of the rescheduled new meeting shall be posted outside Room 244 in City Hall.

Rule 3.24 Minutes. Minutes will be kept of each Regular and Special meeting by the Clerk.

Rule 3.25 *Meetings to Be Public. Every Board meeting shall be open to the public except that the Chair may order a meeting to be held in the closed session for consideration of matters permitted to be discussed in closed session by State law (Section 54957 et seq. of the Government Code).

Rule 3.26 *Public Comment. Any member of the public is entitled to comment on any matter on the agenda before it is acted on by the Board. In addition, the last item at each Board meeting shall provide an opportunity for members of the public to directly address the Board on items of interest to the public which have not been discussed earlier in the meeting that are within the subject matter jurisdiction of the Transportation Authority. Members of the public may address the Board for up to three (3) minutes or for such number of minutes as set by the Chair. The Chair may limit the total testimony to thirty (30) minutes (Section 54954.3 of the Government Code).



CHAPTER 4. COMMITTEE RULES AND PROCEDURES

- Rule 4.1 Call to Order and Roll Call.** The committee chair shall preside at all committee meetings, and shall call each regular, adjourned, recesses or special meeting to order at the appointed hour. Immediately after the call to order, the Clerk shall call the roll of the committee members and shall record those members present and shall enter in the minutes the names of those members present as well as those members who arrive subsequent to the first roll call and those absent. In the absence of the committee chair, the vice-chair shall preside. The presiding officer shall proceed with the Order of Business.
- Rule 4.2 Order of Business.** The normal Order of Business for committees shall be as follows:
1. Roll call
 2. Approval of Minutes
 3. Consent Agenda
 4. Old Business
 5. Introduction of New Items
 6. Public Comment
 7. Adjournment
- Rule 4.3 Standing Committees, General Rules.** The standing committees of the ~~Transportation Authority Board~~ and the matters to be referred to each are set forth in the Administrative Code. Select committees may be established as provided in Section 5.2 of the Administrative Code.
- Any member of the Board who is not a member of an assigned committee may join with the members of the said committee in its deliberations provided such participation does not result in a quorum of the Board membership being present, however, only members of said committee shall be entitled to vote, except that the Chair may vote as provided in Section 5.2 of the Administrative Code and Rule 4.5 below, on such matters in committee. Except with respect to the Chair, the participation of a non-member of the committee shall not be counted for purposes of determining whether a quorum of the committee is present.
- In the event that the scope of committee assignments may be conflicting, overlapping, ambiguous, or not stated, the Chair shall determine and designate which committee shall have jurisdiction over a particular matter.
- Rule 4.4 *Committee Chair.** The committee chair will be appointed by the Chair at the beginning of each year (Section 3 (b) of the Administrative Code).
- Rule 4.5 *Chair as Non-Voting, Ex-Officio Member.** In addition to the regular members of each committee, the Chair shall serve on each committee as a non-voting, ex-officio member, except that the Chair shall serve as a voting member when his or her presence is necessary in order to constitute a quorum. In the case of a tie vote in any committee, the Chair who is present but not acting as a voting member, may cast the deciding vote. A majority of the members of the committee shall constitute a quorum for the transaction of business and all official



acts of the committee shall require the affirmative vote of a majority of the members of the committee (Section 5.2 of the Administrative Code).

- Rule 4.6 Time of Meeting.** Every committee shall meet at the time set by the Chair, committee chair at the beginning of his or her appointment, or a majority of the committee, in that order of priority. Whenever a meeting falls on a holiday or a quorum does not result, the meeting shall be rescheduled at the discretion of the committee chair.
- Rule 4.7 Meeting Frequency.** The regular schedule of the standing committee meetings shall provide for meeting at least once a month for each of the committees, except for the Personnel Committee which shall meet only at the call of the Chair.
- Rule 4.8 Agenda.** Prior to preparation of an agenda, the Executive Director shall review and finalize with the committee chair all matters to be considered at the meeting.
- Rule 4.9 Calling of Items.** The committee chair shall decide whether items may be acted upon individually (or grouped) when the question is called, unless a member requests that they be separate.
- Rule 4.10 Reading the Titles.** The Clerk may read abbreviated titles of measure on the agenda when the abbreviated wording will clearly express to the members and to the listening public the nature of the measure.
- Rule 4.11 Introduction of Measures.** The Executive Director shall prepare a précis of each item to be considered by the committee.
- Rule 4.12 *Measures Not on the Agenda.** Before considering an item of business not on the agenda, the committee shall adopt a motion (i) by majority vote of the full membership of the committee that an emergency exists, as defined in Government Code Section 54956.5; or (ii) by the two-thirds vote of its members, or if less than two-thirds of the members are present, by a unanimous vote of those members present, determining that there is a need to take immediate action and that the need to take action arose after the agenda was posted (Section 54954.2 of the Government Code).
- Rule 4.13 Action by Motion.** All resolutions, ordinances, parliamentary actions, all recommendations of a committee, actions on matters which concern only the internal functioning of the Board, directive to the staff of the Transportation Authority to perform some specific act in the line of official duty, adoption of the annual report, inquiries, actions of ceremonial or commemorative nature, and such other actions as may be approved by Transportation Authority's legal counsel, may be accomplished by motion.
- Rule 4.14 Motion to be Stated.** The Clerk shall state all motions prior to debate. No motion in the committee shall require a second. The committee chair shall acknowledge members as they make motions.
- Rule 4.15 Division of the Question.** On the demand of any member, the committee chair shall order a question divided if it includes propositions so distinct in substance that one being taken away, one or more substantive propositions shall remain for the decision of the committee. When divided, each proposition shall then be considered and voted upon separately as if it has been offered alone.



- Rule 4.16 Seriatim Consideration.** When a measure under debate includes points which are ultimately connected, any member may have the matter considered by sections or paragraphs. Each section or paragraph may be amended while being considered, and the proposition as a whole shall then be voted upon.
- Rule 4.17 Withdrawal of Motion.** After the motion has been stated it shall be in the possession of the committee. Before it is acted upon, a motion may be withdrawn by the mover only with the consent of a majority of the members present.
- Rule 4.18 Reconsideration.** When a motion has been made and carried or lost, it shall be in order for any member voting with the prevailing side to move to reconsider the vote on that question.
- To be recorded as having voted with the prevailing side, in order to move to reconsider the vote on any question, any member may change a vote before the result of the roll call has been announced.
- Rule 4.19 Rescind.** When a vote has been taken by a committee and carried or lost, it shall be in order at the same meeting for any member to move to rescind that vote unless something has been done as a result of the vote which is impossible to undo.
- Rule 4.20 *Voting Requirements and Procedure.** Every member present when a motion is put forth shall vote for or against it unless prohibited from voting by applicable law because of a conflict of interest which shall be disclosed (Government Code Section 1090 et seq., Government Code Section 87100 et seq. and all other relevant laws and regulations).
- No member shall be permitted to vote upon a question until the roll is called or before the vote is announced.
- A tie vote on any matter before the committee shall be deemed to be a disapproval except that the Chair may break a tie vote as provided in Rule 4.5.
- Rule 4.21 Vote to be Entered in the Minutes.** After the committee has voted upon any matter, the names of the members who voted for and those who voted against the question shall be entered in the Minutes, and the votes by ayes and noes shall be recorded in the Minutes.
- Rule 4.22 Identification, Filing and Indexing.** The Clerk shall assign to all measures appropriate identification. Thereafter, the Clerk shall maintain a legislative record and index of all measure.
- Rule 4.23 Minutes.** Minutes will be kept of each Regular and Special meeting by the Clerk.
- Rule 4.24 *Posting of Agenda.** The Clerk shall post the agenda and send a copy of the agenda to all persons known or presumed to be interested in the particular measure to be considered, and such notice shall be initiated so as to be reasonably designed to reach notificants not later than seventy-two (72) hours before a regularly scheduled committee meeting or twenty-four (24) hours before a special meeting is scheduled (Sections 54954.2, 54956 of the Government Code).
- Rule 4.25 *Public Comment.** Any member of the public is entitled to comment on any matter on the agenda which is within the subject matter jurisdiction of the Transportation Authority before it is acted on by the committee. In addition, the last item at each committee meeting prior to adjournment shall provide an opportunity for members of the public to directly



address the committee on items of interest to the public which have not been discussed earlier in the meeting that are within the subject matter jurisdiction of the Transportation Authority. Members of the public may address the committee for up to three (3) minutes or for such number of minutes as set by the chair. The committee chair may limit the total testimony to thirty (30) minutes (Section 54954.3 of Government Code).



CHAPTER 5. MISCELLANEOUS

Rule 5.1 Conduct of Members. No member in debate shall, directly or indirectly, by any form of words impute to another member or to other members any conduct or motive unworthy or unbecoming to a member.

~~**Rule 5.2 Smoking Prohibited.** Smoking during Board or committee meetings is prohibited.~~

~~**Rule 5.3**~~ **Rule 5.2 Honors issued by the Board of Commissioners.** The Board may issues honors in the following categories for transportation-related activities:

1. Engrossed Resolutions. Such resolutions shall be prepared for members leaving office; Transportation Authority staff leaving the service after at least ten (10) years of service with the Transportation Authority; and Mayors, members of Congress, and members of the State Legislature upon leaving office.
2. Certificate of Honor. Each member of the Board is authorized to be issued up to five (5) Certificates of Honor a year on behalf of the Board without further Board action in accordance with the following procedure.
 - a) No certificates shall be issued to a person or entity which has received a certificate within the previous twelve (12) months.
 - b) Each member desiring to issue a Certificate of Honor shall provide the name of the proposed recipient to the Clerk who will advise other members of the request.
 - c) During the two (2) business days following the provision of the name, other members may indicate their desire to join in on sponsoring the certificate. The primary sponsor shall then permit the additional members to sign the certificate.
3. Letters of Recommendation. Each member of the Board is authorized to issue Letters of Recommendation in the name of the Board without limit as to number.
4. The Executive Director shall, after consultation with the Chair, prescribe the form for each of these honors, and shall facilitate the preparation of such certificates and letters by the staffs of individual members.
5. The Board shall be advised at its regularly scheduled meeting on any engrossed resolutions, certificates of honor or letters of recommendation awarded since the last Board meeting.



DEBT POLICY

I. INTRODUCTION

The purpose of this Policy is to organize and formalize debt issuance-related policies and procedures for the San Francisco County Transportation Authority (Transportation Authority) and to establish a systematic debt policy (Debt Policy). The Debt Policy is, in every case, subject to and limited by applicable provisions of state and federal law and to prudent debt management principles.

II. DEBT POLICY OBJECTIVE

The primary objectives of the Transportation Authority's debt and financing related activities are to

- Maintain cost-effective access to the capital markets through prudent yet flexible policies;
- Moderate debt principal and debt service payments through effective planning and project cash management in coordination with Transportation Authority project sponsors; and
- Achieve the highest practical credit ratings that also allow the Transportation Authority to meet its objectives.

III. SCOPE AND DELEGATION OF AUTHORITY

This Debt Policy shall govern, except as otherwise covered by the Transportation Authority's adopted Investment Policy and the Transportation Authority's adopted Fiscal Policy, the issuance and management of all debt funded through the capital markets, including the selection and management of related financial and advisory services and products.

This Policy shall be reviewed and updated at least annually and more frequently as required. Any changes to the policy are subject to approval by the Transportation Authority Board of Commissioners (Board) at a legally noticed and conducted public meeting. Overall policy direction of this Debt Policy shall be provided by the Board. Responsibility for implementation of the Debt Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's debt and finance program, shall lie with the Executive Director. The Board's adoption of the Annual Budget does not constitute authorization for debt issuance for any capital projects. This Debt Policy requires that the Board specifically authorize each debt financing. Each financing shall be presented to the Board in the context of and consistent with the Annual Budget.

While adherence to this Policy is required in applicable circumstances, the Transportation Authority recognizes that changes in the capital markets, agency programs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy and require modifications or exceptions to achieve policy goals. In these cases, management flexibility is appropriate, provided specific authorization from the Board is obtained.

IV. ETHICS AND CONFLICTS OF INTEREST

Officers, employees or agents of the Transportation Authority involved in the debt management program will not engage in any personal business activities or investments that would conflict with proper and lawful execution of the debt management program, or which could impair their ability to make impartial decisions.



V. STRATEGIC PLAN INTEGRATION

The Transportation Authority's multi-year Strategic Plan, which programs the Proposition K Sales Tax (Prop K) Expenditure Plan (Expenditure Plan), shall be used in combination with this Debt Policy and the Fiscal Policy to ensure proper allocation and financing of Prop K eligible projects. The Strategic Plan sets priorities and strategies for allocating Prop K funds under its guiding principles, while the Debt Policy provides policy direction and limitations for proposed financing and the Fiscal Policy provides guidance on decisions pertaining to internal fiscal management. Debt issuance for capital projects shall not be recommended for Board approval unless such issuance has been incorporated into the Strategic Plan.

VI. STANDARDS FOR USE OF DEBT FINANCING

The Transportation Authority's debt management program will promote debt issuance only in those cases where public policy, equity and economic efficiency favor debt over cash (pay-as-you-go) financing.

A. Credit Quality.

Credit quality is an important consideration and will be balanced with the Transportation Authority's objectives and the associated size, structure and frequency of issuances of debt. All Transportation Authority debt management activities for new debt issuances will be conducted in a manner conducive to receiving the highest credit ratings possible consistent with the Transportation Authority's debt management objectives, and to maintaining or improving the current credit ratings assigned to the Transportation Authority's outstanding debt by the major credit rating agencies.

B. Long-Term Capital Projects.

The Transportation Authority will issue long-term debt only to finance and refinance long-term capital projects. When the Transportation Authority finances capital projects by issuing bonds, the average principal amortization should not exceed 120% of the weighted average useful life of the project being financed if the bonds are intended to be federally tax-exempt and the debt repayment period should not exceed the earliest of the following: (1) ~~120% of the useful life of the project being financed,~~ (2) the end of the term sunset date of the current ~~sales tax~~-Expenditure Plan or ~~(23)~~ forty (40) years from the date of issuance. Inherent in its long-term debt policies, the Transportation Authority recognizes that future taxpayers will benefit from the capital investment and that it is appropriate that they pay a share of the asset cost. Long-term debt financing shall not be used to fund operating costs unless such costs qualify as capital expenditures under federal tax principles.

C. Debt Financing Mechanism.

The Transportation Authority will evaluate the use of available financial alternatives including, but not limited to, tax-exempt and taxable debt, long-term debt (both fixed and variable), short-term debt, commercial paper, lines of credit, sales tax revenue and grant anticipation notes, private placement and inter-fund borrowing. The Transportation Authority will utilize the most advantageous financing alternative that effectively balances the cost of the financing with the risk of the financing structure to the Transportation Authority.

D. Ongoing Debt Administration and Internal Controls.

The Transportation Authority shall maintain all debt-related records for a period for no less than the term of the debt plus three years. At a minimum, this repository will include all official



statements, bid documents, ordinances, indentures, trustee reports, continuing disclosure reports, material events notices, tax certificates, information regarding the investment of and project costs paid with bond proceeds, underwriter and other agreements, etc. for all Transportation Authority debt. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice (transcripts may be hard copy or stored on CD-ROM). The Transportation Authority will develop a standard procedure for archiving transcripts for any new debt. The Transportation Authority will establish internal controls to ensure compliance with the Debt Policy, all debt covenants and any applicable requirements of applicable law.

E. Tax Law Compliance, Rebate Policy and System.

Debt issued by the Transportation Authority, the interest on which is intended to be federally tax-exempt, is subject to requirements and limitations in order that such debt initially qualify for tax-exemption and on an ongoing basis until such debt is fully repaid in order that such debt remain tax-exempt. Failure to comply with such requirements and limitations could cause an issue of the Transportation Authority's debt to be determined to fail to qualify for tax-exemption, retroactive to the date of issuance. The Transportation Authority designates the Executive Director with designee to periodically undertake procedures to confirm compliance with such requirements and limitations. In furtherance thereof, the Executive Director with designee will consult with the Transportation Authority's bond counsel or others as deemed necessary regarding such periodic procedures or in the event that it is discovered that noncompliance has or may have occurred.

The In addition, in furtherance of the above, the Transportation Authority will accurately account for all interest earnings in debt-related funds. These records will be designed to ensure that the Transportation Authority is in compliance with all debt covenants, and with applicable laws. The Transportation Authority will maximize the interest earnings on all funds within the investment parameters set forth in each respective indenture, consistent with consideration of applicable yield limits and arbitrage requirements and as permitted by the Investment Policy. The Transportation Authority will develop a system of reporting interest earnings that relates to and complies with any tax certificates relating to its outstanding debt and Internal Revenue Code rebate, yield limits and arbitrage, and making any required filings with State and Federal agencies. The Transportation Authority will retain records as required by its tax certificates. The Transportation Authority shall have the authority to retain the services of an Arbitrage Rebate Consultant.

VII. FINANCING CRITERIA

A. Purpose of Debt.

When the Transportation Authority determines the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

1. NEW MONEY FINANCING.

New money issues are financings that generate funding for capital projects. Eligible capital projects for allocation of Transportation Authority funds include the acquisition, construction or major rehabilitation of capital assets. In accordance with the philosophy of the Debt Policy, debt proceeds generally may not be used for operating expenses. Capital project funding requirements are outlined in the annual budget, the Strategic Plan and the Expenditure Plan.



2. REFUNDING FINANCING.

Refunding ~~debt is bonds are~~ issued to retire all or a portion of an outstanding bond issue or other debt. Refunding issuances can be used to achieve present-value savings on debt service, to modify interest rate risk, or to restructure the payment schedule, type of debt instrument used, or covenants of existing debt. The Transportation Authority must analyze each refunding issue on a present-value basis to identify economic effects before approval. Policies on the administration of refunding financings are detailed further in Section X: Refinancing Outstanding Debt.

B. Types of Debt.

When the Transportation Authority determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

1. LONG-TERM DEBT.

The Transportation Authority may issue long-term debt (e.g. fixed or variable rate revenue bonds) when funding allocations cannot be financed from current revenues. The proceeds derived from long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that ~~the obligations average principal amortization~~ do not exceed ~~the earliest of the following: (a) 120% of the expected weighted average useful life of the project(s) being financed, (b) if the bonds are intended to be federally tax-exempt and the debt repayment period does not exceed the earliest of the following: (a) the sunset date of the current sales tax Expenditure Plan or (b) forty (40) years from the date of issuance.~~

Fixed Rate

- a) *Current Coupon Bonds* are bonds that pay interest periodically and principal at maturity. They may be used for both new money and refunding transactions. Bond features may be adjusted to accommodate the market conditions at the time of sale, including changing dollar amounts for principal maturities, offering discount and premium bond pricing, modifying call provisions, utilizing bond insurance, and determining how to fund the debt service reserve fund and costs of issuance.
- b) *Zero Coupon and Capital Appreciation Bonds* pay interest that is compounded and paid only when principal matures. Interest continues to accrue on the unpaid interest, and these types of bonds typically bear interest at rates that are higher than those on current-coupon bonds, therefore representing a more expensive funding option. In the case of zero-coupon bonds, principal paid at maturity is discounted back to the initial investment amount received at issuance. In the case of capital appreciation bonds, interest on the bond accretes until maturity.
- c) *Special Government Obligations (both tax-exempt and taxable)*, such as the Build America Bond program authorized for calendar years 2009 and 2010 or any other type of new municipal security, structure or tax credit authorized by the Federal Government to assist local governments in accessing the capital markets. So long as the new program's requirements allow the Transportation Authority to adhere to its Debt Policy, the Transportation Authority will evaluate it along with traditional financing structures in order to determine which is the most appropriate for a particular issuance.



Variable Rate

- a) *Variable Rate Demand Notes (VRDBs)* are long-term bonds with a fixed principle amortization but the interest rate resets at certain established periods such as daily, weekly, monthly, or such other period as the Transportation Authority deems advisable given current market conditions. VRDBs often require credit enhancement and third party liquidity in the forms of Letters or Lines of Credit and/or bond insurance. VRDBs generally allow bondholders to “put” their bonds back to the Transportation Authority on any rate reset date, given certain notice. The Transportation Authority will need to retain an investment bank to remarket bonds that are “put.”
- b) *Indexed Notes* are forms of variable rate debt that do not require Letters or Lines of Credit. These forms of variable rate debt have a fixed spread to a certain identified index such as SIFMA. The rate will reset either on a weekly, monthly, or other basis.

2. SHORT-TERM DEBT.

Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues, where anticipated revenues are defined as an assured revenue source with the anticipated amount based on conservative estimates. In the case of the Transportation Authority’s revolving credit facility or any future commercial paper program, short-term borrowings may also be utilized for funding of the Transportation Authority’s capital projects. The Transportation Authority will determine and utilize the least costly method for short-term borrowing. The Transportation Authority may issue short-term debt when there is a defined repayment source or amortization of principal, subject to the following policies:

- a) *Commercial Paper Notes* may be issued as an alternative to fixed rate debt, particularly when the timing of funding requirements is uncertain. The Transportation Authority may maintain an ongoing commercial paper program to ensure flexibility and immediate access to capital funding when needed. ~~In March 2004, the Board approved a \$200 million tax-exempt commercial paper program. Periodic issuances or a retirement of commercial paper notes within the \$200 million Board approved program do not require further Board action. The retirement of commercial paper is most commonly a result of the issuance of long term bonds or the repaying of principal from cash on hand.~~
- b) *Grant Anticipation Notes (GANs)* are short-term notes that are repaid with the proceeds of State or Federal grants of any type. The Transportation Authority shall generally issue GANs only when there is no other viable source of funding for the project.
- c) *Sales Tax and Revenue Anticipation Notes* shall be issued only to meet sales tax revenue cash flow needs consistent with a finding by bond counsel that that the sizing of the issue fully conforms to Federal tax requirements and limitations for tax-exempt borrowings.
- d) *Letters or Lines of Credit* shall be considered as an alternative to or credit support for other short-term borrowing options. In 2015, the Transportation Authority replaced its prior commercial paper program with a \$140 million revolving credit facility. Amounts can be repaid and reborrowed without further Board action. The average amortization of amounts drawn under the revolving credit facility may not exceed 120% of the weighted average useful life of the project being financed if the borrowing is intended to be federally tax-exempt and the borrowing must be full repaid by the earliest of the following: (a) the



sunset date of the current Expenditure Plan or (b) forty (40) years from the date of issuance. The repayment of loans under a revolving credit facility is often facilitated by the issuance of long-term bonds or the repaying of principal from cash on hand. If proceeds of long-term bonds are used to repay loans under the revolving credit facility, the amortization and the repayment of the long-term bonds must satisfy the limits set forth above.

- e) *Transportation Infrastructure Finance Innovation Act (TIFIA) Loan* is a loan provided by the United States Department of Transportation for certain transportation projects of regional importance. The Transportation Authority may elect to apply for a TIFIA loan if it is determined that it is the most cost effective debt financing option available.
- f) *Grant Anticipation Revenue Vehicle Financing (GARVEE)* are bonds issued by the State and enable entities to fund transportation projects that are secured by certain federal grants. The Transportation Authority may consider the issuance of GARVEEs to meet cash flow shortfalls of grant revenues.

3. VARIABLE RATE DEBT.

To maintain a predictable debt service burden, the Transportation Authority may give preference to debt that carries a fixed interest rate. An alternative to the use of fixed rate debt is floating or variable rate debt. It may be appropriate to issue short-term or long-term variable rate debt to diversify the Transportation Authority's debt portfolio, reduce interest costs, provide interim funding for capital projects and improve the match of assets to liabilities. Variable rate debt typically has a lower initial cost of borrowing than fixed rate financing and shorter maturities but carries both interest rate and liquidity risk. Under no circumstances will the Transportation Authority issue variable rate debt solely for the purpose of earning arbitrage. The Transportation Authority, however, may consider variable rate debt in certain instances.

- a) *Variable Rate Debt Capacity.* Except for the existing \$~~140200~~ million ~~commercial paper program (which is not covered by revolving credit facility (to which~~ the following requirements of variable rate debt do not apply), the Transportation Authority will maintain a conservative level of outstanding variable rate debt in consideration of general rating agency guidelines recommending a maximum of a 20-30% variable rate exposure, in addition to maintaining adequate safeguards against risk and managing the variable revenue stream both as described below:
 - (1) *Adequate Safeguards Against Risk.* Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate swaps, interest rate caps and the matching of assets and liabilities.
 - (2) *Variable Revenue Stream.* The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.
 - (3) *As a Component to Synthetic Fixed Rate Debt.* Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt, subject to other provisions of the Debt Policy regarding Financial Derivative Products.



4. FINANCIAL DERIVATIVE PRODUCTS.

Financial Derivative Products such as interest rate swaps will be considered appropriate in the issuance or management of debt only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces the risk of fluctuations in expense or revenue, or alternatively where the derivative product will significantly reduce total project cost. Financial Derivative Products shall be considered only: (1) after a thorough evaluation of risks associated therewith, including counterparty credit risk, basis risk, tax risk, termination risk and liquidity risk, (2) after consideration of the potential impact on the Transportation Authority's ability to refinance bonds at a future date and (3) after the Board has adopted separate policy guidelines for the use of interest rate swaps and other Financial Derivative Products. Derivative products will only be utilized with prior approval from the Board.

VIII. TERMS AND CONDITIONS OF BONDS

The Transportation Authority shall establish all terms and conditions relating to the issuance of bonds, and will control, manage, and invest all bond proceeds. Unless otherwise authorized by the Transportation Authority, the following shall serve as bond requirements:

A. Term.

All capital improvements financed through the issuance of debt will be financed for a period such that average principal amortization of the debt does not to exceed 120% of the expected-weighted average useful life of the assets-project being financed, and in no event should if the bonds are intended to be federally tax-exempt and the debt repayment period does not exceed the lesser of forty (40) years or the period earliest of time until the following: (a) the sunset date of the current sales tax Expenditure Plan or (b) forty (40) years from the date of issuance.

B. Capitalized Interest.

The nature of the Transportation Authority's revenue stream is such that funds are generally continuously available and the use of capitalized interest should not normally be necessary. However, certain types of financings may require the use of capitalized interest from the issuance date until the project sponsor has constructive use of the financed project. Unless otherwise required, the Transportation Authority will avoid the use of capitalized interest to obviate unnecessarily increasing the bond issuance size. Interest shall not be funded (capitalized) beyond three (3) years or a shorter period if further restricted by statute. The Transportation Authority may require that capitalized interest on the initial series of bonds be funded from the proceeds of the bonds. Interest earnings may, at the Transportation Authority's discretion and, if permitted under applicable federal tax law, be applied to extend the term of capitalized interest but in no event beyond the authorized term.

C. Lien Levels.

Senior and Junior Liens for each revenue source will be utilized in a manner that will maximize the most critical constraint, typically either cost or capacity, thus allowing for the most beneficial use of the revenue source securing the bond.

D. Additional Bonds Test.

Any new senior lien debt issuance must not cause the Transportation Authority's debt service, net of any Federal subsidy or credit, to exceed the level at which the incoming revenues are less than



one and a half times (1.5x) the maximum annual principal, interest and debt service, net of any Federal subsidy or credit, for the aggregate outstanding senior lien bonds including the debt service for the new issuance.

E. Debt Service Structure.

Debt issuance shall be planned to achieve relatively rapid repayment of debt while still matching debt service to the useful life of facilities. The Transportation Authority will amortize its debt within each lien to achieve overall level debt service (though principal may be deferred in the early years of a bond issue to maximize the availability of pay-as-you-go dollars during that time) or may utilize more accelerated repayment schedules after giving consideration to bonding capacity constraints. The Transportation Authority shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to level existing debt service.

F. Call Provisions.

In general, the Transportation Authority's securities will include a call feature, based on market conventions, which is typically no later than ten and one-half (10.5) years from the date of delivery of tax-exempt bonds. The Transportation Authority may determine that no call feature or a different call feature is appropriate in some circumstances.

G. Original Issue Discount.

An original issue discount or original issue premium will be permitted only if the Transportation Authority determines that such discount or premium results in a lower true interest cost on the bonds and that the use of an original issue discount or original issue premium will not adversely affect the project identified by the bond documents.

H. Deep Discount Bonds.

Deep discount bonds may provide a lower cost of borrowing in certain markets though they may also limit opportunities to refinance at lower rates in the future. The Transportation Authority will carefully consider their value and the effect on any future refinancings as a result of the lower-than-market coupon.

I. Derivative Products.

The Transportation Authority will consider the use of derivative products only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces risk of fluctuations in expense or revenue, or alternatively, where the derivative product will reduce the total project cost. If interest rate swaps are considered, the Transportation Authority shall develop and maintain an Interest Rate Swap Policy governing the use and terms of these derivative products. For derivatives other than interest rate swaps, the Transportation Authority will undertake an analysis of early termination costs and other conditional terms given certain financing and marketing assumptions. Such analysis will document the risks and benefits associated with the use of a particular derivative product. Derivative products will only be utilized with prior approval from the Board.

J. Multiple Series.

In instances where multiple series of bonds are to be issued, the Transportation Authority shall make a final determination as to which allocations are of the highest priority. Projects chosen for



priority financing, based on funding availability and proposed timing, will generally be subject to the earliest or most senior of the bond series.

IX. CREDIT ENHANCEMENTS

The Transportation Authority will consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings or positive impact on overall debt capacity can be shown shall enhancement be considered. The Transportation Authority will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancement.

A. Bond Insurance.

The Transportation Authority shall have the authority to purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest expense on insured bonds versus uninsured bonds.

B. Debt Service Reserves.

When required, a reserve fund equal to not more than the lesser of ten percent (10%) of the original principal amount of the bonds, maximum annual debt service or one-hundred-and-twenty-five (125%) percent of average annual debt service (Reserve Requirement) shall be funded from the proceeds of each series of bonds, subject to federal tax regulations and in accordance with the requirements of credit enhancement providers, rating agencies and/or other investors requirements.

The Transportation Authority shall have the authority to purchase reserve equivalents (i.e., the use of a reserve fund surety) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis.

C. Liquidity Facilities and Letters of Credit.

The Transportation Authority shall have the authority to enter into liquidity facilities and letter-of-credit agreements when such agreements are deemed prudent and advantageous. Only those financial institutions with short-term ratings of not less than VMIG 1/P1, A-1 and F1, by Moody's Investor Services, Standard & Poor's and Fitch Ratings, respectively, and with ratings from at least two of the three aforementioned ratings agencies, may participate in Transportation Authority liquidity facilities and letter of credit agreements.

X. REFINANCING OUTSTANDING DEBT

The Transportation Authority shall have the responsibility to analyze outstanding bond issues for refunding opportunities that may be presented by underwriting and/or financial advisory firms. The Transportation Authority will consider the following issues when analyzing possible refunding opportunities:

A. Debt Service Savings.

The Transportation Authority has established a minimum present value savings threshold goal of three (3) percent of the refunded bond principal amount unless there are other compelling reasons for undertaking the refunding. Additionally, the Transportation Authority has established a



minimum present value savings threshold goal of five (5) percent of the refunded bond principal amount for refinancings involving derivative products such as the issuance of synthetic fixed rate refunding debt service unless there are other compelling reasons for undertaking the refunding. For this purpose, the present value savings will be net of all costs related to the refinancing. The decision to take savings on an upfront or deferred basis must be explicitly approved by the Board.

B. Restructuring.

The Transportation Authority will refund debt when in its best interest to do so. Refundings will include restructuring to meet unanticipated revenue expectations, terminate swaps, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants.

C. Term of Refunding Issues.

~~The~~ Except for commercial paper and loans under a line of credit (including the current revolving credit facility), the Transportation Authority will refund bonds within the term of the originally issued debt. However, the Transportation Authority may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Transportation Authority may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

D. Escrow Structuring.

The Transportation Authority shall utilize the least costly securities available in structuring refunding escrows. The Transportation Authority will examine the viability of an economic versus legal defeasance on a net present value basis. A certificate from a third party agent, who is not a broker-dealer, is required stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Such certificate shall not be required in the case of SLGs purchased directly from the U.S. Treasury. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Transportation Authority from its own account.

E. Arbitrage.

The Transportation Authority shall take all necessary steps (permitted under federal tax law when tax-exempt debt is involved) to optimize escrows and to avoid negative arbitrage in its refundings. Any resulting positive arbitrage will be rebated as necessary according to Federal guidelines.

F. Commercial Paper Program, Revolving Credit Facility.

The requirements of this Section X shall not apply to or restrict the issuance of commercial paper notes for the purpose of refunding maturing commercial paper notes or of borrowing under a revolving credit facility for the purpose of repaying prior loans under the facility, nor shall this Section X apply to long term take out of commercial paper or of loans under a revolving credit facility, subject to limitations otherwise contained in this policy.



XI. METHODS OF ISSUANCE

The Transportation Authority will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation.

A. Competitive Sale

In a competitive sale, the Transportation Authority's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale. Conditions under which a competitive sale would be preferred are as follows:

- a) Bond prices are stable and/or demand is strong
- b) Market timing and interest rate sensitivity are not critical to the pricing
- c) Participation from ~~Disadvantaged Business Enterprise (DBE)~~ firms is best effort and not required for winning bid
- d) There are no complex explanations required during marketing regarding issuer's projects, media coverage, political structure, political support, funding or credit quality
- e) The bond type and structure are conventional
- f) Bond insurance is included or pre-qualified (available)
- g) Manageable transaction size
- h) Issuer has strong credit rating
- i) Issuer is well known to investors

B. Negotiated Sale.

The Transportation Authority recognizes that some securities are best sold through negotiation. Conditions under which a negotiated sale would be preferred are as follows:

- a) Bond prices are volatile
- b) Demand is weak or supply or competing bonds is high
- c) Market timing is important, such as for refundings
- d) Issuer has lower or weakening credit rating
- e) Issuer is not well known to investors
- f) Sale and marketing of the bonds will require complex explanations about the issuer's projects, media coverage, political structure, political support, funding, or credit quality
- g) The bond type and/or structural features are non-standard, such as for a forward delivery bond sale, issuance of variable rate bonds, or where there is the use of derivative products
- h) Bond insurance is not available or not offered
- i) Early structuring and market participation by underwriters are desired
- j) The par amount for the transaction is significantly larger than normal
- k) Demand for the bonds by retail investors is expected to be high
- l) Participation from DBE firms is required



C. Private Placement.

From time to time the Transportation Authority may elect to privately place its debt or borrow directly from a bank or other financial institution. Such placement or borrowing shall only be considered if this method is likely to result in a cost savings to the Transportation Authority relative to other methods of debt issuance on a net present value basis, using the Transportation Authority's investment rate as the appropriate measure of the discount rate.

D. Issuance Method Analysis.

The Transportation Authority shall evaluate each method of issuance based on the factors set forth above.

E. Investor Outreach.

The Transportation Authority shall participate in informational meetings or conference calls with institutional investors in advance of bond or note sales to the extent such meetings are advantageous to the sale of such bonds or notes.

F. Feasibility Analysis.

Issuance of revenue bonds will be accompanied by a finding that demonstrates the projected revenue stream's ability to meet future debt service payments.

XII. MARKET RELATIONSHIPS

A. Rating Agencies and Investors.

The Executive Director shall be responsible for maintaining the Transportation Authority's relationships with Moody's Investors Service, Standard & Poor's and Fitch Ratings. The Transportation Authority may, from time-to-time, choose to deal with only one or two of these agencies as circumstances dictate. In addition to general communication, the Executive Director shall: (1) meet with credit analysts prior to each sale (competitive or negotiated) to the extent as advantageous, and (2) prior to each competitive or negotiated sale, offer conference calls or meetings with agency analysts in connection with the planned sale.

B. Transportation Authority Communication.

The Executive Director shall include in the annual report to the Board feedback from rating agencies and/or investors regarding the Transportation Authority's financial strengths and weaknesses and recommendations for addressing any weaknesses.

C. Continuing Disclosure.

After entering into a Continuing Disclosure undertaking, the Transportation Authority shall comply with the terms of such undertaking. The failure to make timely filings must be disclosed and reflects negatively on the Transportation Authority. The Executive Director will take all reasonable steps to ensure that the Transportation Authority's files timely annual reports and event notices with the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access system.



D. Rebate Reporting.

The use of bond proceeds and their investments must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate annual rebates related to any bond issues, with rebate paid every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. Therefore, the Executive Director shall take all reasonable steps to ensure that proceeds and investments are tracked in a manner that facilitates accurate, complete calculation, and timely rebates, if necessary.

E. Other Jurisdictions.

From time to time, the Transportation Authority may issue bonds on behalf of other public entities. While the Transportation Authority will make every effort to facilitate the desires of these entities, the Executive Director will take all reasonable steps to ensure that only the highest quality financings are done and that the Transportation Authority is insulated from all risks. The Transportation Authority shall require that all conduit financings achieve a rating at least equal to the Transportation Authority's ratings (including, where necessary, through the use of credit enhancement).

F. Fees.

The Transportation Authority will charge recipients of debt issuance proceeds an administrative fee equal to the recipient's pro rata share of administrative costs incurred by the Transportation Authority by issuing debt.

XIII. CONSULTANTS

The Transportation Authority shall select its primary consultant(s) by competitive qualifications-based process through Request for Proposals.

A. Selection of Financing Team Members.

The Executive Director will make recommendations for all financing team members, with the Board providing final approval.

B. Financial Advisor.

The Transportation Authority shall utilize a financial advisor to assist in its debt issuance and debt administration processes as prudent. Selection of the Transportation Authority's financial advisor(s) shall be based on, but not limited to, the following criteria:

- a) Experience in providing consulting services to complex issuers
- b) Knowledge and experience in structuring and analyzing complex issues
- c) Experience and reputation of assigned personnel
- d) Fees and expenses

Financial advisory services provided to the Transportation Authority shall include, but shall not be limited to the following:

- a) Evaluation of risks and opportunities associated with debt issuance
- b) Monitoring marketing opportunities
- c) Evaluation of proposals submitted to the Transportation Authority by investment banking firms



- d) Structuring and pricing
- e) Preparation of request for proposals for other financial services such as trustee and paying agent services, printing, credit facilities, remarketing agent services, etc.
- f) Advice, assistance and preparation for presentations with rating agencies and investors
- g) Assisting in preparation of official statements

The Transportation Authority also expects that its financial advisor will provide the Transportation Authority with objective advice and analysis, maintain the confidentiality of Transportation Authority financial plans, and be free from any conflicts of interest.

C. Bond Counsel.

Transportation Authority debt will include a written opinion by legal counsel affirming that the Transportation Authority is authorized to issue the proposed debt, that the Transportation Authority has met all constitutional and statutory requirements necessary for issuance, and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by nationally-recognized counsel with extensive experience in public finance and tax issues. Counsel will be selected by the Transportation Authority through its request for proposal process.

The services of bond counsel may include , but are not limited to:

- a) Rendering a legal opinion with respect to authorization and valid issuance of debt obligations including whether the interest paid on the debt is tax exempt under federal and State of California law;
- b) Preparing all necessary legal documents in connection with authorization, sale, issuance and delivery of bonds and other obligations;
- c) Assisting in the preparation of the preliminary and final official statements and commercial paper memorandum;
- d) Participating in discussions with potential investors, insurers and credit rating agencies, if requested; and
- e) Providing continuing advice, as requested, on the proper use and administration of bond proceeds under applicable laws and the indenture, particularly arbitrage tracking and rebate requirements.

XIV. UNDERWRITER SELECTION

A. Senior Manager Selection.

The Transportation Authority shall have the right to select a senior manager for a proposed negotiated sale. The criteria shall include but not be limited to the following:

- a) The firm's ability and experience in managing complex transactions
- b) Demonstrated ability to structure debt issues efficiently and effectively
- c) Prior knowledge and experience with the Transportation Authority
- d) The firm's willingness to risk capital and demonstration of such risk
- e) The firm's ability to sell bonds



- f) Quality and experience of personnel assigned to the Transportation Authority's engagement
- g) Financing plan presented

B. Co-Manager Selection.

Co-managers will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the Transportation Authority's bonds.

C. Selling Groups.

The Transportation Authority may establish selling groups in certain transactions. To the extent that selling groups are used, the Transportation Authority may make appointments to selling groups from within the pool of underwriters or from outside the pool, as the transaction dictates.

D. Underwriter's Counsel.

In any negotiated sale of Transportation Authority debt in which legal counsel is required to represent the underwriter, the lead underwriter will make the appointment, subject to Transportation Authority consent.

E. Underwriter's Discount.

- a) The Transportation Authority will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Transportation Authority will determine the allocation of fees with respect to the management fee. The determination will be based upon participation in the structuring phase of the transaction.
- b) All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Transportation Authority. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

F. Evaluation of Financing Team Performance.

The Transportation Authority will evaluate each bond sale after its completion to assess the following: costs of issuance, including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Following each sale, the Transportation Authority shall provide a post-sale evaluation on the results of the sale to the Board.

G. Syndicate Policies.

For each negotiated transaction, the Executive Director will prepare syndicate policies that will describe the designation policies governing the upcoming sale. The Executive Director shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.



H. Designation Policies.

To encourage the pre-marketing efforts of each member of the underwriting team, orders for the Transportation Authority's bonds will be net designated, unless otherwise expressly stated. The Transportation Authority shall require the senior manager to:

- a) Equitably allocate bonds to other managers and the selling group
- b) Comply with MSRB regulations governing the priority of orders and allocations
- c) Within 10 working days after the sale date, submit to the Executive Director a detail of orders, allocations and other relevant information pertaining to the Transportation Authority's sale.

I. Disclosure by Financing Team Members.

All financing team members will be required to provide full and complete disclosure, relative to agreements with other financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction. However, under no circumstances will agreements be permitted which could compromise the firm's ability to provide independent advice which is solely in the Transportation Authority's best interests or which could reasonably be perceived as a conflict of interest.



GLOSSARY

Arbitrage. The difference between the interest paid on an issue of tax exempt debt and the interest earned by investing the debt proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage earned pursuant to the investment of the proceeds of tax-exempt municipal securities.

Balloon Maturity. A maturity within an issue of bonds that contains a disproportionately large percentage of the principal amount of the original issue.

Bullet Maturity. Maturity for which there are no sinking fund payments prior to the stated maturity date.

Call Provisions. The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

Capitalized Interest. A portion of the proceeds of an issue that is set aside to pay interest on the securities for a specific period of time. Interest is ~~commonly~~sometimes capitalized for the construction period of the project.

Commercial Paper. Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank that, upon the maturity thereof, successively rolls into other short term promissory notes until the principal thereof is paid by the Transportation Authority.

Competitive Sale. A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.

Continuing Disclosure. The principle that accurate and complete information material to the transaction which potential investors would be likely to consider material in making investment decisions with respect to the securities be made available on an ongoing basis.

Credit Enhancement. Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

DBE. Disadvantaged Business Enterprises as defined by the Transportation Authority's current DBE policy.

Debt Service Reserve Fund. The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Deep Discount Bonds. Bonds that are priced for sale at a substantial discount from their face or par value.

Derivatives. (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Designation Policies. Outline as to how an investor's order is filled when a maturity in an underwriting syndicate is oversubscribed. The senior managing underwriter and issuer decide show the bonds will be allocated among the syndicate. There are three primary classifications of orders, which form the designation policy. The highest priority is given to Group Net orders; the next priority is given to Net Designated orders and Member orders are given the lowest priority.

Escrow. A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.



Expenses. Compensates senior managers for out-of-pocket expenses including: underwriters counsel, DTC charges, travel, syndicate expenses, dealer fees, overtime expenses, communication expenses, computer time and postage.

Grant Anticipation Notes (GANs). Short-term notes issued by the government unit, usually for capital projects, which are paid from the proceeds of State or Federal grants of any type.

Grant Anticipation Revenue Vehicle Financing (GARVEE) are bonds issued by the State and enable entities to fund transportation projects that are secured by certain federal grants.

Letters of Credit. A bank credit facility supporting the payment of bonds wherein the bank agrees to lend a specified amount of funds for a limited term.

Management Fee. The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Members. Underwriters in a syndicate other than the senior underwriter.

Negotiated Sale. A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

Original Issue Discount. The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

Original Issue Premium. The amount by which the public offering price of an issue exceeds its original par amount at the time it is originally offered to an investor.

Pay-As-You-Go. An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Present Value. The current value of a future cash flow.

Private Placement. The original placement of an issue with one or a limited number of investors as opposed to being publicly offered or sold.

Rebate. A requirement imposed by the Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to its profit earned from investment of bond proceeds at a yield above the bond yield calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment subject to certain exceptions.

Sales Tax and Revenue Anticipation Notes (TRANs). Short-term notes issued by a government unit, usually for operating purposes, which are paid from the proceeds of sales tax or other anticipated revenue sources.

Selling Groups. The group of securities dealers who participate in an offering not as underwriters but rather as those who receive securities less the selling concession from the managing underwriter for distribution at the public offering price.

Syndicate Policies. The contractual obligations placed on the underwriting group relating to distribution, price limitations and market transactions.

Transportation Infrastructure Finance Innovation Act (TIFIA). Loans and loan guaranty program provided by the United States Department of Transportation for transportation projects of regional importance.

Underwriter. A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.



Underwriter's Discount. The difference between the price at which the Underwriter buys bonds from the Issuer and the price at which they are reoffered to investors.

Variable Rate Debt. An interest rate on a security, which changes at intervals according to an index or a formula or other standard of measurement as, stated in the bond contract.



EQUAL BENEFITS POLICY

SECTION 1. ALL CONTRACTS TO INCLUDE NONDISCRIMINATION PROVISIONS; DEFINITIONS.

(a) The San Francisco County Transportation Authority (Transportation Authority) shall include in all contracts hereinafter executed or amended in any manner or as to any portion thereof, a provision obligating the contractor not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome, HIV status (AIDS/HIV status), weight, height, association with members of classes protected under this policy or in retaliation for opposition to any practices forbidden under this policy against any employee of, any Transportation Authority employee working with, or applicant for employment with such contractor and shall require such contractor to include a similar provision in all subcontracts executed or amended thereunder.

(b) The Transportation Authority shall not execute or amend any contract with any contractor that discriminates in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits as well as any benefits other than bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to State or local law authorizing such registration, subject to the following conditions. In the event that the contractor's actual cost of providing a certain benefit for the domestic partner of an employee exceeds that of providing it for the spouse of an employee, or the contractor's actual cost of providing a certain benefit for the spouse of an employee exceeds that of providing it for the domestic partner of an employee, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor conditions providing such benefit upon the employee agreeing to pay the excess costs. In addition, in the event a contractor is unable to provide a certain benefit, despite taking reasonable measures to do so, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor proves the employee with a cash equivalent.

(c) Definitions. As used in this policy the following words and phrases shall have the meanings indicated herein:

"Age" shall mean the age of any employee or applicant for employment who has attained the age of 40 years and has not attained the age of 65 years. For the purposes of this policy, discrimination because of age shall mean dismissal from employment of, or refusal to employ or rehire any person because of his or her age, if such person has attained the age of 40 years and has not attained the age of 65 years, if the person is physically able and mentally competent to perform the services required. Age limitations of apprenticeship programs in which the State or its political subdivisions participate shall not be considered discriminatory within the meaning of this policy.

"Amend" shall mean to substantively change the terms of a pre-existing contract, and shall not include amendments to decrease the scope of work or the amount to be paid under a contract. Construction change orders shall not be construed as contract amendments for the purposes of this policy.

"Board" shall mean the Board of Commissioners of the San Francisco County Transportation Authority.



“Contract” shall mean an agreement for public works or improvements to be performed, or for goods or services to be purchased or grants to be provided, at the expense of the Transportation Authority or to be paid out of moneys deposited in the treasury or out of trust moneys under the control or collected by the Transportation Authority, and does not include agreements entered into after June 28, 2016 pursuant to settlement of legal proceedings, contracts for urgent litigation expenses, or contracts for a cumulative amount of \$5,000 or less per vendor in each fiscal year.

“Contractor” means any person or persons, firm, partnership, corporation, or combination thereof, who enters into a contract with the Executive Director or designee empowered by law to enter into contracts on the part of the Transportation Authority.

“Executive Director” shall mean the Executive Director of the Transportation Authority.

“Disability” shall mean a physical or mental impairment which substantially limits one or more major life activities, or a record of such an impairment.

“Domestic partner” shall mean any person who has a currently registered domestic partnership with a governmental body pursuant to State or local law authorizing such registration.

“Gender identity” shall mean a person’s various individual attributes as they are understood to be masculine and/or feminine.

“Qualified disabled employee” shall mean a person able to perform the essential functions of a job with reasonable accommodation.

“Sex” shall mean the character of being male or female.

“Sexual orientation” shall mean the status of being lesbian, gay, bisexual or heterosexual.

“Subcontract” shall mean an agreement to provide goods and/or services, including construction labor, materials or equipment, to a contractor, if such goods or services are procured or used in the fulfillment of the contractor’s obligations arising from a contract with the Transportation Authority.

“Subcontractor” means any person or persons, firm, partnership, corporation or any combination thereof, who enters into a subcontract with a contractor. Such term shall include any person or entity who enters into an agreement with any subcontractor for the performance of 10 percent or more of any subcontract.

“Transportation Authority” shall mean the San Francisco County Transportation Authority.

(d) The requirements of this policy shall apply to any of a contractor’s operations within San Francisco.

SECTION 2. NONDISCRIMINATION PROVISIONS.

Every contract for or on behalf of the Transportation Authority shall incorporate by reference and require the contractor to comply with the provisions of Section 2. In addition, all contractors must incorporate by reference in all subcontracts and require subcontractors to comply with the requirements set forth in Sections 2(a) and 2(c) through 2(h), and failure to do so shall constitute a material breach of contract.

In the performance of a contract the contractor agrees as follows:

(a) The contractor or subcontractor will not discriminate against any employee, Transportation Authority employee working with such contractor or subcontractor, or applicant for employment with



such contractor or subcontractor on the basis of the fact or perception of that person's race, color, religion, ancestry, national origin, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height, AIDS/HIV status, or association with members of classes protected under this policy or in retaliation for opposition to any practices forbidden under this policy. Discrimination on the basis of sex includes sexual harassment as defined in Section 16.9-25(b) of the San Francisco Administrative Code. The contractor or subcontractor will take action to ensure that applicants are employed, and that employees are treated equally during employment, without regard to the fact or perception of their race, color, creed, religion, ancestry, national origin, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or AIDS/HIV status. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. Nothing in this policy shall require or prohibit the establishment of new classifications of employees in any given craft. The provisions of this Section with respect to age shall not apply to (1) termination of employment because of the terms or conditions of any bona fide retirement or pension plan, (2) operation of the terms or conditions of any bona fide retirement or pension plan which has the effect of a minimum service requirement, and (3) operation of the terms or conditions of any bona fide group or insurance plan.

(b) The prime contractor shall state that the prime contractor does not, and will not during the term of the contract discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits as well as any benefits other than bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to State or local law authorizing such registration, subject to the following conditions. In the event that the contractor's actual cost of providing a certain benefit for the domestic partner of an employee exceeds that of providing it for the spouse of an employee, or the contractor's actual cost of providing a certain benefit for the spouse of an employee exceeds that of providing it for the domestic partner of an employee, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor conditions providing such benefit upon the employee agreeing to pay the excess costs. In addition, in the event a contractor is unable to provide a certain benefit, despite taking reasonable measures to do so, the contractor shall not be deemed to discriminate in the provision of benefits if the contractor provides the employee with a cash equivalent. The Executive Director shall be the final arbiter of a contractor's compliance or substantial compliance with this policy and the Executive Director's determination shall not be appealable to the Board. Contractors shall treat as confidential to the maximum extent allowed by law or the requirements of contractor's insurance provider any request by an employee or applicant for employment for domestic partner or spousal benefits or any documentation of eligibility for domestic partner or spousal benefits submitted by an employee or applicant for employment.

In adopting this Section 2(b), the intent of the Board is to equalize to the maximum extent legally permitted the total compensation between similarly situated employees with spouses and employees with domestic partners.

In particular, consistent with the severability clause set forth in Section 5 below, the Board intends that if a court or agency of competent jurisdiction finds that a State or federal law, rule or regulation invalidates (1) the application of this Section to any business, person, type of compensation or benefit, or location;



or (2) any other requirement of this Section, then the court or agency should sever the invalid clause and leave in effect the remainder of this Section.

(c) The contractor or subcontractor shall provide reasonable accommodation for qualified disabled applicants for employment and for qualified disabled employees. Said contractor or subcontractor need not provide reasonable accommodation if such would present an undue hardship. An undue hardship may include but not be limited to more than a de minimis cost, violation of the seniority rights of other co-workers as established by a bona fide seniority system, or a health or safety risk to the employee or co-employees. The burden of establishing an undue hardship rests on the employer.

(d) The contractor or subcontractor will in all solicitations or advertisements for employees placed by or on his or her behalf, state that qualified applicants will receive consideration for employment without regard to the fact or perception of their race, creed, religion, color, ancestry, national origin, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or AIDS/HIV status.

(e) The contractor or subcontractor will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other agreement or understanding, a notice advising the said labor union or workers' representative of the contractor's or subcontractor's commitments under this Section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(f) The contractor or subcontractor shall permit access to its records of employment, employment advertisements, application forms, and other pertinent data and records by the Transportation Authority, for the purposes of investigation to ascertain compliance with the nondiscrimination provisions of this policy, and upon request shall provide evidence that the contractor has complied or will comply with the nondiscrimination provisions of this policy.

(g) A breach of the nondiscrimination provisions in the performance of a contract or subcontract shall be deemed by the Transportation Authority to be material breach of contract and the basis for determination by the Transportation Authority that the contractor or subcontractor is an irresponsible bidder as to all future contracts for which such contractor or subcontractor may submit bids. Such contractor or subcontractor shall not for a period of up to two years thereafter, or until it shall establish and carry out a program in conformity with the nondiscrimination provisions of this policy, be allowed to act as a contractor or subcontractor under any contract.

(h) If a finding of discrimination is made by the Executive Director, the Transportation Authority shall submit a report to the Board that provides details of what actions, if any, the Transportation Authority undertook under this policy.

(i) Nothing contained in this policy shall be construed in any manner so as to prevent the Transportation Authority from pursuing any other remedies that may be available at law, equity or under any contract.

(j) The contractor or subcontractor will meet the following standards for compliance:

(1) If the contractor or subcontractor has been held to be an irresponsible bidder under Section 2(g) hereof, the contractor or subcontractor shall furnish evidence that it has established and is carrying out a program in conformity with the nondiscrimination provisions of this policy.

(2) The contractor or subcontractor may be required to file with the Transportation Authority a



basic compliance report, which may be a copy of the federal EEO-1, or a more detailed report as determined by the Transportation Authority. Willful false statements made in such reports shall be punishable as provided by law. No contractor or subcontractor shall be held in noncompliance for not filing such a report with the Transportation Authority unless it has been specifically required to do so in writing by the Transportation Authority.

(3) Personally, or through its representatives, the contractor or subcontractor shall, through negotiations with the unions with whom it has collective bargaining or other agreements requiring the contractor or subcontractor to obtain or clear its employees through the union, or when the contractor or subcontractor otherwise uses a union as an employment resource, attempt to develop an agreement which will:

- (A) Define and outline responsibilities for nondiscrimination in hiring, referral, upgrading and training;
- (B) Otherwise implement a nondiscrimination program in terms of the unions' specific areas of skill and geography, such as an apprenticeship program, to the end that minority workers will be available and given an equal opportunity for employment.

(4) The contractor or subcontractor shall notify the awarding authority of opposition to the nondiscrimination provisions of a contract by individuals, firms or organizations during the term of the contract.

SECTION 3. POLICY APPLIES ONLY TO DISCRIMINATORY EMPLOYMENT PRACTICES.

(a) This policy shall not confer upon the Transportation Authority or Board thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or subcontractors engaged in the performance of Transportation Authority contracts.

SECTION 4. NONAPPLICABILITY, EXCEPTIONS AND WAIVERS.

(a) The Executive Director shall waive the requirements of this policy under the following circumstances:

(1) That there is only one prospective contractor willing to enter into a contract with the Transportation Authority, or that the needed goods, services, construction services for a public work or improvement, or interest in or right to use real property are available only from a sole source and the prospective contractor is not currently disqualified from doing business with the Transportation Authority, or from doing business with any governmental agency based on any contract compliance requirements;

(2) The contract is necessary to respond to an emergency which endangers the public health or safety and no entity which complies with the requirements of this policy capable of responding to the emergency is immediately available;

(3) Where the Transportation Authority's legal counsel certifies in writing to the Transportation Authority that the contract involves specialized litigation requirements such that it would be in the best interests of the Transportation Authority to waive the requirements of this policy.

(b) This policy shall not apply where the prospective contractor is a public entity and the Transportation Authority finds that goods, services, construction services for a public work or



improvement or interest in or right to use real property of comparable quality or accessibility as are available under the proposed contract are not available from another source, or that the proposed contract is necessary to serve a substantial public interest.

(c) This policy shall not apply where the Transportation Authority finds that the requirements of this policy will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or agreement, provided that the contracting officer has made a good faith attempt to change the terms or conditions of any such grant, subvention or agreement to authorize application of this policy.

(d) Upon the request of a potential contractor or upon the Transportation Authority own initiative, after taking all reasonable measures to find an entity that complies with the law, the Transportation Authority may waive any or all of the requirements of this policy for any contract, property contract or bid package advertised and made available to the public, or any competitive or sealed bids received by the Transportation Authority as of the date of the enactment of this ordinance under the following circumstances:

(1) Where the Transportation Authority determines that there are no qualified responsive bidders or prospective contractors who could be certified by the Transportation Authority as being in compliance with the requirements of this policy and that the contract is for goods, a service or a project that is essential to the Transportation Authority; or

(2) Where the Transportation Authority determines that transactions entered into pursuant to bulk purchasing arrangements through federal, State or regional entities which actually reduce the Transportation Authority's purchasing costs would be in the best interests of the Transportation Authority; or

(3) Where the Transportation Authority determines that the requirements of this policy would result in the Transportation Authority's entering into a contract with an entity that was set up, or is being used, for the purpose of evading the intent of this policy, which is to prohibit the Transportation Authority from entering into contracts with entities that discriminate based on the criteria set forth in this policy;

(4) Nothing in this Section 4(d) shall limit the right of the Board to waive the provisions of this policy.

(e) This policy shall not apply to (i) the investment of trust moneys or agreements relating to the management of trust assets, (ii) Transportation Authority moneys invested in U.S. government securities or under pre-existing investment agreements, or (iii) the investment of Transportation Authority moneys where the Executive Director finds that:

(1) No person, entity or financial institution doing business in the City and County of San Francisco which is in compliance with this policy is capable of performing the desired transactions(s); or

(2) The Transportation Authority will incur a financial loss which in the opinion of the Executive Director would violate his or her fiduciary duties.



This subparagraph (e) shall be subject to the requirement that Transportation Authority moneys shall be withdrawn or divested at the earliest possible maturity date if deposited or invested with a person, entity or financial institution other than the U.S. government which does not comply with this policy.

(f) Sections 1(b) and 2(b) shall not apply to any contracts executed or amended prior to June 28, 2016, or to bid packages advertised and made available to the public, or any competitive or sealed bids received by the Transportation Authority, prior to June 28, 2016, unless and until such contracts or property contracts are amended after Transportation Authority, and would otherwise be subject to this policy.

SECTION 5. SEVERABILITY.

This policy shall be construed so as not to conflict with applicable federal or State laws, rules or regulations. Nothing in this policy shall authorize the Transportation Authority to impose any duties or obligations in conflict with limitations on municipal authority established by federal law at the time such agency action is taken.

In the event that a court or agency of competent jurisdiction holds that the State or federal law, rule or regulation invalidates any clause, sentence, paragraph or section of this policy or the application thereof to any person or circumstances, it is the intent of the Board that the court or agency sever such clause, sentence, paragraph or section so that the remainder of this policy shall remain in effect.



FISCAL POLICY

I. INTRODUCTION

The Fiscal Policy is designed to guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue allocation requirements of the San Francisco County Transportation Authority (Transportation Authority). It is intended to be consistent with the Transportation Authority's adopted Administrative Code, the current Proposition K Sales Tax Expenditure Plan (Expenditure Plan), federal and state regulations, and general prudent accounting and financial management practices.

II. SCOPE AND AUTHORITY

The Fiscal Policy applies only to the operations of the Transportation Authority and is not applicable to the operations of any project sponsoring agencies of the Transportation Authority, unless specifically provided. The Fiscal Policy is separate from, but should be applied in conjunction with, the Transportation Authority's Strategic Plan, adopted Debt Policy, and adopted Investment Policy. Overall policy direction shall be the responsibility of the Transportation Authority Board of Commissioners (Board). Responsibility for implementation of the Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's policies, goals, and objectives, shall lie with the Transportation Authority Executive Director (Executive Director). This Policy will be reviewed and updated as required or deemed advisable at least once every three years. Any changes to the policy are subject to approval by the Board at a public meeting.

III. ANNUAL BUDGET PROCESS

The Board shall adopt an Annual Budget by the beginning of each fiscal year. The purpose of the Annual Budget is to provide management guidance and control over disbursement of the Transportation Authority's revenues in accordance with the goals and objectives as determined by the Board and as set forth in other policies including, but not limited to, the Transportation Authority's investment, debt, procurement and disadvantaged business enterprise policies. The Transportation Authority's fiscal year extends from July 1 of each calendar year through June 30 of the following calendar year. The sections below further define the process involved in the development of the final budget.

A. PREPARATION AND REVIEW OF A DRAFT BUDGET

The Executive Director is charged with responsibility for the preparation of a draft budget for each fiscal year. The draft budget will consist of line items for Revenues, including investment income, Administrative Operating Expenses, Debt Service Expenses as applicable, Program and Operating Reserve, and a single line item for each of the Transportation Authority's capital expenditure programming roles as Proposition K Sales Tax (Prop K) Administrator; San Francisco Congestion Management Agency (CMA); ~~and~~ San Francisco Program Manager for the Transportation Fund for Clear Air (TFCA); and Proposition AA Vehicle Registration Fee (Prop AA) administrator. Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items. The draft budget may also include other functional categories as deemed appropriate.



B. PUBLIC REVIEW OF DRAFT BUDGET

The draft budget shall be presented at a public hearing at a publicly noticed Transportation Authority meeting prior to being approved by the Board. Notice of the time and place of the public meeting shall be published pursuant to Sections 6060 and 6061 of the California Government Code no later than the 15th day prior to the day of the hearing, and the draft budget shall be available for public inspection at least 15 days prior to the hearing.

C. ADOPTION OF A FINAL BUDGET

As established by the Administrative Code, the Transportation Authority Finance Committee shall be responsible for review of the proposed overall operating and capital budget of the Transportation Authority. The Finance Committee shall set the budget parameters (spending limits) by budget line item as detailed in Section III.A. Preparation and Review of a Draft Budget, and shall recommend adoption of the draft budget to the Board.

The final budget for a given fiscal year shall be approved and adopted by resolution of the Board by June 30 of the prior fiscal year. If the Transportation Authority is unable to adopt a final budget by June 30, it must adopt a resolution to continue services and payment of expenses, including debt service. The continuing resolution shall include a date certain by which the annual budget will be adopted.

D. AMENDMENTS TO THE ADOPTED BUDGET

Except as otherwise provided in this section, the adopted final budget is not subject to further review or reopener after the Board resolution has passed. The adopted final budget may be amended during the fiscal year to reflect actual revenues and expenses incurred to the date of amendment during the fiscal year. Amendments to the budget will be presented at a publicly noticed Transportation Authority meeting prior to being approved by the Board. The Executive Director shall be responsible for proposing amendments to the adopted final budget; the Finance Committee shall be responsible for review of the proposed amended adopted final budget, and for making a recommendation regarding the amended final budget to the Board. The amended final budget shall be adopted by Board resolution.

IV. BUDGET REQUIREMENTS

A. ADMINISTRATIVE OPERATING EXPENSES

Administrative operating expenses include all expenses related to the operations and maintenance of the Transportation Authority, including, among others, staff salaries, staff benefits, office lease costs, equipment rental, supplies, and travel. Specific requirements with respect to certain budgeted expenses are set forth below.

1. SALARIES AND BENEFITS

The Board shall budget annually for the compensation (salaries and benefits) of its staff. Pursuant to the Transportation Authority's enabling legislation (Sections 131100 et seq of the California Public Utilities Code), the Transportation Authority will observe the statutory limit of one percent (1%) of the annual net amount of Prop K revenues for the salaries and benefits of Prop K program administrative personnel, and will follow applicable statutes for all other staff expenses.



2. EMERGENCY EXPENDITURES

The Executive Director is authorized to exceed the overall administrative operating expense line items by up to seventy-five thousand dollars (\$75,000), for the actual cost of emergency expenditures that are made to protect the health, safety, and welfare of the agency or the public, or to repair/restore damaged/destroyed property for the Transportation Authority. The Executive Director shall submit a report to the Finance Committee within thirty (30) days of the emergency explaining the necessity of the action, a listing of expenditures, and future recommended actions.

3. PETTY CASH

A petty cash revolving account in the amount of one thousand dollars (\$1,000) may be established and maintained by the Executive Director for the purposes of paying miscellaneous expenses of the Transportation Authority. Individual expenditures may not exceed two hundred and fifty dollars (\$250). Such miscellaneous expenses include ~~but not be limited to~~, outside photocopying expenses, office supplies, meeting and travel expenses, and other practical expenses as determined by the Executive Director to be necessary ~~and or~~ convenient for proper administration. The Executive Director is authorized from time to time to seek reimbursement of this account to the maximum balance by allocation from the operating budget.

B. DEBT SERVICE

Proposed debt service includes debt service of outstanding debt as well as of anticipated financings within the fiscal year. Decisions to fund capital expenditures through debt issuance must adhere to the policies outlined in the Transportation Authority's most current adopted Strategic Plan and Debt Policy.

C. CAPITAL EXPENDITURES

Capital Expenditures shall be listed as a single line item for each of the Transportation Authority's capital expenditure programming roles, which currently are Prop K Administrator, Proposition AA Administrator, and CMA and TFCA local administrator. Supplemental budget documentation shall provide a detailed listing of the capital programs and projects that support the Capital Expenditures line items.

D. PROGRAM AND OPERATING RESERVE

The Transportation Authority shall allocate not less than five percent (5%) and up to fifteen percent (15%) of the estimated net annual sales tax revenue as a hedge against an emergency occurring during the budgeted fiscal year. The adopted final budget, as it may be amended as provided in this Policy, will demonstrate the percentage and amount set aside in the reserve as a separate budget line item.

E. OTHER FUNCTIONAL CATEGORIES

The Executive Director may designate other functional categories as deemed appropriate or necessary.

V. CAPITAL EXPENDITURE ALLOCATIONS

As provided by the Administrative Code, the Plans & Programs Committee shall be responsible for recommending allocation of funding for those capital expenditure programs and projects in



the adopted final budget. The Board shall be responsible for reviewing the Plans & Programs Committee's recommendation and allocating project funds by resolution. The Transportation Authority will adopt, maintain and periodically update a multi-year strategic plan that derives from the provisions of the Expenditure Plan and outlines the categories, funding and delivery priority of projects to be funded. The Strategic Plan shall encompass the period remaining on the Expenditure Plan and shall be updated periodically as necessary. The Strategic Plan and its governing policies shall be used in combination with the Fiscal and Debt Policies to ensure the proper allocation of funds for and timely financing of eligible programs and projects. No allocations shall be approved that are inconsistent with the adopted Strategic Plan in force at the time of the allocation.

Changes in the capital expenditure supplemental budget documentation do not constitute a budget revision unless such changes exceed authorization for the respective budget line item. Any changes that exceed the amount of the budget line item will require an amendment to the approved final budget to be recommended by the Finance Committee and adopted by the Board. The total allocated capital funding for each Transportation Authority role should be no greater than the respective Capital Expenditures budget line item for the fiscal year.

For allocations with multi-year cash distributions, the allocation resolution shall spell out the maximum reimbursement level per fiscal year, and only the reimbursement amount authorized in the year of allocation shall count against the Capital Expenditures line item for that budget year. The Capital Expenditures line item for subsequent year annual budgets shall reflect the maximum reimbursement schedule amounts committed through the original and any subsequent allocation actions. The Transportation Authority will not guarantee reimbursement levels higher than those adopted in the original and any subsequent allocation actions.

VI. DEBT ISSUANCE

As defined by the Administrative Code and the Debt Policy, the Finance Committee shall be responsible for oversight of the debt issuance program for the Transportation Authority. Please refer to the current version of the Debt Policy maintained by the Transportation Authority, for guidelines regarding the issuance and management of debt for financing eligible programs and projects.

VII. INVESTMENTS

As defined by the Administrative Code and the Investment Policy, the Finance Committee shall be responsible for oversight of the investment program for Transportation Authority funds. Please refer to the current version of the Investment Policy maintained by the Transportation Authority, for the investment program guidelines regarding all funds and investment-related activities of the Transportation Authority.

VIII. REPORTING REQUIREMENTS

The Executive Director shall report to the Finance Committee at least on a quarterly basis on the Transportation Authority's actual expenditures, budgetary performance, authorized variances that have been implemented pursuant to this Fiscal Policy, the Transportation Authority debt program and the Transportation Authority investment program. The Finance Committee shall cause the Transportation Authority's financial transactions and records to be audited by an independent,



certified public accountant firm at least annually and a report to be submitted to the Board on the results of the audit.

IX. PROCUREMENT OF GOODS AND SERVICES

It shall be the policy of the Transportation Authority to competitively bid the procurement of goods and services. Procurements in amounts greater than seventy-five thousand dollars (\$75,000) shall require a formal bid process including advertising requests for bids and/or proposals in appropriate local newspapers or other media outlets. Pursuant to California Public Utilities Code Sections 131285 and 131286, formal procurement of supplies, equipment, and materials in excess of \$75,000 shall be awarded to the lowest responsible bidder after competitive bidding, except in an emergency declared by the vote of two-thirds of the voting membership of the Transportation Authority, or, if after rejecting bids received, the Transportation Authority determines and declares by a two-thirds vote of all of its voting members that, in its opinion the supplies, equipment or materials may be purchased at a lower price in the open market.

Procurements of supplies, equipment, and materials in amounts equal to or less than \$75,000 shall be awarded to the lowest responsive bidder following an informal competitive bid process.

The selection of providers of professional services, such as legal, financial advisory, private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms, shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required in accordance with the Transportation Authority's Procurement Policy.

All procurement transactions, regardless of dollar value and regardless of whether by sealed bid, informal quote, or by negotiation, shall be conducted in a manner that promotes free and open competition.

A. DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENT

Any procurement whether formal or informal shall comply with the Transportation Authority's applicable non-discrimination, minority/local/women-owned business and other applicable contracting policies in place at the time of procurement.

B. CONFLICT OF INTEREST

No employee, officer or agent of the Transportation Authority shall participate in the selection or in the award or administration of a contract if such participation would result in a conflict of interest, real or apparent, as defined by state statute and applicable case law. No employee, officer, or agent shall solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements.

C. CONTRACTS

Approval of the Board is required prior to the execution of any contract for the procurement of goods or professional services that authorizes payments that in the aggregate exceed seventy-five thousand dollars (\$75,000) in a fiscal year. The Executive Director is authorized to approve and execute all such contracts that authorize payments not in excess of \$75,000 per fiscal year, provided that the amounts are consistent with the adopted final budget, as amended in accordance with this Policy for the current fiscal year or, in the event that the contract was not completed in a single fiscal year, the contiguous fiscal year(s). The Executive Director is authorized to amend



contracts to extend time, to add or delete tasks of similar scope and nature, and to increase or reduce the total amount of the contract. The Executive Director may execute such amendments without prior Board approval, if the amount of the amendment does not exceed \$75,000 and so long as the amendment is consistent with the adopted final budget.

The foregoing notwithstanding, the Executive Director is authorized to execute, without prior Board approval, all standard grant agreements based upon a grant award to a sponsoring agency for programs and projects defined in the adopted final budget supplemental documentation, or as approved by specific Board action.

No contractual obligations, administrative or capital, shall be assumed by the Transportation Authority in excess of its ability to pay, as defined by the adopted final budget and the Strategic Plan. All expenditures shall comply with all federal, state, and local statutory and other legal restrictions placed on the use of said funds.

The Transportation Authority shall establish contracts for banking, investment and standard accounting services. Said contracts shall include provisions for the receipt, maintenance, investment and disbursement of funds, payroll functions, and ongoing financial data reports as required by the Transportation Authority.



INVESTMENT POLICY

I. INTRODUCTION

The purpose of this document is to set out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related procedures.

The investment policies and procedures of the San Francisco County Transportation Authority (Transportation Authority) are, in every case, subject to and limited by applicable provisions of state law and to prudent money management principles. All funds will be invested in accordance with the Transportation Authority's Investment Policy, and applicable provisions of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53600 et seq.). The investment of bond proceeds will be further restricted by the provisions of relevant bond documents.

II. SCOPE

This policy covers all funds and investment activities under the jurisdiction of the Transportation Authority.

Bond proceeds shall be invested in the securities permitted pursuant to bond documents approved by the Transportation Authority Board ~~approved of Commissioners~~ (Board) ~~bond documents~~. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. In addition to the securities listed in Section IX below, bond proceeds may also be invested in investment and forward delivery agreements. Notwithstanding the other provisions of this Investment Policy, the percentage or dollar portfolio limitations listed elsewhere in this Investment Policy do not apply to bond proceeds.

III. PRUDENT INVESTOR STANDARD

In managing its investment program, the Transportation Authority will observe the "Prudent Investor" standard as stated in Government Code Section 53600.3, applied in the context of managing an overall portfolio. Investments will be made with care, skill, prudence and diligence, taking into account the prevailing circumstances, including, but not limited to general economic conditions, the anticipated needs of the Transportation Authority and other relevant factors that a prudent person acting in a fiduciary capacity and familiar with those matters would use in the stewardship of funds of a like character and purpose.

IV. OBJECTIVES

The primary objectives, in priority order, for the Transportation Authority's investment activities are:

- 1) **Safety.** Safety of the principal is the foremost objective of the investment program. Investments of the Transportation Authority will be undertaken in a manner that seeks to ensure preservation of the principal of the funds under its control.
- 2) **Liquidity.** The Transportation Authority's investment portfolio will remain sufficiently liquid to enable the Transportation Authority to meet its reasonably anticipated cash flow requirements.



- 3) **Return on Investment.** The Transportation Authority's investment portfolio will be managed with the objective of attaining a market rate of return throughout budgetary and economic cycles commensurate with the Transportation Authority's investment risk parameters and the cash flow characteristics of the portfolio.

V. DELEGATION OF AUTHORITY

Management's responsibility for the investment program is derived from the Board and is hereby delegated to the Executive Director acting as Transportation Authority Treasurer. Pursuant to the requirements of the California Government Code, the Board may renew the delegation pursuant to this section each year. No person may engage in an investment transaction except as provided under the limits of this policy. The Transportation Authority may retain the services of an investment advisor to advise it with respect to investment decision-making and to execute investment transactions for the Transportation Authority. The advisor will follow the policy and such other written instructions as are provided by the Executive Director.

VI. ETHICS AND CONFLICT OF INTEREST

Officers, employees and agents of the Transportation Authority involved in the investment process will not engage in any personal business activities that could conflict with proper and lawful execution of the investment program, or which could impair their ability to make impartial decisions.

VII. INTERNAL CONTROLS

The Transportation Authority will establish internal controls to ensure compliance with the Investment Policy and with the applicable requirements of the California Government Code.

VIII. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Executive Director will establish and maintain a list of financial institutions and other financial services providers authorized to provide investment services. In addition, the Transportation Authority will establish and maintain a list of approved security broker/dealers, selected on the basis of credit worthiness, that are authorized to provide investment services in the State of California. These include primary dealers or regional dealers that meet the net capital and other requirements under Securities and Exchange Commission Rule 15c3-1. No public deposit will be made except in a qualified public depository as established by state law.

IX. PERMITTED INVESTMENT INSTRUMENTS

California Government Code Section 53601 governs and limits the investments permitted for purchase by the Transportation Authority. Within those investment limitations, the Transportation Authority seeks to further restrict eligible investment to the investments listed below. The portfolio will be diversified by security type and institution, to avoid incurring unreasonable and avoidable concentration risks regarding specific security types or individual financial institutions.

Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase. In the event a security held by the Transportation Authority is subject to a rating change that brings it below the minimum specified rating requirement, the Executive Director will notify the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason



for the rating reduction, prognosis for recovery or further rating reductions and the current market price of the security.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that may be invested in this category.
3. Repurchase Agreements not to exceed one year duration. There is no limitation as to the percentage of the portfolio that may be invested in this category. The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the Transportation Authority's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The market value of securities that underlay a repurchase agreement will be valued at 102 percent or greater of the funds borrowed against those securities and the value will be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements will be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.
4. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency; provided that the obligations are rated in one of the two highest categories by a nationally recognized statistical-rating organization (NRSRO). There is no limitation as to the percentage of the portfolio that may be invested in this category.
5. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California, provided that the obligations are rated in one of the two highest categories by a nationally recognized statistical-rating organization (NRSRO). There is no limitation as to the percentage of the portfolio that may be invested in this category.
6. Bankers' Acceptances issued by domestic or domestic branches of foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a NRSRO. Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of the Transportation Authority's portfolio. No more than 30 percent of the Transportation Authority's portfolio may be invested in the Banker's Acceptances of any one commercial bank.
7. Commercial paper of "prime" quality rated the highest ranking or of the highest letter or number rating as provided by a NRSRO. The entity that issues the commercial paper will



meet all of the criteria in either (1) or (2) as follows: (1) the corporation will be organized and operating within the United States as a general corporation, will have assets in excess of five hundred million dollars (\$500,000,000), and will issue debt, other than commercial paper, if any, that is rated “A” or higher by a NRSRO; or (2) the corporation will be organized within the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralizations, letters of credit, or surety bond; has commercial paper that is rated “A-1” or higher, or equivalent by a NRSRO. Eligible commercial paper may not exceed 270 days’ maturity nor represent more than 10% of the outstanding paper of an issuing corporation, or 25% of the Transportation Authority’s portfolio.

8. Medium-term corporate notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes will be rated in a rating category “A” or better by a NRSRO. Purchases of medium-term notes will not exceed 30 percent of the Transportation Authority’s portfolio.
9. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California. Purchases of time certificates of deposit may not exceed 1 year in maturity or 10 percent of the Transportation Authority’s portfolio.

To be eligible to receive local agency money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. The FFIEC provides an overall assessment of the insured depositories’ ability to meet the credit needs of their communities, consistent with safe and sound operations.

10. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the Transportation Authority’s portfolio.
11. State of California’s Local Agency Investment Fund (LAIF). The LAIF portfolio should be reviewed periodically. There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the maximum allowed by LAIF.
12. The California Asset Management Program, as authorized by Section 53601 (p) of the California Government Code. The Program constitutes shares in a California common law trust established pursuant to Section 6509.7 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by subdivisions (a) to (o) and (q) of Section 53601 of the Government Code of California, as it may be amended.
13. Insured savings account or money market account. To be eligible to receive local agency deposits, a financial institution must have received a minimum overall satisfactory rating



for meeting the credit needs of California communities in its most recent evaluation. There is no limitation as to the percentage of the portfolio that may be invested in this category. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The collateralization requirements may be waived for any portion that is covered by federal deposit insurance. The Transportation Authority shall have a signed agreement with any depository accepting Transportation Authority funds per Government Code Section 53649.

14. Placement Service Certificates of Deposit (CDs). Certificates of deposit placed with a private sector entity that assists in the placement of certificates of deposit with eligible financial institutions located in the United States (Government Code Section 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The combined maximum portfolio exposure to Placement Service CDs and Negotiable CDs is limited to 30%. The maximum investment maturity will be restricted to five years.
15. The San Francisco City and County Treasury Pool. There is no limitation as to the percentage of the portfolio that may be invested in this category. Any loans or investments of Transportation Authority funds invested in the San Francisco City and County Treasury Pool to agencies of the City and County of San Francisco will specifically require the approval of the Board prior to purchase or acceptance.
16. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment pursuant to this subdivision these companies shall have meet either of the following criteria:
 - Attain the highest ranking or highest letter and numerical rating provided by not less than two NRSROs.
 - Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

The purchase price of shares of beneficial interest purchased will not include any commission that these companies may charge and will not exceed 20 percent of the Transportation Authority's portfolio.

X. INELIGIBLE INVESTMENTS

The Transportation Authority will not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity.

XI. MAXIMUM MATURITY

Investment maturities will be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Transportation Authority to meet all projected obligations.

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment will be made in any security, other than a security underlying a repurchase



agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

XII. REPORTING REQUIREMENTS

The Executive Director will submit a quarterly list of transactions to the Board. In addition, the Executive Director will submit to the Board an investment report each quarter, which will include, at a minimum, the following information for each individual investment:

- Type of investment instrument
- Issuer name
- Purchase date
- Maturity date
- Purchase price
- Par value
- Amortized cost
- Current market value and the source of the valuation
- Credit rating
- Overall portfolio yield based on cost
- Sale Date of any investment sold prior to maturity

The quarterly report also will (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the Transportation Authority's funds, investments or programs that are under the management of contracted parties, and (iii) include a statement denoting the ability of the Transportation Authority to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money may, or may, not be available. For all of the Transportation Authority's investments held in the City and County of San Francisco's Treasury Pool the Executive Director will provide the Board with the most recent investment report furnished by the Office of the Treasurer and Tax Collector.

XIII. SAFEKEEPING AND CUSTODY

All security transactions entered into by the Transportation Authority will be conducted on a delivery-versus-payment basis. Securities will be held by an independent third-party custodian selected by the Transportation Authority. The securities will be held directly in the name of the Transportation Authority as beneficiary.

XIV. INVESTMENT POLICY REVIEW

The Executive Director will annually render to the Board a statement of investment policy, which the Board will consider at a public meeting. Any changes to the policy will also be considered by the Board at a public meeting.



GLOSSARY

AGENCIES. Federal agency securities and/or Government-sponsored enterprises.

ASKED. The price at which securities are offered.

BANKERS' ACCEPTANCE (BA). A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK. A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID. The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER. A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL. Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON. (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER. A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE. A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT. There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES. (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT. The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES. Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

DIVERSIFICATION. Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES. Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.



FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE. The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB). Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA). FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC). Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM. The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

FINANCIAL STATEMENTS. Financial statements are an overview of the agency's finances and shall be prepared in accordance with generally accepted accounting principles and shall be accompanied by a report, certificate, or opinion of an independent certified public accountant or independent public accountant.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae). Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY. A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP). The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE. The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT. A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the



transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY. The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET. The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER. The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS. Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO. Collection of securities held by an investor.

PRIMARY DEALER. A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE. An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORY. A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN. The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (RP OR REPO). A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

SAFEKEEPING. A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET. A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND EXCHANGE COMMISSION (SEC). Agency created by Congress to protect investors in securities transactions by administering securities legislation.



SEC RULE 15C3-1. See Uniform Net Capital Rule.

STRUCTURED NOTES. Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS. A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS. Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES. Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE. Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD. The rate of annual income return on an investment, expressed as a percentage. (a) *INCOME YIELD* is obtained by dividing the current dollar income by the current market price for the security. (b) *NET YIELD* or *YIELD TO MATURITY* is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



TRAVEL, CONFERENCE, TRAINING AND BUSINESS EXPENSE REIMBURSEMENT POLICY

I. PURPOSE AND GENERAL POLICY

- A. Purpose.** This document establishes a set of policies relating to travel, conference, training and business expenses, and establishes procedures for reimbursement of eligible San Francisco County Transportation Authority (Transportation Authority) Commissioners and employees, herein referred to as Transportation Authority personnel, for such expenses. These rules and guidelines are designed to safeguard public funds and to ensure the Transportation Authority and its personnel are using the most economical and well-documented procedures in a consistent manner.
- B. General Policy.** The Transportation Authority recognizes that in some instances it is necessary and/or convenient for authorized Transportation Authority personnel to incur expenses for travel, training and other business purposes in connection with the official business of the Transportation Authority. Additionally, the Transportation Authority recognizes the benefit of attendance at meetings, conferences and other functions which advance professional knowledge and provide opportunities to exchange information related to transportation, government operations and issues. The policy of the Transportation Authority is to pay or reimburse Transportation Authority personnel for such expenses, travel and fees that a reasonable and prudent person would incur when traveling on official business and which serve a Transportation Authority purpose and are deemed necessary and/or advantageous to the Transportation Authority.
- C. Limitations.** Travel and meeting expenditures shall not exceed the approved budget, except with justification and documentation, and shall be consistent with associated policies established by the Transportation Authority. Eligible Transportation Authority personnel are entitled to claim reimbursement for actual, reasonable and necessary expenses for eligible expenses incurred in the discharge of their official duties, subject to the limitations set forth herein.

II. ELIGIBILITY

- A. Eligible Personnel.** Expenses are authorized for Transportation Authority Commissioners and employees (Transportation Authority personnel). Travel expenses may be authorized for the purpose of conducting business on behalf of the Transportation Authority, including employment interviews.
- B. Eligible Travel Expenses.** The following expenses are eligible for reimbursement in connection with authorized Transportation Authority business, travel, conferences, meetings, and training, subject to the restrictions identified in this policy. Travel expenses are subject to review by the Deputy Director for Finance and Administration and will only be approved if deemed reasonable and proper. Reimbursements shall be for actual expenditures (receipts required for expenses greater than \$25) for amounts not to exceed the per diem rates and allowances established by the



General Services Administration (GSA) and/or United States Department of Defense (USDOD) as appropriate¹:

1. Meals;
2. Lodging;
3. Transportation charges (including commercial carrier fares, rental car charges, private car mileage allowances, parking, bridge and road tolls, and necessary taxi, transportation network company or public transit fares); and
4. Miscellaneous expenses:
 - a. Local and long distance business telephone calls, faxes and internet access by the most economical practicable commercial service, ~~subject to review by the Deputy Director for Finance and Administration and only approved if deemed reasonable and proper;~~
 - b. Registration fees for attending conferences, seminars, conventions, meetings, or other training of professional societies or community organizations;
 - c. Tips to porters, baggage carriers, bellhops, hotel staff, and stewards or stewardesses ~~not to exceed \$2 per bag;~~
 - d. Purchase of necessary training or conference materials or supplies;
 - e. Business expenses in connection with the preparation of clerical or official reports while on training or travel status; and
 - f. Unforeseen or unusual expenses which are justified, necessary and substantiated.

C. Non-Eligible Travel Expenses. Transportation Authority personnel are not eligible to claim reimbursement for the following items:

1. Personal telephone calls;
2. Alcoholic beverages and entertainment expenses;
- ~~2.3.~~ 3. Constructive expenses, which are those which might have been incurred for Transportation Authority business but were not; such as:
 - a. if two individuals traveled together to a meeting in one car and each claimed full transportation costs, then one would be making a “constructive” claim; or
 - b. if an individual on a trip stayed with friends or relatives, it would be “constructive” to claim a lodging expense.
- ~~3.4.~~ 4. Expenses which are excessive or unreasonable as determined by the Deputy Director for Finance and Administration ~~Transportation Authority.~~

D. Expense Limitations. Reimbursement of costs shall be based on the minimum number of days and hours required to transact Transportation Authority business. Costs incurred due to early or late arrival shall be at the traveler’s expense unless it is shown that the savings in airfare outweighs other costs. In that event, it is up to the traveler’s discretion as to whether he or she wishes to take advantage of the reduced airfare by traveling at an earlier/later date.

¹ Per diem is an allowance for lodging (excluding taxes), meals and incidental expenses. The GSA establishes per diem rates for destinations within the Continental United States. The United States Department of State establishes the foreign rates.

- E. Cash Advance.** Cash advances may be requested to cover anticipated travel expenses for out-of-area or overnight travel if requested a minimum of ten working days before departure. Cash advances shall not be less than \$100 nor more than the estimated expenses listed on the approved travel authorization form. Advances must be refunded immediately when an authorized trip is canceled or indefinitely postponed.

III. TRAVEL AUTHORIZATION

- A. Approval.** Before any Transportation Authority paid or reimbursed overnight or out-of-area travel may take place, Transportation Authority personnel must first submit a travel authorization form to their supervisor for approval, who will forward the approved form to the Deputy Director for Finance and Administration to verify that sufficient funds are available in the Transportation Authority's budget for the travel. The Deputy Director for Finance and Administration will forward the approved form to the Executive Director for final approval. Transportation Authority Commissioners must submit the travel authorization form to the Executive Director for pre-approval. The Executive Director is authorized to approve travel requests for Transportation Authority personnel consistent with this policy. The Executive Director will inform the Chairperson of the Finance Committee and the Chairperson of the Transportation Authority of all Commissioner travel requests in excess of \$5,000. All travel requests must be approved in advance, prior to incurring any reimbursable expenses.
- B. Local Travel.** Local travel, which does not involve overnight travel, can be reimbursed by the Transportation Authority without pre-verification of travel funds availability but staff shall obtain verbal approval from their respective supervisor and the Executive Director. If overnight travel is necessary, a travel authorization form shall be submitted prior to incurring reimbursable expenses.
- C. Out-of-Area Travel.** Out-of-area travel is defined as 50 miles or more beyond the San Francisco city limits.
- D. Travel Authorization Form.** The travel authorization form shall list the destination, purpose and justification for the trip, departure and return dates, and the estimated costs for transportation, meals, lodging, registration, and other expenses.

IV. PROCEDURES FOR CLAIMING EXPENSE REIMBURSEMENT

- A. Expense Report.** Any reimbursement for expenses incurred on behalf of the Transportation Authority shall be claimed on an expense report. Expense reports shall be submitted within 45 days of incurring the expenses, and the reports shall be accompanied by adequate documentation supporting the expenses.

The total amount of all expenses pertaining to a particular trip should be accounted for the traveler on an expense report form. If the total actual cost of a trip exceeds the amount listed on the travel authorization form, justification and documentation of the excess cost must be provided. In the absence of a satisfactory explanation, any amount in excess of the estimated cost approved on the travel authorization form shall not be allowed. If the cash advance exceeds the actual reimbursable expense, then the traveler shall immediately return the excess amount with the expense report.



- B. Nature of Claim.** Claims must be for actual and necessary expenses consistent with this document; not for “constructive” expenses.
- C. Per Diem Adjustments.** Per diem claims will be adjusted, using the appropriate per meal rate, in those instances where meals are provided gratis or as part of a registration or any other fee claimed on the expense report.
- D. Required Information.** Each claim must clearly indicate the date, nature of expense and amount for which reimbursement is being claimed.
- E. Receipts.** Receipts or proof of payment must be submitted with the claim to substantiate expenditures for public carrier fares, rental cars, lodging (indicating the single rate), meals, conference or seminar registration fees, and for any unusual items or items not specifically related to travel. Claims must be recorded and certified on an expense report. For any official business in-transit travel destination, Transportation Authority personnel must provide a receipt and narrative to substantiate claimed travel expenses for lodging and a receipt for any authorized expenses incurred costing over \$25. Itemized receipts shall be obtained and submitted with the expense report. If a receipt cannot be obtained or has been lost for expenses greater than \$25, a statement to that effect shall be made on the expense report and the reason given. In absence of a satisfactory explanation, the amount involved shall not be allowed.
- F. Commissioner Reports.** Transportation Authority Commissioners attending a meeting, conference, or training at the expense of the Transportation Authority shall provide a brief **written and oral** report of such at the next regular Board meeting of the Transportation Authority. The report must include a statement of how the Commissioner’s attendance has an impact on, or was associated with, Transportation Authority business, and include any materials distributed at the meeting, conference, or training that could be helpful to other Commissioners.
- G. Expenses Not Covered by Transportation Authority Policy.** In the event where an expense does not qualify for reimbursement under this policy, to be reimbursable, the expense shall be approved by the Transportation Authority Board, in a public meeting before the expense is incurred, unless the expense is related to lodging in connection with a conference or organized educational activity conducted in compliance with California Government Code s. 54952.2(c), including but not limited to ethics training required by Article 2.4 (commencing with §. 53234) of the Government Code. ~~Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that the lodging at the group rate is available to the member of a legislative body at the time of booking. If the group rate is not available, the member of a legislative body shall use comparable lodging that is consistent with the requirements of this policy.~~

V. PREPAYMENT OF CONFERENCE/SEMINAR/TRAINING FEES

All requests for prepayment of conference/seminar/training will be submitted for approval a minimum of ten working days in advance of the conference/seminar/training, unless reasonable justification is provided. If the ten-day requirement cannot be met, Transportation Authority personnel may personally pay registration fees and other expenses at their own risk and seek reimbursement on the expense report.

VI. MEAL EXPENSE

- A. General.** Transportation Authority personnel may incur expenses for the purchase of meals for persons not employed by the Transportation Authority, with whom the Transportation Authority is transacting business. The name and business affiliation of the person, as well as the purpose of the business meeting, must be included in the expense report. The maximum per-person expenditure shall not exceed a reasonable amount under the particular circumstances and shall not exceed the set per diem amount established by the GSA or USDOD as appropriate. Actual costs shall include reasonable and customary gratuities, but not the cost of alcoholic beverages. All such expenditures for personnel must be approved in advance by the Executive Director.
- B. Restrictions.** The purchase of non-travel-related meals is authorized only when Transportation Authority personnel are required, and where approved in advance by the Executive Director in the following circumstances:
1. to attend a breakfast, lunch or dinner meeting concerning Transportation Authority business affairs because of the official position or duties of the individual;
 2. to attend a meeting between Commissioners and staff when required to conduct Transportation Authority business outside of normal business hours;
 3. to attend consecutive or continuing morning and afternoon and night sessions of a Transportation Authority, Board of Supervisors, city council, commission, district or other public agency meeting to cover an agenda;
 4. to act as host for official guests of the Transportation Authority, such as members of examining boards, official visitors, and speakers or honored guests at banquets or other official functions; and
 5. to attend off-site training events (training workshops, seminars, and retreats) and ready access to reasonably priced meals is not available. The Executive Director may elect to either provide meals to the attendees or authorize individuals to purchase their own meals and claim reimbursement in accordance with provisions of this document.
- C. Local Area Meals.** Reimbursement for employee meals in the local area must be associated with Transportation Authority business and must be approved in advance by the Executive Director. Meal expenses incurred prior to authorization will be at the risk of the employee. Meals should not exceed the per diem rates and allowances established by the GSA or USDOD as appropriate. Unusual costs must be justified in writing.
- D. Out-of-Area Meals.** Reimbursement for employee meals during periods of approved trips out-of-area must be approved on the travel authorization form. Reimbursement for out-of-area meals will be based on either actual costs, for which receipts must be provided for expenditures exceeding \$25, and in accordance with the per diem of the federal standard meal allowance, including single day and total trip meal rates, as established by the GSA or USDOD as appropriate. Unusual costs must be justified in writing.
- E. Special Functions.** Reimbursement for meals at special functions, such as banquet meals at authorized conferences, professional meetings, or special events or functions, may be eligible for reimbursement at rates different than the per diem allowances. Eligibility for such reimbursements is based on pre-approval by the Executive Director, or the Transportation Authority Board in accordance with this policy.



VII. LODGING EXPENSES

Reimbursement is allowable for single-room lodging expenses associated with attendance at out-of-area conferences or meetings. The cost of a single room will be reimbursed when travel exceeds the day's duration. Where available, government and group rates must be requested. No reimbursement is authorized for overnight accommodations within the nine Bay Area counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma unless prior authorization is granted.

Transportation Authority personnel will be expected to be prudent in the choice of lodging and will submit proper documentation to justify the expense. The Executive Director will approve the lodging as part of the approval of the travel request, and reserves the right to determine which lodging is prudent, based on economic, comfort, safety, and reasonability considerations. ~~If lodging is required in connection with a conference or activity, the lodging costs shall not exceed the maximum group rate published by the sponsor of the conference. Lodging shall be at the location where the conference or activity is being held. Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that the lodging at the group rate is available at the time of booking. If the group rate is not available and the hotel has no remaining vacancies, comparable lodging that is consistent with the requirements of this policy shall be used. No lodging shall be reimbursed on the final day of a conference or activity unless reasonable justification is provided or unless authorized by the Executive Director. If no group rate is available at the time of booking, the Transportation Authority will reimburse its personnel for lodging up to the rates established by the GSA or USDOD as appropriate.~~

VIII. MEANS OF TRANSPORTATION

A. General. All travel must utilize the most efficient, direct and economical mode of available transportation. Transportation Authority personnel shall use government and group rates offered by providers of transport where available. If for personal convenience, Transportation Authority personnel travel an indirect route and travel is interrupted, any resulting extra expense will be borne by the individual except for reasons beyond the control of the individual. For employees, any resulting excess travel time, except where beyond the control of the employee, will not be considered work time, but will be charged the appropriate type of leave.

Charges or loss of refunds resulting from failure to cancel reservations in accordance with the carrier's rules and time limits will not be reimbursed, unless it can be shown that such failure resulted from circumstances beyond the control of Transportation Authority personnel.

Unused portions of transportation tickets are subject to refund and, when purchased by the Transportation Authority, the individual traveler is responsible to see that they are turned in promptly to secure such a refund.

B. Local Travel. Transportation Authority personnel are encouraged to make optimum use of available public transit services and carpooling for local area travel. The following modes of transportation are to be used in the following priority:



1. public transportation;
2. privately-owned motor vehicles; and
3. taxis, cabs, or transportation network companies; and
- ~~3.4.~~ rental cars, after exhausting all other available options.

C. Air and Rail Travel. ~~Transportation Authority personnel shall use Air coach-class (or similar reduced fare equivalent accommodations) shall be used for air and rail travel if it is available whenever possible. Any additional fees for seat location upgrades, seat spacing upgrades, or preferential boarding will not be reimbursed unless documentation is provided that there were no other reasonable options available and unless authorized by the Executive Director for special circumstances (e.g. physical or medical conditions). All reasonable fare reductions or reduced fare flights as appropriate shall be utilized.~~

D. Automobiles

1. Privately-owned Automobile for Official Business
 - a. In instances where Transportation Authority personnel use their private automobiles for transportation between their normal work location and other designated work locations (e.g., the site of a meeting), Transportation Authority personnel may be reimbursed for such mileage based upon the standard mileage rate as established by the GSA. When actual mileage exceeds by 10% the reasonable distance between points, Transportation Authority personnel must justify such excess. Inability to do so will result in the reimbursement being based on mileage for the most direct route. Mileage rate of reimbursement will be adjusted as required. Mileage reimbursement for out-of-area trips shall not exceed the cost of the most efficient and economical direct air rate. Transportation Authority personnel who use their privately-owned motor vehicles for transportation while on official Transportation Authority business must carry at least the minimum automobile liability insurance for privately-owned motor vehicles as required by the State of California. Reimbursement for this minimum automobile liability insurance coverage shall not be allowed. When using privately-owned motor vehicles, Transportation Authority personnel will not be reimbursed for any damages that may occur.
 - b. Charges for ferries, bridges, tunnels, or toll roads will be allowed. Reasonable charges will also be allowed for necessary parking.
 - c. Property damage to the automobile owned by Transportation Authority personnel incurred without fault or cause of the traveler shall be reimbursed in an amount up to \$250 or the amount of the deductible on the traveler's auto insurance policy, whichever is the lesser amount, for each accident. The Transportation Authority will assume an assignment of subrogation rights up to the amount expended, for recovery of such sums from third parties, known or unknown at the time of such payment.
 - d. In order to be paid mileage for travel which originates other than at the normal work location, the mileage must be in excess of that normally driven from the traveler's residence to and from the normal work location. The requesting traveler will include justification in attach an explanation to the expense report. In the absence of a satisfactory ~~explanation~~ justification, the mileage expense shall not be allowed.



2. Rental Automobiles

- a. Rental automobiles may be used when such rental is considered to be more advantageous to the Transportation Authority than the use of other means of transportation. Advance reservations should be made whenever possible and Transportation Authority personnel are expected to be prudent in the selection of an automobile model.
- b. The traveler must obtain full collision coverage. Any additional charge for this coverage will be allowed for reimbursement.
- c. Charges for ferries, bridges, tunnels, or toll roads will be allowed. Reasonable charges will also be allowed for necessary parking.

E. Other Modes of Transportation. Limousine ~~and~~, taxi and transportation network company fares will be allowed for travel where public transportation is not practical or available. Examples may include, but are not limited to, travel between transportation terminal and hotel, between hotel and place of business, and between places of business.

F. Reimbursement. Unless otherwise provided above, the Transportation Authority will reimburse its personnel for transportation at the rates established by the GSA or USDOD as appropriate.

IX. BAGGAGE

Charges incurred for excess baggage will be reimbursed if justified as necessary for the purpose of the trip. An explanation of the circumstances and payment receipts must accompany the claim for reimbursement. Charges for checking and handling of baggage, including reasonable and customary gratuities (~~\$2 per bag/package~~) will be allowed.



TITLE VI PROGRAM

I. INTRODUCTION

Created in 1989, the San Francisco County Transportation Authority (Transportation Authority) is responsible for long-range transportation planning for the City, and it analyzes, designs and funds improvements for San Francisco's roadway and public transportation networks. The Transportation Authority administers and oversees the delivery of the Prop K half-cent local transportation sales tax program. It also serves as the designated Congestion Management Agency for San Francisco under state law, and acts as the San Francisco Program Manager for grants from the Transportation Fund for Clean Air. In 2010, the Transportation Authority began serving as the administrator of Prop AA, a \$10 annual vehicle registration fee on motor vehicles registered in San Francisco, and allocates funds to street repair and reconstruction, pedestrian safety, and transit reliability and mobility improvement projects. The Transportation Authority was designated as the Treasure Island Mobility Management Agency in 2014, and thereby charged with planning for sustainable mobility on Treasure Island, including coordinating new ferry and regional bus service, on-island shuttles, and bike share and car share opportunities, projected to begin in 2019.

Title VI of the Civil Rights Act of 1964 (Title VI) prohibits discrimination by recipients of Federal financial assistance on the basis of race, color, and national origin, including the denial of meaningful access for limited English proficient (LEP) persons. In addition, Title VI and U.S. Department of Transportation (DOT) regulations prohibit recipients from intentionally discriminating against people on the basis of race, color, and national origin.

It is the policy of the Transportation Authority that the Transportation Authority shall not execute or amend any contract with any contractor that discriminates on the basis of race, color, or national origin. The Transportation Authority has several measures in place to ensure language accessibility to its programs and services for its limited-English proficient customers.

The Transportation Authority's Title VI Program (Program) describes general requirements that must be fulfilled under the Federal Title VI program as a subrecipient to the San Francisco Municipal Transportation Agency (SFMTA), who is a direct recipient of Federal Transit Administration (FTA) funds. Responsibility for implementation of the Title VI Program, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's policies, goals, and objectives, shall lie with the Executive Director. This Program will be reviewed and updated as required or deemed advisable at least once every three years.

II. TITLE VI NOTICE TO THE PUBLIC

As required, the Transportation Authority shall post multilingual Title VI notices informing the public of the Transportation Authority's compliance with Title VI, where to find further information and how to file a Title VI complaint form.

III. TITLE VI COMPLAINT PROCEDURES AND COMPLAINT FORM

As a recipient of federal dollars, the Transportation Authority is required to comply with Title IV and ensure that services are provided in a non-discriminatory manner. As part of this requirement,



the Transportation Authority is required to develop and post a Title VI complaint form and complaint procedures that instruct the public on how to file a Title VI discrimination complaint. Any person who believes that he or she has been discriminated against on the basis of race, color, or national origin by the Transportation Authority may file a Title VI complaint by completing and submitting the Transportation Authority Title VI Complaint form.

The Transportation Authority has the following Title VI Complaint Procedure in place, which outlines a process for local disposition of Title VI complaints.

The complaint procedures are outlined below:

1. **Submission of Complaint:** Any person (Complainant) who feels that he or she, individually, or as a member of any class of persons, on the basis of race, color or national origin status has been excluded from or denied the benefits of, or subjected to discrimination under any program or activity receiving federal financial assistance through the Transportation Authority may file a written complaint with the Deputy Director of Finance and Administration. Such Complaint must be filed within 180 calendar days after the date the person believes the discrimination occurred. The Transportation Authority's Title VI Complaint Form is provided in Appendix A, and is also available at the link below.
 - o [Transportation Authority's Title VI Complaint Form](#) (PDF)
2. **Referral to Review Officer:** Upon receipt of a Complaint, the Transportation Authority's Executive Director, shall appoint one or more staff review officers, as appropriate, to evaluate and investigate the Complaint, in consultation with the Transportation Authority's General Counsel. The staff review officer(s) shall complete the review and issue a written response to the Complainant no later than 60 calendar days after the date the Transportation Authority received the Complaint. If more time is required, the review officer(s) shall notify the Complainant of the estimated time-frame for completing the review. Upon completion of the review, the staff review officer(s) shall make a recommendation regarding the merit of the Complaint and whether remedial actions are available to provide redress. Additionally, the staff review officer(s) may recommend improvements to Transportation Authority's processes relative to Title VI and environmental justice, as appropriate. The staff review officer(s) shall forward their recommendations to the Deputy Director of Finance and Administration, for concurrence. If s/he concurs, s/he shall issue Transportation Authority's written response to the Complainant.
3. **Request for Reconsideration:** If the Complainant disagrees with the response, he or she may request reconsideration by submitting a request, in writing, to the Executive Director within 10 calendar days after receipt of the written response. The request for reconsideration shall be sufficiently detailed to explain why the Complainant feels the response was inadequate or incorrect, and/or the Deputy Director of Finance and Administration did not fully understand the basis of the Complaint. The Executive Director will notify the Complainant of his or her decision either to accept or reject the request for reconsideration within 10 calendar days. If the Executive Director accepts the reconsideration request, the matter shall be returned to the review officer(s) for reevaluation in accordance with Paragraph 2 above.
4. **Appeal:** If the request for reconsideration is denied, or if the Complainant disagrees with a response after the matter is reconsidered, the Complainant may submit a further written



appeal to the Transportation Authority Board no later than 10 calendar days after receipt of the Executive Director's written decision rejecting reconsideration or after receipt of a further response following a reconsideration. The Board will then set a hearing at the next available Board meeting at which time the Complainant and staff may make brief presentations prior to the Board's consideration of the matter.

5. **Submission of Complaint to the applicable federal funding agency:** The Complainant may also file a complaint directly with the FTA, Federal Highway Administration, or other applicable federal funding agency.
6. **Tracking Title VI Complaints:** The Transportation Authority will keep track of all Complaints filed concerning Title VI and related matters, including the disposition of such Complaints and any actions related to such Complaints. A report of all such Complaints (if any) will be made annually to the Board and to the SFMTA.

Title VI Complaint Forms and information on how to file a Title VI complaint are currently available in English, Spanish and Chinese on the Transportation Authority's website at <http://www.sfcta.org/doing-business-us/title-vi-complaint-procedure>. The Title VI Complaint Form will soon be also available in Russian, Tagalog, Vietnamese, Korean, Japanese, French and Thai. (Please see Appendix A for Transportation Authority's Title VI Complaint Forms)

Title VI Complaint Forms can be submitted as follows:

San Francisco County Transportation Authority
 Clerk of the Board
 1455 Market Street, 22nd Floor
 San Francisco, CA 94103
Fax: 415.522.4829
Email: clerk@sfcta.org

Complaints can also be submitted directly to the FTA at the following address:

Federal Transit Administration
 Office of Civil Rights
 1200 New Jersey Avenue SE
 Washington, D.C. 20590

Customers can contact San Francisco's Telephone Customer Service Center for more information and free language assistance:

Voice within San Francisco: 311
 Voice, outside San Francisco: 415.701.2311
 TTY: 415.701.2323

To obtain a disability-related modification or accommodation, including auxiliary aids or services, customers can contact the Transportation Authority at 415.522.4800 or via email at clerk@sfcta.org.

IV. SUMMARY OF TITLE VI INVESTIGATIONS, COMPLAINTS, AND LAWSUITS

To date, the Transportation Authority has not received any Title VI lawsuits or investigations. Pursuant to FTA guidance, the Transportation Authority shall maintain written complaints



received during the timeframe and include the date the complaint was received, a summary of the allegation(s), the status of the complaint and action taken.

V. PUBLIC PARTICIPATION PLAN

As part of its overall Title VI Program, the Transportation Authority is required to have an established public participation plan (or process) that explicitly describes the proactive strategies, procedures and desired outcomes of its public participation activities. As a subrecipient to the SFMTA, the Transportation Authority has reviewed the SFMTA's Public Participation Plan (PPP) and has agreed to adopt certain sections of the PPP (highlighted in Appendix B) as it relates to activities that the Transportation Authority performs to solicit public participation, including public outreach and involvement strategies. Since the Transportation Authority is not a transit operator, public participation activities related to fare and service changes are not applicable. Please see Appendix C for a summary of major public participation activities conducted in 2015.

VI. LANGUAGE ASSISTANCE PLAN

Pursuant to FTA guidance, the Transportation Authority must take reasonable steps to ensure meaningful access to benefits, services, information and other important portions of their programs and activities for individuals who are limited-English proficient (LEP). The Transportation Authority has reviewed SFMTA's Language Assistance Plan (LAP) and will rely on its survey results and analysis that identified LEP individuals who need language assistance. The goal of the LAP is to provide language assistance to persons with limited English proficiency in a competent and effective manner to help ensure that its services are safe, reliable, convenient and accessible to its LEP customers.

VII. MEMBERSHIP OF NON-ELECTED COMMITTEES AND COUNCILS

As part of its Title VI Program, the Transportation Authority must provide a table depicting the racial breakdown of the membership of any transit-related, non-elected planning boards, advisory councils or committees. The Transportation Authority has two non-elected citizen committee for which it selects the full membership – the Citizens Advisory Committee (CAC) and the Geary Corridor Bus Rapid Transit CAC (GCAC).

The CAC and GCAC each strive for ethnic diversity and geographic representation, but accept applications for all districts on a rolling basis. The CAC has traditionally had one member from each supervisorial district represented on the CAC, though this is not a requirement. The GCAC requires that 8 of the 13 seats be occupied by residents of certain neighborhoods, such as the Richmond, Japantown/Fillmore, and Tenderloin/Downtown areas, while the remaining 5 seats are considered at-large and can be occupied by all residents along the Geary Corridor.

CAC and GCAC applications are distributed and accepted on a continuous basis. Applications are solicited through the Transportation Authority's website, Commissioners' offices, and email notifications to community-based organizations, advocacy groups, business organizations, as well as at public meetings attended by Transportation Authority staff or hosted by the Transportation Authority. In addition, announcements for GCAC vacant positions are broadly targeted to the entire corridor. If members of the public are interested in participating in the CAC or GCAC, they are asked to submit an application and attend an upcoming Plans and Programs Committee meeting to speak to their interests and qualifications. The Plans and Programs Committee will then make recommendations for appointments to the full Transportation Authority Board, which



makes the final decision. Once an application is received, it will remain active for two years and will be considered for any openings, unless the applicant submits in writing a withdrawal of his/her candidacy.

CAC

The Transportation Authority has appointed a CAC consisting of eleven members representing a broad spectrum of transportation and community concerns. The CAC's mission is to assist the Transportation Authority by reflecting community values in the development of the mission and programs of the Transportation Authority; and communicating information about the Transportation Authority's mission and programs back to the community. The CAC accomplishes this by providing the Commissioners and staff of the Transportation Authority with input on nearly all matters that go before the Transportation Authority Board and its standing committees. This includes providing comments on transportation plans, programs and studies; the Prop K (half-cent sales tax) and Prop AA (\$10 vehicle registration fee) Strategic Plans; funding priorities; transportation-related legislation; and community transportation concerns. The CAC also assists in publicizing transportation projects and plans to neighborhoods, and solicits community input for feedback to the Transportation Authority.

Per the CAC's By-Laws, the CAC shall include representatives from various segments of the community, such as public policy organizations, labor, business, senior citizens, the disabled, environmentalists, and the neighborhoods, and reflect broad transportation interests. The committee members shall be residents of San Francisco and shall serve without compensation. Committee members are appointed by the Transportation Authority Board to serve two-year terms and can be reappointed upon term expiration.

GCAC

Geary Bus Rapid Transit (BRT) is one of the signature projects included in the Prop K Expenditure Plan. The Transportation Authority is currently leading environmental analysis for Geary Corridor BRT, in partnership with the SFMTA. The environmental analysis will identify the benefits and impacts of BRT alternatives, a preferred alternative, and strategies to mitigate any environmental impacts. Engineering work for this phase will entail preparation of designs for project alternatives as needed to clarify potential impacts and support identification of a preferred alternative, as well as development of design solutions for complex sections of the corridor. Because of the detailed nature and significance of the study, the Geary Corridor BRT Citizens Advisory Committee (GCAC) is distinct from the Transportation Authority CAC. The role of the GCAC is to advise Transportation Authority staff throughout the environmental analysis of the Geary BRT project by providing input representative of varying interests along the corridor, as well as broader, citywide interests related to the project. The GCAC currently meets approximately bi-monthly.

The GCAC consists of 13 members, representing corridor and at-large interests. Members are appointed by the Transportation Authority Board to serve two-year terms and can be reappointed upon term expiration.

The following table illustrates the current membership of the CAC and GCAC. Ethnicity information is optional to provide on the applications. Any responses are self-selected on applications.

**Table 1: Membership of Committees, Broken Down by Race**

Committee	Asian	Caucasian	Hispanic	Not Provided	Total
CAC	1 out of 11 members or 9%	4 out of 11 members or 36%	1 out of 11 members or 9%	5 out of 11 members or 46%	11 members
GCAC	4 out of 13 members or 31%	3 out of 13 members or 23%	0 out of 13 members or 0%	6 out of 13 members or 46%	13 members

VIII. SUBRECIPIENT ASSISTANCE AND MONITORING

As the Transportation Authority is not a direct recipient of FTA funds, it is not required to perform subrecipient monitoring procedures.

IX. TITLE VI EQUITY ANALYSIS FOR FACILITY CONSTRUCTION

As the Transportation Authority has not constructed a facility, it is not required to perform a Title VI equity analysis for facility construction.

X. DOCUMENTATION OF TITLE VI PROGRAM APPROVAL BY TRANSPORTATION AUTHORITY BOARD OF COMMISSIONERS

The Transportation Authority submitted a draft Title VI Program to the SFMTA for review and comment in January 2016, prior to seeking approval from the Transportation Authority Board. The Title VI Program is anticipated to be approved by the Board by June 2016. A copy of the approved resolution will be forwarded to the SFMTA.

San Francisco County Transportation Authority

1455 Market Street, 22nd Floor
San Francisco, California 94103
415.522.4800 FAX 415.522.4829
info@sfcta.org www.sfcta.org



San Francisco County Transportation Authority Title VI Complaint Form

Complaints must be filed within 180 days of the alleged act of discrimination

COMPLETE FORM, PRINT, SIGN, AND SUBMIT BY MAIL, FAX, OR EMAIL.

IF USING ADOBE ACROBAT, SAVE TO A NEW FILE NAME BEFORE BEGINNING.
IF USING ADOBE ACROBAT READER, YOU CAN ONLY PRINT, NOT SAVE.

SECTION I

NAME: _____

STREET ADDRESS: _____

CITY/STATE/ZIP: _____

HOME PHONE: _____ WORK PHONE: _____

EMAIL ADDRESS: _____

Accessible format requirements? (CHECK ALL THAT APPLY)

Large print Audio tape TDD Other: _____

SECTION II

Are you filing this complaint on your own behalf? YES NO

If you answered YES to this question, go to Section III

If you answered NO to this question, please supply the name of the person for whom you are filing this complaint and your relationship to him/her:

Please explain why you are filing for this person:

Please confirm that you have obtained permission from the complaining person if you are filing on their behalf:

YES NO

SECTION III

(CHECK ALL THAT APPLY)

I believe the discrimination I experienced was based on: Race Color National Origin

Date of alleged discrimination (Month, Day, Year): _____

Please turn over the page and continue on the back. 

San Francisco County Transportation Authority Title VI Complaint Form *(continued)*

Explain as clearly as possible what happened and why you believe you were discriminated against. Describe all persons who were involved. Include the name and contact information of the person(s) who discriminated against you (if known) as well as the names and contact information of any witnesses. Attach additional page(s) if necessary.

Have you filed a lawsuit regarding this complaint? If yes, please specify:

SECTION IV

Have you previously filed a Title VI complaint with this agency? YES NO

SECTION V

Have you filed a complaint with any other Federal, State, or Local agency, or with any Federal or State court?

YES NO

If yes, check all that apply: Federal Agency Federal Court
 State Agency State Court Local Agency

DATE(S) FILED: _____

Provide contact information for the additional agency or court:

NAME: _____

STREET ADDRESS: _____

CITY/STATE/ZIP: _____

WORK PHONE: _____ EMAIL ADDRESS: _____

SECTION VI

Please attach any additional written material or other information that you think is relevant to your complaint.

SIGN HERE: _____ **DATE:** _____

NOTE: The Transportation Authority cannot accept your complaint without a signature.

Submit the signed complaint form by mail, fax, or email to:

San Francisco County Transportation Authority
Clerk of the Board
1455 Market Street, 22nd Floor
San Francisco, CA 94103
FAX: 415.522.4829
EMAIL: clerk@sfcta.org



SFMTA

Municipal Transportation Agency



PUBLIC PARTICIPATION PLAN

June 2013

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A. INTRODUCTION

The purpose of the San Francisco Municipal Transportation Agency's (SFMTA) Public Participation Plan ("Plan") is to provide a framework of options and strategies from which to guide a customized, systematic and strategic public involvement approach that seeks out and considers the viewpoints of the general public and other stakeholders in the course of conducting public outreach and involvement activities. Of particular importance are those methodologies that specifically address linguistic, institutional, cultural, economic, historical or other barriers that may be preventing minority, low-income and limited English proficient (LEP) populations from participating effectively in the SFMTA's decision-making process.

The Plan also reflects and reinforces the primary goal of the SFMTA's public involvement activities: to offer early and continuous opportunities for the public to learn about a particular project or initiative while meeting the particular needs of the groups being presented to, such as language, schedule or location accommodations, in order to maximize their involvement in the identification of social, economic and environmental impacts of proposed transportation decisions.

The concerns, issues, creative ideas and needs of community members that are gathered through the public involvement process will inform the outreach efforts throughout the course of the project or Agency activity and allow Agency staff and decision-makers to make better informed decisions.

As stated in Federal Transit Administration (FTA) Circular 4702.1A, the SFMTA has "wide latitude to determine how, when and how often specific public involvement measures should take place and what specific measures are most appropriate." (FTA C 4702.1A, Section IV-5) The SFMTA makes these determinations based on a variety of factors, including the composition of the population affected by its actions, the type of public involvement process planned for the particular project or initiative and the resources available to the agency.

In further response to the FTA guidance and the recommendation regarding implementing the Department of Transportation's LEP policy guidance as an effective practice to help overcome barriers to public participation, this Plan also integrates findings from primary research (focus groups, surveys and interviews) conducted during the 2012 update of the SFMTA's Language Assistance Plan (LAP), which focused on receiving feedback from minority, low-income and LEP populations through a series of focus groups.

B. AGENCY OVERVIEW

Established by voter proposition in 1999, the SFMTA, a department of the City and County of San Francisco, oversees the Municipal Railway (Muni), parking and traffic, bicycling, walking and taxis within the City and County of San Francisco. With five modes of transit, Muni has approximately 700,000 passenger boardings each day. Founded in 1912, Muni is one of the oldest transit systems in the world. It is the largest transit system in the Bay Area and seventh largest in the nation, serving more than 200 million customers a year. The Muni fleet is unique and includes: historic streetcars, biodiesel and electric hybrid buses and electric trolley coaches, light rail vehicles, paratransit cabs and vans, and the world-famous cable cars. Muni has 80 routes throughout the City and County San Francisco with stops within two blocks of 90 percent of all residences in the City. Muni provides service 24 hours a day, seven days a week.

Demographic Overview of San Francisco

The SFMTA service area comprises the City and County of San Francisco. According to the 2010 U.S. Census, San Francisco is diverse both with regards to ethnicity and income levels, as can be seen in the following table:

Race/Ethnicity

Category	Percentage
African American/Black	6.1%
American Indian/Alaskan Native	0.5%
Asian/Asian American	33.3%
Native Hawaiian/Other Pacific Islander	0.4%
Hispanic	15.1%
White (not Hispanic)	41.9%
Multiracial	4.7%

Income Per Household

Median Household Income (2006-2010)	\$71,304
Per Capita Income (2006-2010)	\$45,478
Persons Below Federal Poverty Level (2006-2010)	11.9%

Source: 2010 U.S. Census and 2006-2010 American Community Survey

Limited English Proficiency Populations: With regard to LEP populations, data is gathered from the 2008-2010 ACS Three-Year Estimate, as the 2010 Census data did not address language proficiency. ACS data shows a total population of 764,274 for San Francisco City and County. Of this population, an estimated 182,745 people, or 23.91% of San Francisco's population, speak English less than "very well". Of these persons: 95,079 (or 52.03% of the LEP population) speak Chinese; 39,609 (21.67%) speak Spanish; 10,844 (5.93%) speak Tagalog; 8,814 (4.82%) speak Russian; 6,893 (3.77%) speak Vietnamese; 3,969 (2.17%) speak Korean; 2,797 (1.53%) speak Japanese; 1,421 (0.78%) speak French; and 1,130 (0.62%) speak Thai. Maps included in the Factor One LAP analysis show concentrations of LEP groups by language within the City and County of San Francisco and will be utilized for targeted customer outreach in those languages.

C. PUBLIC OUTREACH AND INVOLVEMENT STRATEGIES

This Plan details numerous communication strategies and tactics that offer early and continuous opportunities for the public to be involved in the identification of social, economic and environmental impacts of proposed transportation decisions.

One of the first steps before commencing any public involvement effort is the identification of stakeholders. Stakeholders are those who are either directly or indirectly affected by a proposed plan, project or initiative or the resulting recommendations. Those who may be adversely affected, or who may be denied the benefits of a plan's recommendations, are of particular interest in this initial identification process. Stakeholders can include many different individuals, populations, groups or entities, including general citizens, SFMTA/Muni customers, minority and low-income persons, public agencies, and private organizations and businesses.

Once the stakeholders have been identified, project managers and other SFMTA staff can consult the available public involvement and outreach methods to customize a plan to maximize public outreach and involvement opportunities for a particular project or initiative.

The following table summarizes existing public involvement and outreach methods used by the SFMTA; detailed descriptions of each method used are included below. It's important to note that not every method listed will be used on every project or initiative; the project manager, along with the community outreach team, will establish a customized approach for each public involvement/ outreach process, choosing from the options discussed below, that will best meet the needs of the target audience and best accomplish the goals of the particular project or activity. Note that indications of additional steps needed are specific plan enhancements resulting from the LAP research process.

AVAILABLE PUBLIC INVOLVEMENT METHODS

	Method	Description	Status
1	Community Meetings	Community briefings that allow interested stakeholders, customers and the general public to receive current information and provide feedback at key decision points.	In use. Additional relationships with CBOs will increase effectiveness.
2	Website Support	Contains information in Chinese, Spanish, Russian, French, Japanese, Korean, Tagalog, Thai and Vietnamese	In use.
3	Ethnic Media Relations	Press Releases and media events are employed to disseminate project and Agency activity information and accomplishments to local, national and trade media outlets.	In use. Media outreach is conducted to varying degrees in the following languages: English, Chinese, Spanish, and Russian.
4	Community Events	Information booths at community events, fairs and street festivals	In use.
5	Community Organizations	Coordination with individuals, institutions, community and faith-based organizations, and groups to reach out to members in affected minority, low-income and/or LEP communities	In use and efforts increasing.
6	Accessibility (locations, times)	Utilization of locations, facilities, and meeting times that are convenient and accessible to the targeted audiences, including minority and low-income communities	In use. Decisions made in coordination with CBOs.
7	Flexible Public Participation Opportunities	Utilization of different meeting sizes and formats, times of day and other accessibility factors, as well as the type and number of news media used to announce public participation opportunities, so that communications are tailored to the particular community or population	In use. Decisions made in coordination with CBOs.
8	Translation Assistance	Free in-person language assistance is available at SFMTA's multilingual Customer Service Center or via telephone through the City's multilingual 311 Customer Call Center, which has access to a language line with over 175 languages. Translation assistance at community meetings and workshops is available via bilingual SFMTA staff and through outside translators.	In use.

	Method	Description	Status
9	Multilingual Materials	Development and publication of collateral material, including information sheets and newsletters, in multiple languages	In use.
10	Street Level Outreach	Street level outreach informs customers, residents and businesses of on-going outreach activities, and to engage the public at a personal level.	In use.
11	Social Media	Use of social media, such as project blogs, Facebook, Twitter, Flickr, and YouTube	In use and increasing.
12	Community Advisory Groups	A Community Advisory Group (CAG) is comprised of members representing various communities, backgrounds, professions and interests	Used when appropriate; examples include the Central Subway Project and the Transit Effectiveness Project
13	Public Noticing	A public information strategy publicizes various aspects of the project, including construction updates and service impacts.	In use now in English, Chinese, Spanish; depending on LEP concentration in particular area, the SFMTA may produce materials in additional languages.
c14	Community-based Organization Outreach	Outreach to contractors and community-based organizations regarding the SFMTA's Small Business Enterprise (SBE) and employment training programs	In use.
15	Email Communications	Use of project-specific email addresses and blast e-mails to facilitate communication to, and feedback from, the public.	In use.
16	SFMTA Board of Directors Meetings	Board meetings, which are open to the public, are held on the first and third Tuesday of every month.	Language assistance available upon request.
17	Citizens Advisory Council Meetings	The SFMTA also includes a Citizens Advisory Council (CAC), which draws from a broad set of stakeholders and represents the diversity of San Francisco residents.	In use.

	Method	Description	Status
18	Metropolitan Transit Commission/Public Participation Plan	For additional outreach and public participation opportunities with regard to long-term regional planning efforts, the SFMTA relies on its metropolitan planning organization, the Metropolitan Transportation Commission (MTC), and their efforts via their Public Participation Plan.	In use.

Detailed descriptions of the methodologies summarized in the previous table are included below. As technology advances, and depending on particular situations, other methods may be incorporated. As mentioned above, very few Agency activities or initiatives will require utilization of all of the listed methods. The intention of the list is to provide a comprehensive menu of approaches that are at SFMTA staff's disposal. It is up to the project team and the SFMTA's Corporate Communications team to determine the appropriate mix on a case-by-case basis, once the stakeholders for a particular project or initiative have been identified.

1) Project Open Houses and Community Briefings:

Publicly noticed project open houses and community briefings allow interested stakeholders to receive the most current information in an interactive setting, direct from SFMTA staff. Project open houses and community briefings range from full presentations with full proposal review to small informational sessions. Comment cards, letters of support and written statements are compiled to document the reception and the reaction of the public. Attendees are further directed to other sources of information (e.g., SFMTA website, project website, project emails and phone numbers, social media, etc.) to continue interaction and dialogue. The SFMTA works with community partners to leverage already-scheduled meetings in low-income, minority and LEP communities in order to maximize outreach and participation. Using locations, facilities and meeting times that are convenient and accessible to these populations encourages attendance and further promotes public involvement. In addition, rather than asking the public to attend additional meetings to gather information, SFMTA staff seeks to integrate public participation efforts into existing community and neighborhood activities.

Meetings that are scheduled by SFMTA staff are accessible by Muni and scheduled at various times of the day and on weekends to accommodate working families, individuals, and seniors. For example, input from the LAP focus groups tended to indicate that meetings held during the day, whether during the week or on weekends, were ideal for seniors, who felt safer meeting at community centers during the daytime. SFMTA staff will continue working with community-based organizations and other community partners when scheduling these events in order to meet the needs of the particular communities and maximize participation.

2) Website Support:

Creation, branding and maintenance of an interactive project website is a critical public information tool. By visiting a project website, the general public learns about the purpose of the project, the communities it will serve, construction schedules, community engagement, project history and more. As circumstances allow, the project website may contain dedicated landing pages for each project element. A Google Translate widget could also be added to allow visitors to translate the site into any of the 53 languages Google Translate supports.

3) Media Outlets:

Press Releases and media events are used to disseminate project and Agency activity information and accomplishments to local, national and trade media outlets. A variety of available resources, including media contact lists and website and social media, are used to communicate with the general public. The media strategy incorporates written press releases, press conferences, interviews, roundtables, site tours, events, and, as appropriate, television and radio talk and call-in shows, online chats, editorial boards and op-ed pieces. Media outreach is ongoing. Press releases and media events are coordinated with SFMTA Corporate Communications, and the appropriate SFMTA staff. Multilingual print media, such as El Mensajero, Sing Tao and Kstati and local neighborhood newspapers are included in the media strategy. Based on LAP-related focus group feedback, multilingual broadcast media (radio, TV) and ethnic newspapers

were highly favored methods for outreach and providing notice and they should be utilized to the extent possible, as circumstances and resources allow.

4) Community Events:

SFMTA staff participate in community events throughout the city to establish a presence and publicize achievements and milestones. Outreach includes information booths and tables at festivals, job fairs, street parades and other community events. At these events, updated collateral material (fact sheets, meeting notices, project design renderings, etc.) and other pertinent project information is disseminated to the general public in multiple languages. Interested members of the public are further directed to online resources and the City's multilingual 311 call center.

5) Community Organizations:

SFMTA staff identifies and engages with individuals, institutions, community and faith-based organizations with low-income, minority and/or LEP constituents to ensure they understand the latest proposals and to listen and respond to their concerns. Appendix A contains a list of individuals, institutions, organizations and groups to be considered for outreach efforts depending on project, location, etc.; Appendix B lists the CBOs and other community organizations and leaders involved in the focus group and LAP revision effort and with whom relationships will be sustained and utilized in both future LAP and PPP initiatives.

6) Flexible Public Participation Opportunities:

SFMTA staff varies the size and format of meetings depending on the community's needs. A town hall meeting with the local member of the San Francisco Board of Supervisors, for example, will differ in size and format from a gathering of a neighborhood group in the impacted area.

7) **Translation Assistance:**

As appropriate, SFMTA will host community meetings with translation assistance provided by bilingual SFMTA staff, external translators or by community members. Comment cards are provided and follow-up is conducted by the SFMTA's Community Outreach staff post-meeting.

8) **Multilingual Materials:**

Multilingual collateral material is used to give the public useful information about current and upcoming activities. Collateral material can include fact sheets, FAQs, newsletters, media/press packets and flyers. Fact sheets are revised and updated as needed. FAQs are updated as feedback and questions from the general public are received either through email, written or social media correspondence. As appropriate, collateral material is translated and posted on the project website and www.sfmta.com disseminated at public events and distributed via postings inside transit vehicles, transit stations and shelters and on transit platforms and station kiosks. Information is also distributed via direct mail to affected customers, residents and business owners and via email blast to community outreach partners and interested individuals. Primary languages for translation are Spanish and Chinese; depending on the document, the scope of the project and the concentrations of relevant LEP populations, materials may also be translated into Russian, Vietnamese and other languages, as required.

9) **Presentations and Visual Aids:**

In an effort to overcome language barriers and enhance communication with the public, the SFMTA project staff will use various illustrative visual aids, such as design renderings and drawings, charts, graphs, photos, maps and the Internet, as appropriate and as circumstances allow. PowerPoint presentations are often used and can be translated as necessary, for example, with the Central Subway Project and its presentations in Chinatown, which were produced in Chinese and given in Cantonese.

10) Street Level Outreach:

Many SFMTA customers and San Francisco residents may have no interest or ability to participate in a meeting or review a website. Street level outreach attempts to capture the opinions and needs of these stakeholders. This includes knowledgeable staff and ambassadors engaging in conversations, recording comments via written notes or via mobile applications that allows transit users to comment while talking with an ambassador out in the field. For corridor-level outreach, project staff engages residents, businesses and customers that live and conduct business along the route to articulate the potential impact of a proposed project or initiative, build support and address in-person concerns or ideas. Local neighborhood and merchant group meetings are leveraged and, where appropriate, staff can go door-to-door. This outreach corresponds with ongoing public meetings and offers an additional opportunity to extend invitations for attendance.

11) Social Media:

By creating and maintaining an online and social media presence through project blogs, Facebook, Twitter and YouTube to engage stakeholders and encourage maximum participation in the outreach process, the SFMTA reaches out to and hears from those who are unable to attend, or do not regularly participate in, traditional public meetings and board hearings. For those who can participate in person, an online and social media presence allows two-way communication between meetings, strengthening the dialogue and reinforcing process transparency.

12) Community Advisory Groups (CAGs):

The mission of a CAG is to accomplish the following: (1) to discuss and study the planning, design and implementation of the project; (2) to examine the primary issues surrounding the project, such as construction approaches and operations; and (3) to develop a community consensus and benefits strategy for all levels of activity associated with the project. CAG meetings should be scheduled during times and in locations that maximize participation by CAG members as well as low-income, minority

and LEP populations. An example of a current project that utilizes a CAG is the Central Subway Project.

13) Public Noticing:

In addition to the collateral materials listed above, project staff may also distribute leaflets door-to-door and use other forms of public advertisement to notify the public of crucial project information (e.g., billboards, bus shelters, bus ads, AT&T Baseball Park ads, etc.).

14) CBO and Contractor Outreach:

Outreach to contractors and community-based organizations regarding the SFMTA's Small Business Enterprise (SBE) and employment training programs provides businesses with information about opportunities to bid and compete for upcoming contracts. These outreach events inform the contracting community of upcoming bid packages, assist small contractors in developing relationships with prime contractors and examine ways to increase diversity in workforce participation.

15) Email Communication:

Project-specific email addresses are created in order to facilitate communication and feedback from the public. Email blasts to Community Based Organizations (CBOs), stakeholders, advocacy groups, faith-based organizations, merchants' organizations, neighborhood groups and other interested individuals are also used.

16) SFMTA Board of Directors' (SFMTAB) Meetings:

Agendas are available 72 hours prior to the Board meetings and are posted at City Hall, the Main Library and on www.sfmta.com. Additional Board information is available at SFMTA headquarters in San Francisco and at the San Francisco 311 Customer Service Center, which provides language assistance through trained bilingual staff and a multilingual Language Line. Board meetings that involve fare and service changes are advertised on a broader scale: meeting times are communicated via multilingual notices posted in revenue vehicles, transit stations and faxed to distribution lists. Radio ads

and media placements in English, Spanish, Chinese newspapers and other ethnic media outlets are utilized as circumstances dictate and resources allow. All Board meetings have a public comment period and translators are available upon 72-hour request. The meetings are held in City Hall, which is easily accessible by transit. Regular SFMTA Board meetings and select other meetings are broadcast on cable via SFGTV and streamed on the Internet. Board Agendas and Meetings Minutes are available to the public at www.sfmta.com.

17) Citizens' Advisory Council Meetings:

The CAC meets monthly in a public setting and provides recommendations to the SFMTA Board of Directors on key policy issues facing the Agency. CAC meetings are posted at the library and on SFMTA website. Meetings are recorded and minutes are created and posted at www.sfmta.com.

18) Metropolitan Transportation Commission (MTC) / Public Participation Plan:

This plan details a comprehensive outreach program that includes outreach to minority and low-income communities throughout the region. Components of the plan include telephone surveys and focus groups comprising the demographic composition of the individual Bay Area communities, including San Francisco. MTC conducts limited outreach to San Francisco-based CBOs in minority/low-income areas and provides grants to CBOs throughout the region to help fund individual outreach efforts, recruitment efforts for meeting participation and help meet language assistance needs via translators and production of multilingual collateral. The SFMTA is part of a regional working group, led by MTC that is working on collaborating on public outreach and involvement strategies, piggybacking on translation contracts and production of shared multilingual materials.

D. FARE AND MAJOR SERVICE CHANGES

This section details the San Francisco Charter and local law requirements for soliciting and considering public input before changing any fare or implementing a major service change. The SFMTA is strongly committed to the right and need for participation by riders and other members of the public in the decision making process concerning fares and major service changes.

Fare Changes

SFMTA has a locally-developed process for soliciting and considering public comment prior to implementing any fare change. SFMTA's procedures exceed the requirements of the Federal Transit Administration (FTA), which requires that federally funded transit agencies only provide an opportunity for a public hearing to obtain the views of the public regarding a proposed fare change.¹ SFMTA's practice is to publish its intention to change fares in the City's official newspaper for five days and to hold a public hearing not less than 15 days after publication in compliance with both San Francisco Charter section 16.112 and the SFMTA Board of Directors' Rules of Order.

With respect to the City Charter, Section 16.112 requires published notice in the City's official newspaper prior to any public hearing to consider instituting or changing any fee, schedule of rates, charges or fares which affects the public. This section states:

“The publication of and full public access to public documents, except for those subject to confidentiality, shall be as required by law. Notice shall be published in a timely manner before any public hearing, and shall include a general description of said hearing. Notice shall be given, and public hearings held before: ... (c) Any fee, schedule of rates, charges or fares which affects the public is instituted or changed; should any such notice be approved, the result shall also be noticed; ...”

¹ 49 U.S.C. §5307

Although Charter section 16.112 does not specify how far in advance the City must publish notice of the public hearing, most City departments publish notice at least thirty-six hours prior to a public meeting.

In addition, the governing board of the SFMTA, the Municipal Transportation Agency Board (MTAB), has promulgated an additional requirement regarding how far in advance the SFMTA must publish notice for changes involving rates, charges, fares, fees and fines. SFMTA Board Rules of Order, Article 4, §10 provides:

“Before adopting or revising any schedule of rates, charges, fares, fees or fines, the Board shall publish in the official newspaper of the City and County for five days notice of its intention to do so and shall fix the time for a public hearing or hearings thereon, which shall be not less than fifteen days after the last publication of said notice, and at which any person may present his or her objection to or views on the proposed schedule of rates, fare or charges.”

In compliance with state and local law, the SFMTA posts its meeting agenda in a location accessible to the public, the San Francisco Public Library, and on the SFMTA’s website, www.sfmuni.com, at least seventy-two hours prior to an MTAB meeting. Minutes from the meeting are kept and are available to the public via the SFMTA’s website. Letters from the public are placed in a public review file accessible to members of the public, and provided to the members of the MTAB. With respect to public comment, members of the public have the right to speak at all meetings of the MTAB. Typically, the public is permitted to speak for up to three minutes on each item considered by the MTAB although the body has the discretion to limit public comment to less than three minutes if circumstances warrant. Language assistance, such as oral interpreters, is provided if 48 hours advance notice is given, pursuant to S. F. Administrative Code, Section 91.6. The MTAB may respond to comments made by the public and take other actions, such as amending the item or delaying a decision, as it deems appropriate.

Once the MTAB approves the proposed fare change, it is sent to the San Francisco Board of Supervisors pursuant to Section 8A.108 of the Charter. Section 8A.108(a) provides that: “Except as otherwise provided in this Section, any proposed change in fares or route abandonments shall be submitted to the Board of Supervisors as part of the Agency’s budget or as a budget amendment under 8A.106, and may be rejected at that time by a seven-elevenths vote of the Board on the budget or budget amendment. Any changes in fares or route abandonments proposed by the Agency specifically to implement a program of service changes identified in a system-wide strategic route and service evaluation such as the Transit Effectiveness Project may only be rejected by a single seven-elevenths’ vote of the Board of Supervisors on the budget or budget amendment.”

In compliance with state and local law, the public is provided an opportunity to comment on the proposed fare change at any scheduled committee meeting of the Board of Supervisors considering the fare change, and during general public comment before the full Board of Supervisors. Minutes of Board of Supervisors meetings are kept and available to members of the public via the Board of Supervisors’ website. Letters from the public sent to the Board of Supervisors concerning the proposed fare change are placed in a public review file, and made available to the Members of the Board of Supervisors.

Depending on whether circumstances warrant, the SFMTA may supplement the procedures described above with one or more of the public outreach and involvement strategies discussed in Section C of this document, some of which are listed below in the discussion of Major Service Changes. As is the SFMTA’s standard practice, the needs of our limited English proficient customers are taken into account in any public outreach efforts concerning proposed fare changes.

Major Service Changes



SFMTA also has a locally-developed process for soliciting and considering public comment prior to implementing a major service change. SFMTA defines “a major service change” as a change in transit service that would be in effect for more than a 12-month period, and that would consist of any of the following criteria:

- A schedule change (or series of changes) resulting in a system-wide change in annual revenue hours of five percent or more proposed at one time or over a rolling 24 month period;
- A schedule change on a route with 25 or more one-way trips per day resulting in:
 - Adding or eliminating a route;
 - A change in annual revenue hours on the route of 25 percent or more;
 - A change in the daily span of service on the route of three hours or more; or
 - A change in route-miles of 25 percent or more, where the route moves more than a quarter mile.

Corridors served by multiple routes will be evaluated based on combined revenue hours, daily span of service, and/or route-miles.

- The implementation of a New Start, Small Start, or other new fixed guideway capital project, regardless of whether the proposed changes to existing service meet any of the criteria for a service change described above.

Charter section 16.112 requires published notice in the City’s official newspaper prior to any public hearing in which the MTAB considers a significant change in the operating schedule or route of a street railway, bus line, trolley bus line or cable car line. Although Charter section 16.112 does not specify how far in advance the City must publish notice of the public hearing, the SFMTA’s practice is to publish its intention to consider any significant transit service change in the City’s official newspaper for five days and to hold a public hearing not less than 15 days after publication.

In situations where the SFMTA is proposing a “route abandonment” for a particular line or service corridor, the SFMTA must seek approval from both the MTAB, and the Board of Supervisors pursuant to Charter section 8A.108. Under the Charter, a “route abandonment” means the permanent termination of service along a particular line or service corridor where no reasonably comparable substitute service is offered.

If the SFMTA proposes a route abandonment at any time other than as part of its budget process, the agency must first submit the proposal to the Board of Supervisors. The Board of Supervisors may, after a noticed public hearing, reject the proposed route abandonment by a seven-elevenths vote taken within 30 days after the proposal is submitted by the SFMTA.

If the proposed route abandonment is submitted as part of the SFMTA’s budget, it must be rejected by a seven-elevenths vote of the Board on the budget or budget amendment.

As with the public process for fare changes, SFMTA’s procedures exceed the requirements of the FTA. Language assistance, such as oral interpreters, is provided if 48 hours advance notice is given. Once published notice has been provided and a meeting agenda posted as described above, the major service change can be considered by the MTAB at a regular or special meeting. Minutes from the meeting are kept, and are available to the public via SFMTA’s website. Letters from the public are placed in a public review file accessible to members of the public, and provided to members of the MTAB. With respect to public comment, members of the public have the right to speak at all meetings of the MTAB. Typically, the public is permitted to speak for up to three minutes on each item considered although the body has the discretion to limit public comment to less than three minutes if circumstances warrant. The MTAB may respond to comments made by the public and take other actions, such as amending the item or delaying a decision, as it deems appropriate.



In circumstances involving a route abandonment, the public is provided an opportunity to comment on the proposed service change at any scheduled committee meeting of the Board of Supervisors considering the service change, and during general public comment before the full Board of Supervisors. Minutes of Board of Supervisors meetings are kept and available to members of the public via the Board of Supervisors' website. Letters from the public sent to the Board of Supervisors concerning the proposed service change are placed in a public review file, and made available to the Members of the Board of Supervisors.

Once SFMTA has proposed a major service change or fare change, the SFMTA may provide additional notification to any affected neighborhood(s) and riders regarding the proposed changes and the time and location of any public meeting where public comment will be solicited. SFMTA will also provide information about proposed fare or major service changes on its website. The SFMTA provides such notification in one or more of the following ways, depending on the circumstances:

- Posting meeting notices on transit vehicles used by affected riders;
- Posting meeting notices at transit stops and/or on utility poles;
- Mailing or e-mailing a form letter and/or meeting announcements to neighborhood organizations and to residents and businesses on affected streets and/or mass-distributed to addresses in affected areas;
- Publishing meeting notices in neighborhood papers or multilingual or alternative language newspapers;
- Sending meeting notices to identifiable affected groups (for example, Caltrain riders if Caltrain feeder routes are affected);
- Circulating an attendance sheet at the meeting to create a contact list;
- Sending letters to names on contact lists including revised versions of the original proposal, and information regarding upcoming MTA Board meeting;
- Using public service announcements for radio and TV (for issues of citywide impact, when circumstances dictate and resources allow);
- Issuing a press release (for issues with citywide impact).

D. COMMUNITY OUTREACH AND COMMENT

To ensure that the outreach tools indicated in SFMTA's Public Participation Plan (PPP) hit the mark, community input was sought through presentations and surveys at five meetings with community-based organizations. Five separate neighborhoods were chosen throughout the City and County of San Francisco in order to represent a cross-section of the City's diverse communities:

1. Bayview Hunters Point
2. Fillmore/Western Edition
3. Mission
4. Chinatown
5. Sunset District

Within these neighborhoods a total of 40 community organizations were identified, including those that had participated in SFMTA's Language Assistance Plan community-based organization (CBO) focus group effort. Out of the 40, five were selected for community meetings based on the diversity of the neighborhoods they represent. The meetings included a presentation, a question and answer session and a survey to be completed on-site by meeting attendees concerning their preferences for receiving agency information and keeping in touch with the SFMTA.

In order to keep the conversation focused during the presentation, the stakeholders were told that the purpose of the presentation was to seek their input not on Muni

services specifically but on how best to communicate with them and how they prefer to offer their input back to the SFMTA.



Presentations included a description of the PPP,

including an overview of the current communication tools used by SFMTA to reach its stakeholders. Copies of the plan were made available and stakeholders were also told they could obtain copies by calling the 311 information line, which was stressed as a good way to register questions and receive information in both English and multiple other languages. Presenters stressed the variety of outreach methods available to the public. Staff worked with the leadership of the CBOs to determine in advance any language needs of the participants and translation services were provided for Chinese and Spanish-language participants. The survey was translated into Spanish and Chinese. Presentations were made to the following five groups in October and November 2012:

	Neighborhood	Organization	# of Surveys
1	Chinatown	Chinatown Community Development Center	19
2	Western Addition	Ida B. Wells Senior Center	59
3	Bayview	True Hope Baptists Church	14
4	Mission District	Mission Neighborhood Center	23
5	Sunset District	Sunset Neighborhood Beacon Center	35
6	CBO Leadership	12 community-based organizations	12
Total Surveys			162






An SFMTA community outreach professional was on hand at all meetings to answer specific questions about Muni services, and those questions were also logged and included in the survey report. All audiences were attentive and responsive and expressed appreciation for the presentations.

Survey Highlights

How do you get information about transit?

Overwhelmingly, respondents (73.9%), get information from signs on vehicle and in stations, with this option also ranking as one of the top three preferred methods by

which to get transit-related information. The City's 311 information line serves more than 30% of respondents, with the customer service line also placing in the top three preferences in terms of sources of information for nearly 44% of respondents. About 23% obtain information from the SFMTA website and nearly 48% place that source in their top three.

6. C. How do you get information about transit?			
		Response Percent	Response Count
(31) SFMTA website		23.2%	33
(32) 311		31.0%	44
(33) Signs on vehicles, stations		73.9%	105
(34) Social media		21.1%	30
(35) Customer service center on South Van Ness		8.5%	12
	answered question		142
	skipped question		20

Survey Comment Card Response (Accessible Diagram)

6.C. How do you get information about transit?

Source	Number of Responses Received	Response Percentage	Response Count
SFMTA website	31	23.2%	33
311	32	31.0%	44
Signs on vehicles, stations	33	73.9%	105
Social media	34	21.1%	30
Customer service center on South Van Ness	35	5.5%	12



Total of answered questions	142
Total of skipped questions	20

These same sources were cited by respondents in relatively similar percentages when respondents were asked to select *three options that you think are the best ways to reach community members*.

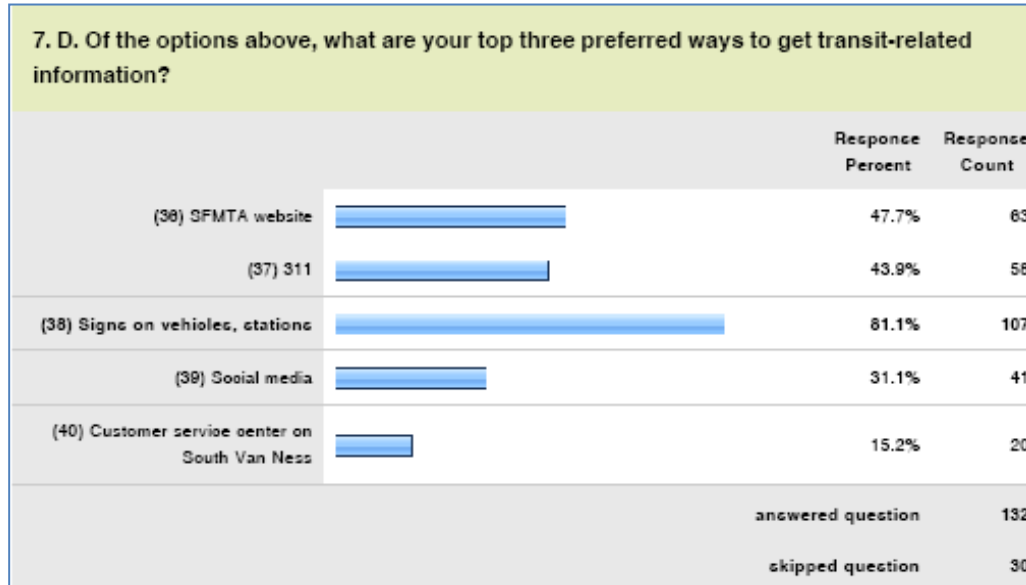
These findings underscore the importance of these information sources and reaffirm the SFMTA's focus on these methods in terms of ongoing community outreach while keeping an eye on the organization's flexible list of outreach tools. All of these notification methods are included in the PPP.

Preferences for receiving information and sharing comments

When respondents are in direct contact with SFMTA staff (at community meetings, for example), they favor information via handouts (62.4%) and prefer recording their questions and comments in writing on comment cards. The CBOs also tend to be willing to display SFMTA service bulletins or fliers in their offices and are on SFMTA email blasts and contact lists. The topics of most importance reported in the meetings and surveys were, in top three order, *fare and service changes, safety and transit services in general*.

How do you get information about SFMTA meetings?

Results are very diverse, with literally all forms of notification receiving answers. Importantly, nearly half of respondents indicated *information cards* on Muni vehicles. *Radio, TV, Ethnic media* and information via *community-based organizations* were also recognized as significant information sources.



Survey Comment Card Response (Accessible Diagram)

7.D. Of the options above, what are your top three preferred ways to get transit-related information?

Source	Number of Responses Received	Response Percentage	Response Count
SFMTA website	36	47.7%	63
311	37	43.9%	58
Signs on vehicles, stations	38	81.1%	107
Social media	39	31.1%	41
Customer service center on South Van Ness	40	15.2%	20
Total of answered questions			132
Total of skipped questions			30

Attending Public Meetings

While most respondents (71%) have never attended a public meeting on transit-related issues, when asked what factors would enable them to come, two topped the list: location (71.4%) and time of day (53.6%). A variety of other factors were considered and recorded. While time of day is seen as important, respondents were fairly equally divided about the best time of day, although weekdays were favored over weekends. Another factor that registered to many was the availability of language assistance.



A Variety of Comments

When offered an opportunity to comment on topics of interest, those comments dealt universally with Muni services (complaints and observations), rather than communication topics. This variety of comments is included in the survey response document in the appendix.

Community-based Organization Leadership Surveys

Because SFMTA's relationship with community-based organizations is a vital link to its stakeholders, the feedback from those leaders, who were instrumental in setting up meetings and focus groups throughout the project, is equally important. Twelve CBO leaders were surveyed for their feedback on the Public Participation Plan, including the five leaders who facilitated presentations to their groups:

Name	Title	Organization
LaShon A. Walker	Vice President	Bayview Merchants Association
Cathy Davis	Executive Director	Bayview Hunters Point Multipurpose Senior Services

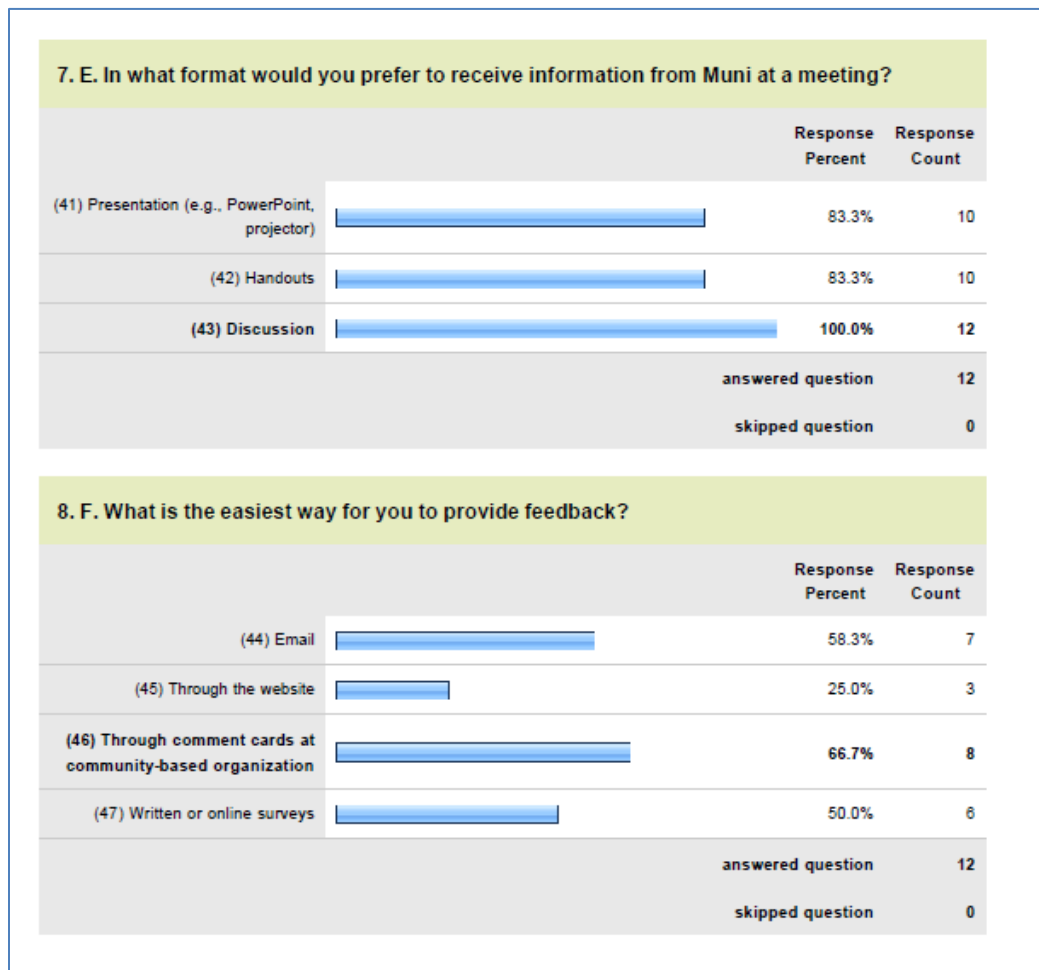
Neal Hatten	Associate Executive Director	Bayview Hunters Point YMCA
Cathie Lam	Senior Community Organizer	Chinatown Community Development Center
Michael Hamman	President	India Basin Neighborhood Association
Martha Ehrenfeld	Board Member	Inner Sunset Park Neighbors
Mariana Romero	Family and Community Partnerships Manager	Mission Neighborhood Center
Sarah Huck	Neighborhood and Family Services Program Manager	Richmond Village Beacon
Patrick Montgomery	Evening Program Coordinator	Sunset Neighborhood Beacon Center
Reverend Allen	Reverend	Third Baptist Church
Tachina Alexander	Community Liaison	True Hope COGIC
Mike Stancil	Senior Director	YMCA, Richmond District

The leaders know their stakeholders well and represent them fully when it comes to SFMTA services and information. In terms of their preference for methods of contact, the leaders favored emails from SFMTA staff. They also stated that they gather SFMTA information through community meetings and information placed on Muni vehicles. They, like their stakeholders, cite public notices – including through their CBOs – as a good method of getting information distributed.

In addition to these standard methods, CBO leaders are far more likely (45.5% vs. 23.2% for their stakeholders) to go to the SFMTA website for information. Even more telling, about 78% of CBO leaders rank the website, along with signage at stations and vehicles, as a “top three” preferred method of receiving updates. This supports SFMTA efforts to reach through CBO leaders to their stakeholders by distributing emails to leaders and encouraging website visitation as a means of keeping abreast of information they can share with their own communities. The fact that nearly half of survey respondents see the website as a good source is encouraging.

Also reflecting the expected preferences of leaders, 100% of these 12 individuals indicated that they would rather receive information from SFMTA via discussion than through presentations or handouts. They support email, surveys and comment cards as good ways to provide their input to SFTMA.

Finally, these CBO leaders are far more likely to attend meetings on transit related issues, given the fact that more than 83% of them have done so in the past. To them, location is far and away the most important factor for attendance.



Survey Comment Card Response (Accessible Diagram)

7.E. In what format would you prefer to receive information from Muni at a meeting?

Source	Number of Responses Received	Response Percentage	Response Count
Presentation (e.g., PowerPoint, projector)	41	83.3%	10
Handouts	42	83.3%	10
Discussion	43	100.0%	12
Total of answered questions			12
Total of skipped questions			0

8.F. What is the easiest way for you to provide feedback?

Source	Number of Responses Received	Response Percentage	Response Count
Email	44	58.3%	7
Through the website	45	25.0%	3
Through comment cards at community-based organization	46	66.7%	8
Written or online surveys	47	50.0%	6
Total of answered questions			12
Total of skipped questions			0

Comparisons Between Respondents in the Five Meetings

Survey tabulations include a breakout of results from the five different neighborhood meetings. In general, it is considered more useful to use the combined totals because the varying numbers of respondents from meeting-to-meeting make those results less projectable over the entire population, as is always the case with relatively limited distribution. Averaging results from among 150 respondents is seen as more conclusive and useful in determining public outreach preferences.

Comparisons with LEP Focus Groups and PPP Surveys

Comparing several critical areas of community outreach reveals similar thinking between respondents from the PPP Public Meetings, CBO leadership and those from the LEP focus groups.

Responses from:	PPP Public Meetings	LEP Focus Group	CBO Leadership
Where do you get your Muni information?			
Signs in stations	X	X	X
Radio/TV/Ethnic Media	X		
Information in vehicles	X	X	X
311 Information Line		X	
Importance of/Preference for Information Source			
Signage	X	X	X
Brochures	X		
311	X	X	X
Website	X	X	X
Information/services most important to respondents			
Fare and service changes (schedules)	X	X	X
Safety	X	X	X
Transit services in general		X	X
Information at bus shelters	X		

This finding informs SFMTA that its efforts in these particular delivery methods and key information are relatively universal over the organization's entire stakeholder population.

Conclusion

Input from the public meetings and the accompanying surveys confirms that the SFMTA Public Participation Plan outreach tools provide ample opportunities for public input and are inclusive of the preferences of the community. There are varied community opinions on important questions such as the best way to reach individuals in various communities and



what is most useful in attracting individuals to transit information meetings. Because attendance at traditional transit meetings (e.g., board meetings) are of minimal importance to these groups (and, research would likely show, to SFMTA's other stakeholders as well), consultation with community-based organizations when the need arises to communicate with their particular stakeholders can ensure the best outreach approach.

In correlating these results from findings in the Language Assistance Plan, it is clear that regardless of language, customers find information about fares and service changes (schedules) – the survey language used above -- most important, as reflected in the routes-schedules-fares priorities below, from the LAP. Similarly, findings in both the LAP and the PPP indicate that on-site information is relied on the most regardless of language, indicating a priority for providing signage and on-board information in more than one language.

The importance indicated in the research in both plans also supports SFMTA's investment in the 311 system and its website. While respondents reported less use of these two media, when both were discussed, respondents saw the value in them, leading to the conclusion that more promotion to the website and 311 may lead to greater acceptance and use.

The results of both studies provide guidelines for what works best not only for language-proficiency outreach but also for connecting with low-income and underserved populations. With the variety of outreach tools available to SFMTA, it is possible to select them on a case-by-case basis, depending on the stakeholder audience, when planning an outreach effort.

E. REVIEW AND MONITORING OF THE PUBLIC PARTICIPATION PLAN

The Public Participation Plan will be reviewed, at a minimum, every three years for its effectiveness and relevance based on changing demographics, new technologies, updated guidance and the requirements and needs of particular projects, among other factors. The Plan will also be considered a “living document” that requires the SFMTA to continue its commitment to involve minority and low-income communities by sharing this Plan with those populations, asking for feedback and new ideas and staying connected with stakeholders who represent those populations as an ongoing activity.

APPENDIX 1: COMMUNITY OUTREACH DATABASE

18th Street Merchants Association
 28th Ave. Neighbors
 40th Ave. Neighbors
 45th Ave. Neighbors
 7th Ave. Presbyterian Church
 Advisory Council to the Commission on Aging and Adult Services
 Asian Family Support Center
 Asian Inc.
 Asian Neighborhood Design
 Asian Pacific American Community Center
 Asian Pacific Chamber of Commerce
 Bartol Alley Neighborhood Group
 Bayview Hill Neighborhood Association
 Bayview Merchants Association
 Bayview PAC Transportation and Land Use Committee
 Bayview YMCA
 Bayview Hunters Point Multipurpose Senior Center
 Bayview Hunters Point PAC
 Bernal Heights Neighborhood Center
 Buena Vista Neighborhood Association
 Castro/Eureka Valley Neighborhood Association
 Catholic Charities/OMI Senior Center
 Cayuga Improvement Association
 Charity Cultural Service Center
 Chinatown Beacon Center
 Chinatown Community Development Center
 Chinatown Merchants Association
 Chinatown Public Health Center
 Chinatown TRIP
 Chinatown Youth Center
 Chinatown/North Beach Childcare Center
 Chinese Chamber of Commerce
 Chinese Education Center
 Chinese for Affirmative Action
 Chinese Hospital
 Chinese Newcomers Service Center
 ClementinaSF
 Coalition for San Francisco Neighborhoods
 Coalition for Transit Justice
 Coit Depression Preservationists
 Cole Valley Improvement Association
 College Hill Neighborhood Association
 Community Design Center
 Community Learning Center
 Community Youth Center
 Corbett Heights Neighbors
 Country Acres Country Club
 Cow Hollow Association
 Crestlake Property Owners Association
 Diamond Heights Community Meeting
 Dogpatch Neighborhood Association
 Dolores Heights Improvement Club
 Donaldina Cameron House
 Downtown Association of San Francisco
 East Mission Improvement Association
 Edgewood Neighborhood Association
 Edgewood Park Center
 Ella Hill Hutch
 Excelsior District Improvement Association
 Fisherman's Wharf Community Benefit District
 Fisherman's Wharf Merchants Association
 Fook Chong Hong Friendly Society
 Francis Scott Key School
 Friends of Noe Valley
 Glen Park Association Town Hall
 Golden Gate Breakfast Club
 Golden Gate National Recreation Area
 Golden Gate Valley Neighborhood Association
 Goodwill Industry One Stop
 Grace Evangelical Free Church
 Grace Local Organizing Committee of the San Francisco Organizing Project (San FranciscoOP)
 Green Street Neighbors
 Growth & Learning Opportunities
 Haight Ashbury Improvement Association
 Haight Ashbury Neighborhood Council
 Hayes Valley Neighborhood Association
 Hip Sen Benevolent Association
 Holy Name Church and School
 Hoy Ping Benevolent Association
 Inner Sunset Merchants Association
 Inner Sunset Neighborhood Association
 Irving Street Merchants
 Japanese Chamber of Commerce
 Japantown Taskforce
 Judah Street/Ocean Beach Merchants and Professional Association
 Ka Yin Benevolent Association
 Kinship Support Network
 La Playa Park
 La Playa/SAFE
 Laurel Village Merchants Association
 L'Chaim Senior Center
 LGBT Community Center
 Liberty Hill Neighborhood Association
 Lincoln Park Homeowners Association Incorporated (LPHA)
 Lincoln Park Presbyterian Church Senior Center
 Lombard Hill Improvement Association
 Lower 24th Street Merchant and Neighborhood Association
 Lower Polk Neighborhood Association
 Lyon-Martin Women's Health Services
 Maiden Lane Association
 Marina Civic Improvement & Property Owners

Marina Cove Tenants Association
 Marina Merchants Association
 Marina Neighborhood Association
 Market Street Railway
 Mayor's Office of Neighborhood Services
 Mayor's Office on Disability
 Mayor's Disability Council
 Mid Polk Neighborhood Association
 Mid-Sunset Neighborhood Association
 Mission Bay CAC
 Mission Dolores Neighborhood Association
 Mission Hiring Hall
 Mission Merchants Association
 Mission Small Business Association
 Moscone Temple
 Mount Olympus Neighbors Association
 Neighbors of Ardenwood
 New Mission Terrace Improvement Association
 Ninth Avenue Neighbors
 Nob Hill Association
 Nob Hill Neighbors
 Noriega-Lawton Street Merchants Association
 North Beach Chamber of Commerce
 North Beach Neighbors
 North East Medical Services (NEMS)
 North of Panhandle Neighborhood Association (NOPA)
 North Point Neighborhood Association
 Ocean Beach Neighbors
 OMI Neighbors In Action
 On Lok Senior Health Services
 Outer Mission Merchants and Residents Association
 Pacific Avenue Neighborhood Association (PANA)
 Pedestrian Safety Advisory Committee
 Ping Yuen Residents Improvement Association
 Planning Association for the Richmond (PAR)
 Polk Street Merchants Association
 Portola Neighborhood Steering Committee
 Positive Resource Center
 Potrero Hill Boosters
 POWER
 Presidio Trust
 Presidio YMCA
 Renew SF
 Rescue Muni
 Richmond Democratic Club
 Richmond District Advisory Council
 Richmond District Afterschool Collaborative
 Richmond District Neighborhood Center
 Richmond District YMCA
 Richmond Neighborhood Center
 Richmond Village Beacon Center
 Russian Hill Neighbors
 Safety Network
 Sam Yup Benevolent Association
 San Francisco African American Chamber of Commerce
 San Francisco Beautiful
 San Francisco Bicycle Coalition
 San Francisco Conservation Corps
 San Francisco Food Bank
 San Francisco Hispanic Chamber of Commerce
 San Francisco Neighborhood Network
 San Francisco Neighbors Association (San FranciscoNA)
 San Francisco Organizing Project (SFOP)
 San Francisco Surf Riders Foundation
 San Francisco Tenants Union
 San Jose/Guerrero Coalition
 SanchezProsper Community Association
 Senior Action Network
 San Francisco Chamber of Commerce
 San Francisco League of Conservation Voters
 San Francisco Transit Riders Union
 San Francisco Young Democrats
 SFCTA Citizens Advisory Committee
 Sierra Club
 Small Business Commission
 South of Market Employment Center
 South Sunset Senior Center
 Southeast Community Facility
 Southwestern Neighborhood Improvement Group
 SPUR
 St. Anne of Sunset
 St. Cecilia's Sewing and Art Club/Collins Center
 St. Francis Lutheran Church Senior Center
 Stonestown YMCA
 Sunnysdale Boys and Girls Club
 Sunnysdale Residents' Association
 Sunnyside Neighborhood Association
 Sunset District Neighborhood Coalition
 Sunset Heights Association of Responsible People (SHARP)
 Sunset Neighborhood Beacon Center
 Sunset Recreation Center
 Sunset Senior Center
 Sunset Youth Services
 Sunset-Parkside Education and Action Committee (SPEAK)
 Telegraph Hill Dwellers
 Tenderloin Housing Clinic
 Third Baptist Church
 Tzu Chi Foundation
 Union Square Merchants Association
 Upper Noe Neighbors
 Valencia Corridor Merchants Association
 Vicente Square Park Neighborhood Association
 Visitacion Valley Beacon Center
 Visitacion Valley Boys and Girls Club
 Visitacion Valley Community Center

Visitacion Valley Community Development Corporation
Visitacion Valley Merchants Association
Visitacion Valley Planning Alliance
Visitacion Valley Task Force
Walk SF
West Portal Avenue Association
West Sunset Playground
Western Addition Beacon Center

Western Addition CAC
Western SoMa Citizens Task Force
Westside Neighbors to End Homelessness
Westwood Highlands Association
Young Community Developers
Young Ladies Institute
Youth Commission

APPENDIX 2: CBO LEP FOCUS GROUPS/LEADERSHIP SURVEYS

Agency	Address
Leadership Interview – Focus Group CBOs	
Cameron House (Chinese)	920 Sacramento St (Yulanda Kwong)
Chinatown Community Development Center (CCDC) (Chinese)	Bayside Elderly Housing 777 Broadway (Cathie Lam, Director)
Russian-American Community Services (Russian)	300 Anza St. (Olga Medvedko, Director)
Asian Pacific American Community Center (Chinese)	2442 Bayshore Blvd (Selina Lee, Executive Director)
Vietnamese Community Center	766 Geary (Thuy Doan)
Mission Neighborhood Center (Spanish – 2 sessions)	362 Capp Street (Maria Bermudez, Director)
Veterans Equity Center (Filipino)	1010 Mission Street (Luisa M. Antonio Executive Director)
Jewish Family and Children’s Services (Russian)	2150 Post Street (Masha Gutkin)
Leadership Interviews – Additional CBOs	
Korean Community Center	765 Buchanan St. (Mi Kim)
San Francisco Institute of English	3301 Balboa St. (Anna Toth Mulway)
Bayview Multi-Purpose Senior Center	1250 La Salle Ave. (Kathy Davis)
South of Market Health Center	229 7 th St. (Charles Range, Director)
Southeast Asian Community Center	875 O’Farrell St. (Philip Nguyen)
Renaissance Entrepreneurship Center	275 5th St.
Hunters Point Family	1800 Oakdale Ave. (Lena Miller)
Neighborhood Jobs Initiative	1323 Evans (Angelo King)
Chinese for Affirmative Action	17 Walter U. Lum Place (Jenny Lam, Director)



APPENDIX C: SUMMARY OF MAJOR PUBLIC PARTICIPATION ACTIVITIES

The Transportation Authority employs various methods to encourage public participation and to inform and include low-income, minority and LEP communities in major transportation decisions. Below are examples of some of the major public outreach and public involvement activities that have occurred in 2015.

Potrero Hill Neighborhood Transportation Plan (NTP): The Transportation Authority is leading this community-based transportation plan funded by grants from the Metropolitan Transportation Commission (MTC) and the California Department of Transportation (Caltrans) intended to fund planning efforts in Communities of Concern. In March 2015, the project team conducted a final round of outreach, gathering input on potential designs for pedestrian safety improvements at five intersections throughout the Potrero Terrace and Annex housing sites. The final report was approved by the Board in June 2015. In addition, funding for the two sets of pedestrian improvement projects (those mentioned above as well as a lighting project along the back of the Potrero Hill Recreation Center) has been fully identified. The San Francisco Planning Department – through the SFMTA – will deliver the intersection parklet/stoplet treatments, and the San Francisco Recreation and Parks Department will implement the lighting project. For more information, please visit www.sfcta.org/potrero.

Geneva-Harney Bus Rapid Transit Feasibility Study: The Geneva-Harney BRT team has been tabling at farmers markets, presenting at neighborhood association meetings, and holding community workshops in San Francisco and San Mateo Counties to share planning updates and recommendations. This outreach round responded to feedback heard in previous rounds and included direct mail, multi-lingual gatherings, and on-foot outreach to corridor businesses, as well as some new outreach tools, including event postings on NextDoor. Along with study partners at the SFMTA and Daly City Department of Public Works, the Geneva BRT team finalized the study report and obtained Board approval in July 2015. More information is available on the project's website at <http://www.sfcta.org/geneva-harney-bus-rapid-transit-feasibility-study>.

Plan Bay Area 2040: In May 2015, the MTC and the Association of Bay Area Governments hosted an open house in San Francisco as part of an initial round of outreach to kick off the update of Plan Bay Area, the regional transportation plan/sustainable communities' strategy. Staff used this opportunity to share with the public the relationship between the San Francisco Transportation Plan and Plan Bay Area, and discussed the process for updating San Francisco's Plan Bay Area 2040 project list. During 2015, staff worked closely with partner agencies to update existing projects and select new ones to include in the plan, and members of the public submitted project ideas through the web form at www.sfcta.org/rtp or by phone. Plan Bay Area 2040 was presented at the June 2015 Plans and Programs Committee and Citizens Advisory Committee meetings and the final project list was approved by the Board in October 2015.

Chinatown Neighborhood Transportation Plan (NTP): The Chinatown NTP final report was approved by the Board in July 2015. The report provides pedestrian safety improvement concepts for two high pedestrian injury corridors in Chinatown: Broadway and Kearny Street. The recommendations for Kearny Street will be further refined and developed by the SFMTA and the Planning Department as part of a larger study expected to begin in summer 2016. To support that work, the Transportation Authority and SFMTA held meetings with community members representing key stakeholder organizations in Chinatown, including the Chinatown Transportation Research and Improvement Project, the Chinese Newcomer's Service



Center, the Chinatown Neighborhood Association, and others. The interviews focused on identifying community perspectives and concerns to be addressed during the next phase of study.

Treasure Island Mobility Management Program: In November 2015, the Transportation Authority partnered with the Treasure Island Development Authority (TIDA) on a series of community outreach events in support of the Treasure Island transportation improvement program. The events included several resident focus groups organized by the Treasure Island Homeless Development Initiative; focus groups with Treasure Island businesses; and open houses. The purpose of the outreach was to share ideas for transportation policy adjustments based on feedback from the summer's stakeholder and Board outreach. Information on the time and location of outreach events is posted to www.timma.org.

Geary Corridor Bus Rapid Transit Project: The November 5 public comment meeting was a productive event, with over 120 attendees submitting more than 90 comments via written card or court-reporter dictation service. The public comment period on the Geary Draft Environmental Impact Statement /Environmental Impact Report concluded on November 30, closing an extensive outreach effort to solicit comments that began with release of the document on October 2. Over 300 comment submissions were received, and the project team has begun the process of reviewing and responding to them. The project team has also reached out to community groups and stakeholders that submitted comments regarding location-specific project design and implementation details in order to better understand all perspectives and seek potential solutions to issues identified. Members of the joint Transportation Authority/SFMTA project team held a meeting in Japantown to discuss concerns related to project proposals in that neighborhood, and are scheduling meetings with the business community as well. In addition, nearly 6,000 people have used the digital viewfinder devices known as OWLs at 17th Avenue and Webster Street to view images of the proposed improvements. Over 1,000 responses were received to a survey administered through the devices, approximately 75% of which expressed positive views about the proposed project. The Final Environmental Document, including all comments received and responses, is scheduled to be released in summer 2016, after which there will be a publicly noticed action item to the Transportation Authority and SFMTA Boards to complete the environmental and approval and project selection process. For more information please visit the Geary BRT website at www.sfcta.org/gearybrt.



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RESOLUTION EXECUTING ANNUAL CONTRACT RENEWALS AND OPTIONS FOR VARIOUS ANNUAL PROFESSIONAL SERVICES IN AN AMOUNT NOT TO EXCEED \$835,000 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO MODIFY CONTRACT PAYMENT TERMS AND NON-MATERIAL CONTRACT TERMS AND CONDITIONS

WHEREAS, The Transportation Authority contracts with City and County of San Francisco departments and outside firms for certain professional support services in areas where factors like cost, work volume, or the degree of specialization required would not justify the use of permanent in-house staff; and

WHEREAS, In order to support its ongoing operations, the Transportation Authority will execute annual professional services contracts with the Office of the City Attorney for general legal counsel for \$100,000, and with the Department of Technology for video production services for Transportation Authority and Treasure Island Mobility Management Agency (TIMMA) Board and Committee Meetings for \$50,000; and

WHEREAS, The Transportation Authority has regular needs to communicate with the public, the media, policymakers, and key stakeholders in partner agencies and the private and non-profit sectors on a wide range of agency and project-specific matters; and

WHEREAS, In February 2014, through Resolution 14-54, the Transportation Authority awarded three-year consultant contracts, with options to extend for two additional one year periods, to Barbary Coast Consulting and Davis & Associates Communications, Inc., in a combined total not to exceed \$525,000, for on-call strategic communications, media and community relations professional services; and

WHEREAS, During Fiscal Year (FY) 2016/17, we forecast continuous need for assistance with strategic communications, media relations and outreach related to Geary Corridor Bus Rapid



Transit Environmental Analysis, TIMMA, BART Travel Incentives Program, Long Range Transportation Planning Program, and transportation sales tax Expenditure Plan, among others; and

WHEREAS, The proposed action will exercise the first of two options of the initial contract and maintain the annual contract amount of \$175,000; and

WHEREAS, As the Congestion Management Agency (CMA) for San Francisco, and in accordance with state Congestion Management Program (CMP) legislation, the Transportation Authority monitors the CMP roadway network for automobile Level of Service (LOS) on a biennial basis, as well as monitors transit speeds and tabulates readily available existing data related to pedestrians and bicycles as measures of multimodal system performance; and

WHEREAS, In December 2012, through Resolution 13-18, the Transportation Authority awarded an 18-month consultant contract, with options to extend for two additional two-year terms, to Iteris, Inc. in an amount not to exceed \$130,000 for vehicle LOS and transit speed monitoring as part of the 2013 CMP effort update; and

WHEREAS, In June 2014, through Resolution 14-82, the Transportation Authority exercised the first one-year option of the consultant contract with Iteris and increased the contract amount by \$110,000, for a total amount not to exceed \$240,000; and

WHEREAS, During FY 2016/17, Iteris will begin the 2017 CMP effort update, and the proposed action will exercise the second and final option of the contract and maintain the annual contract amount of \$110,000; and

WHEREAS, As the CMA for San Francisco, travel demand forecasting and scenario testing using the Transportation Authority's "SF-CHAMP" travel model has been an integral part of the Transportation Authority's CMA duties, and will be an integral part of the San Francisco Transportation Plan including carbon emissions and parking considerations; and

WHEREAS, In April 2012, through Resolution 12-59, the Transportation Authority awarded

a two-year consultant contract to Parsons Brinckerhoff, Inc. with an option to extend for an additional one year period, in an amount not to exceed \$400,000, to provide on-call modeling and technology services; and

WHEREAS, Anticipated activities in FY 2016/17 include continuous efforts to generate Treasure Island weekend and special event forecasts, update TIMMA revenue forecasts, advance SF-CHAMP capabilities and analyze transit and pricing alternatives using dynamic network modeling tools; and

WHEREAS, The proposed action will exercise the first and final contract option to the initial contract and maintain annual contract amount of \$200,000; and

WHEREAS, The Transportation Authority depends on computers, telecommunications, and internet access for its daily activities, and the small staff size of the Transportation Authority does not yet warrant full-time, in-house technical support, so most technical maintenance and support tasks are outsourced to a professional consultant team that comes to the Transportation Authority offices on an as-needed basis; and

WHEREAS, In October 2014, through Resolution 15-11, the Transportation Authority awarded a three-year consultant contract with two additional one-year extension options to SPTJ Consulting, in an amount to exceed \$550,000, for computer network and maintenance services; and

WHEREAS, During FY 2016/17, SPTJ Consulting will continue to provide maintenance and ongoing tasks including hardware and database setup, server updates, system maintenance, and security management for the Transportation Authority's Enterprise Resource Planning (ERP) software, in addition to several larger system upgrade tasks; and

WHEREAS, For FY 2016/17 we are proposing a larger contract amount of \$200,000 due to the complexity of the ERP software and the increase of office hours on site, and the proposed action will exercise the first of two options of the initial contract; and



WHEREAS, The proposed annual contract renewals for general legal counsel, video production services Board and Committee meetings, on-call strategic communications, vehicle LOS and transit speed monitoring, on-call modeling and technology services, and computer network and maintenance services, total to a combined amount not to exceed \$835,000; and

WHEREAS, Sufficient funds have been identified for these contracts in the proposed FY 2016/17 budget and work program; and

WHEREAS, The proposed contracts will be funded by a combination of federal and state grants, funding from other agencies through memoranda of agreement, and Prop K funds; and

WHEREAS, At its May 25, 2016 meeting, the Citizens Advisory Committee considered the subject request and unanimously adopted a motion of support for the staff recommendation; and

WHEREAS, At its June 16, 2016 meeting, the Finance Committee considered the subject request and unanimously recommended approval of the staff recommendation; now therefore, be it

RESOLVED, That the Executive Director is hereby authorized to execute annual contract renewals and options for various annual professional services in an amount not to exceed \$835,000; and be it further

RESOLVED, That the Executive Director is authorized to modify contract payment terms and non-material contract terms and conditions; and be it further

RESOLVED, That for the purposes of this resolution, “non-material” shall mean contract terms and conditions other than provisions related to the overall contract amount, terms of payment, and general scope of services; and be it further

RESOLVED, That notwithstanding the foregoing and any rule or policy of the Transportation Authority to the contrary, the Executive Director is expressly authorized to execute agreements and agreement amendments that do not cause the total contract value, as approved herein, to be exceeded and that do not expand the general scope of services.



Memorandum

Date: 06.09.16 **RE:** Finance Committee
June 14, 2016

To: Finance Committee: Commissioners Mar (Chair), Cohen (Vice Chair), Campos, Kim, Yee and Wiener (Ex Officio)

From: Cynthia Fong – Deputy Director for Finance and Administration *CF*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Executing Annual Contract Renewals and Options for Various Annual Professional Services in an Amount Not to Exceed \$835,000 and Authorizing the Executive Director to Modify Contract Payment Terms and Non-Material Contract Terms and Conditions

Summary

The Transportation Authority contracts with City and County of San Francisco (City) departments and outside firms for certain specialized professional services in areas where factors like costs, work volume, or the degree of specialization required would not justify the use of in-house staff. As summarized in Attachment 1, we are recommending renewing annual contracts for general legal counsel, video production services for Transportation Authority Board and Committee meetings, and exercising contract options for on-call strategic communications, media and community relations professional services, vehicle level of service and transit speed monitoring consulting services for the Congestion Management Program update for Fiscal Year 2016/17, on-call modeling and technology services, and computer network and maintenance services, in an amount not to exceed \$835,000.

BACKGROUND

The Transportation Authority manages administrative costs through successful contract negotiations and through the transfer of certain routine professional service tasks to in-house staff. The Transportation Authority annually contracts for certain professional support services in areas where factors like cost, work volume, or the degree of specialization required would not justify the use of permanent in-house staff. Services requested from outside firms include general legal counsel, video production services for Transportation Authority Board and Committee meetings, and on-call strategic communications, media and community relations professional services, vehicle level of service and transit speed monitoring consulting services for the Congestion Management Program update for Fiscal Year 2016/17, on-call modeling and technology services, and computer network and maintenance services. The contract amounts proposed are annual limitations, as these professional support services are provided through contracts where costs are incurred only when the specific services are used.

DISCUSSION

The purpose of this memorandum is to brief the Finance Committee on the annual contract renewals and options for Fiscal Year (FY) 2016/17 and to seek a recommendation for their execution.

Attachment A provides summary information for the proposed contracts for FY 2016/17. Below are

brief descriptions of the recommended services and amounts.

Office of the City Attorney.....\$100,000

The Office of the City Attorney (City Attorney) provides verbal and written legal representation, advice and counsel on matters related to the routine operations of the Transportation Authority, contracts and interagency agreements, labor matters, Brown Act, and California Public Records Act. The Transportation Authority also utilizes the City Attorney for litigation activities when appropriate.

Department of Technology \$50,000

The Department of Technology records and telecasts all Transportation Authority Board and Committee meetings held at City Hall with a regularly scheduled playback date and time for public review. In FY 2016/17, we will continue to utilize the Department of Technology to provide record and telecast services of Vision Zero Committee (established in February 2014 through Resolution 14-58) meetings to support the City’s efforts to take comprehensive and coordinated actions to improve pedestrian and cyclist safety in the near-term and of the Treasure Island Mobility Management Agency (TIMMA) (established in February 2014 through Resolution 14-53) meetings to implement elements of the Treasure Island Transportation Implementation Plan in support of the Treasure Island/Yerba Buena Island Development Project.

Barbary Coast Consulting and Davis & Associates Communications, Inc.\$175,000

The Transportation Authority has regular needs to communicate with the public, the media, policymakers, and key stakeholders in partner agencies and the private and non-profit sectors on a wide range of agency and project-specific matters. In February 2014, through Resolution 14-54 and based on the results of a competitive process, the Transportation Authority awarded three-year consultant contracts, with options to extend for two additional one year periods, to Barbary Coast Consulting and Davis & Associates Communications, Inc., in a combined total not to exceed \$525,000, for on-call strategic communications, media and community relations professional services. Since then, the consultant teams have provided development support of an agency-wide communications strategy, ongoing agency-wide external communications, as well as project-specific outreach and communications, including Quint-Jerrold Connector Road, Geneva-Harney BRT Feasibility Study, Chinatown Neighborhood Transportation Plan, the Long Range Transportation Planning Program, and the potential new transportation sales tax Expenditure Plan (task order pending). In addition, to accompany the public release of the Geary Corridor Bus Rapid Transit (BRT) Draft Environmental Impact Statement/Draft Environmental Impact Report, the Transportation Authority requested the consultants to conduct extensive outreach, community engagement, and assist in responding to public comments that was beyond what was originally anticipated. Furthermore, the consultants are providing assistance with strategic communications, marketing, and branding services related to the development of the BART Travel Incentives Pilot Program, which is partially funded by a federal grant recently awarded to the Transportation Authority. Attachment 2 provides brief descriptions of the work assigned to both consultant teams.

For the upcoming year, we forecast continuous need for assistance with strategic communications, media relations and outreach related to Geary Corridor BRT Environmental Analysis, TIMMA, BART Travel Incentives Program, Long Range Transportation Planning Program, and transportation sales tax Expenditure Plan, among others. The proposed action will exercise the first of two options of the initial contract and maintain the annual contract amount.

Iteris, Inc. \$110,000

As the Congestion Management Agency (CMA), and in accordance with state Congestion Management Program (CMP) legislation, the Transportation Authority monitors the CMP roadway network for automobile Level of Service (LOS) on a biennial basis. In addition, the Transportation Authority monitors transit speeds and tabulates readily available existing data related to pedestrians and bicycles as measures of multimodal system performance. In December 2012, through Resolution 13-18 and based on the results of a competitive process, the Transportation Authority awarded an 18-month consultant contract, with options to extend for two additional two-year terms, to Iteris, Inc. in an amount not to exceed \$130,000 for vehicle LOS and transit speed monitoring as part of the 2013 CMP effort update. In June 2014, through Resolution 14-82, the Transportation Authority exercised the first one-year option of the consultant contract with Iteris and increased the contract amount by \$110,000, for a total amount not to exceed \$240,000. In December 2015, through Resolution 16-29, the Transportation Authority adopted the 2015 San Francisco CMP and issued an official finding that the City is in conformance with the CMP. During FY 2016/17, Iteris will begin the 2017 CMP effort update. The proposed action will exercise the second and final option of the contract and maintain the annual contract amount.

Parsons Brinckerhoff, Inc. \$200,000

As the Congestion Management Agency (CMA) for San Francisco, travel demand forecasting and scenario testing using the Transportation Authority’s “SF-CHAMP” travel model has been an integral part of the Transportation Authority’s CMA duties, and will be an integral part of the San Francisco Transportation Plan including carbon emissions and parking considerations. SF-CHAMP is also the primary analysis tool authorized by the Federal Transit Administration (FTA) for San Francisco’s three major transit expansion projects: Central Subway, Van Ness Avenue Bus Rapid Transit (BRT), and Geary Corridor BRT.

In April 2012, through Resolution 12-59 and based on the results of a competitive process, the Transportation Authority awarded a two-year consultant contract to Parsons Brinckerhoff, Inc. with an option to extend for an additional one year period, in an amount not to exceed \$400,000, to provide on-call modeling and technology services. Since then, the consultant team has provided modeling and technical support on Geary Corridor BRT, TIMMA revenue forecasting, San Francisco Parking and Pricing Regulation Study, BART Travel Incentives Program, and implementing enhancements to the SF-CHAMP model components. Attachment 3 provides brief descriptions of the work assigned to the consultant team. Anticipated activities in FY 2016/17 include continuous efforts to generate Treasure Island weekend and special event forecasts, update TIMMA revenue forecasts, advance SF-CHAMP capabilities and analyze transit and pricing alternatives using dynamic network modeling tools. The proposed action will exercise the first and final contract option to the initial contract and maintain annual contract amount.

SPTJ Consulting \$200,000

The Transportation Authority depends on computers, telecommunications, and internet access for its daily activities. The small staff size of the Transportation Authority does not yet warrant full-time, in-house technical support, so most technical maintenance and support tasks are outsourced to a professional consultant team that comes to the Transportation Authority offices on an as-needed basis. In October 2014, through Resolution 15-11 and based on the results of a competitive process, the Transportation Authority awarded a three-year consultant contract with two additional one-year extension options to SPTJ Consulting, in an amount to exceed \$550,000, for computer network and maintenance services. In addition to maintenance and ongoing tasks, SPTJ Consulting has been instrumental in the development

of a secure and robust hardware and database setup, providing server updates, system maintenance, and security management for the Transportation Authority's Enterprise Resource Planning (ERP) software, Microsoft Dynamics AX. In addition, the team is continuously providing operating system and software updates, and file server and backup system upgrades. Furthermore, the team helped with the implementation of advanced reporting functions and increased office hours on site in order to be more responsive to staff requests. During FY 2016/17, SPTJ Consulting will continue to provide similar maintenance and ongoing tasks in addition to several larger system upgrade tasks. We are proposing a larger contract amount due to the complexity of the ERP software and the increase of office hours on site. The proposed action will exercise the first of two options of the initial contract.

ALTERNATIVES

1. Recommend executing annual contract renewals and options for various annual professional services in an amount not to exceed \$835,000 and authorizing the Executive Director to modify contract payment terms and non-material contract terms and conditions, as requested.
2. Recommend executing annual contract renewals and options for various annual professional services in an amount not to exceed \$835,000 and authorizing the Executive Director to modify contract payment terms and non-material contract terms and conditions, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC considered this item at its May 25, 2016 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

Sufficient funds have been identified for these contracts in the proposed FY 2016/17 work program and budget. The proposed contracts will be funded by a combination of federal and state grants, funding from other agencies through memoranda of agreement, and Prop K funds.

RECOMMENDATION

Recommend executing annual contract renewals and options for various annual professional services in an amount not to exceed \$835,000 and authorizing the Executive Director to modify contract payment terms and non-material contract terms and conditions.

Attachments (3):

1. Proposed Fiscal Year 2016/17 Professional Services Expenditures
2. On-call Strategic Communications, Media and Community Relations Task Orders
3. On-call Modeling and Technology Services Task Orders

**Attachment 1:
Proposed Fiscal Year 2016/17 Professional Services Expenditures**

Professional Services	Annual Services	Previous Year Contract	Increase/ (Decrease)	Proposed Fiscal Year 2016/17 Contract	Procurement Type/Contract Options	Contract Goal	Utilization to Date
CCSF-Office of the City Attorney	General Counsel Services	\$ 100,000	-	\$ 100,000	Sole Source	N/A	N/A
CCSF-Department of Technology	Video Production Services for Transportation Authority Committee and Board Meetings	\$ 50,000	-	\$ 50,000	Sole Source	N/A	N/A
Barbary Coast Consulting and Davis & Associates Communications, Inc.	On-call Strategic Communications, Media and Community Relations	\$175,000	-	\$175,000	Competitively bid. First of two renewal options.	17% DBE	23% DBE
Iteris, Inc.	Vehicle LOS and Transit Speed Monitoring Services for Congestion Management Program Update	\$110,000	-	\$110,000	Competitively bid. Second of two renewal options.	9% DBE	27% DBE
Parsons Brinckerhoff, Inc.	On-call Modeling and Technology Services	\$200,000	-	\$200,000	Competitively bid. First and final renewal option.	9% UDBE ¹	2% UDBE ²
SPTJ Consulting, Inc.	Computer Network and Maintenance Services	\$183,333	\$16,667	\$200,000	Competitively bid. First of two renewal options.	25% DBE/LBE/SBE	90% DBE/LBE
	Total	\$818,333	\$16,667	\$835,000			

¹ An Under-utilized Disadvantaged Business Enterprise (UDBE) is a firm that meets the definition of a DBE as specified in 49 CFR 26 and is in one of the following four underutilized disadvantaged groups: Black American, Asian-Pacific American, Women, and Native American. As directed by the Federal Highway Administration and the California Department of Transportation, federal-aid contracts advertised on or before June 15, 2012 contain UDBE participation goals. Federal-aid contracts advertised after June 15, 2012 will contain DBE participation goals.

² UDBE participation has been lower than anticipated for this contract because the UDBE firm under the on-call contract does not possess the required technical expertise needed to complete the task assignments so far. If the proposed contract option is approved, the prime consultant has committed to achieve the UDBE goal by assigning traffic-related tasks to the contracted UDBE firm and data analysis tasks to another UDBE firm, Transportation Analytics, which was recently added to the contract.

**Attachment 2:
On-call Strategic Communications, Media and Community Relations Task Orders**

Prime Consultant	Task Order Description	Amount
Barbary Coast Consulting	Geary Corridor BRT	\$139,675
	Overall Communications ³	\$123,650
	BART Travel Incentives Program	\$65,000
	TIMMA Communications Support	\$29,125
	Geneva-Harney BRT	\$28,675
	Quint-Jerrold Connector Road	\$7,350
	San Francisco Parking Pricing and Regulation Study	\$1,531
Total Task Orders Awarded to Barbary Coast Consulting		\$395,006
Davis & Associates Communications, Inc.	Long Range Transportation Planning Program	\$39,998
	Overall Communications ³	\$20,000
	Communications Assessment	\$16,843
	Chinatown Community-Based Transportation Plan	\$11,417
Total Task Orders Awarded to Davis & Associates Communications, Inc.		\$88,258
Total Task Orders Awarded to Date		\$483,264

³ Overall communications encompasses activities such as overall image development and branding of the Transportation Authority and creating communication materials, including translating documents to comply with Title VI requirements. In addition, consultant teams monitor legislative, community and media activity for various Transportation Authority projects and provide comprehensive support services for Transportation Authority initiatives not covered by separate task orders, including Mansell Corridor Improvement Project Design and the Potrero Hill Neighborhood Transportation Plan, as requested.

**Attachment 3:
On-call Modeling and Technology Services Task Orders**

Prime Consultant	Task Order Description	Amount
Parsons Brinckerhoff, Inc.	TIMMA Travel Demand Forecasts	\$217,340
	San Francisco Parking Pricing and Regulation Study	\$125,656
	BART Travel Incentives Program	\$16,000
	Geary Corridor BRT	\$8,708
	South of Market Area Ramps Dynamic Traffic Assignment Model Runs	\$3,988
Total Task Orders Awarded to Date		\$371,692



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RESOLUTION ADOPTING THE SAN FRANCISCO COUNTY TRANSPORTATION
AUTHORITY FISCAL YEAR 2016/17 ANNUAL BUDGET AND WORK PROGRAM

WHEREAS, Pursuant to State statutes (PUC Code Sections 131000 et seq.), the Transportation Authority must adopt an annual budget for Fiscal Year (FY) 2016/17 by June 30, 2016; and

WHEREAS, As called for in the Transportation Authority's Fiscal Policy (Resolution 15-31) and Administrative Code (Ordinance 15-01), it is the responsibility of the Finance Committee to set both the overall budget parameters for administrative and capital expenditures, the spending limits on certain line items, as well as to recommend adoption of the budget to the Board of Commissioners prior to June 30 of each year; and

WHEREAS, The Transportation Authority's proposed FY 2016/17 Work Program includes activities in five major functional areas that are overseen by the Executive Director: 1) Policy and Programming, 2) Capital Projects delivery support and oversight, 3) Planning, 4) Technology, Data & Analysis and 5) Finance and Administration; and

WHEREAS, These categories of activities are organized to efficiently address the Transportation Authority's designated mandates, including overseeing the Prop K Sales Tax Expenditure Plan, functioning as the Congestion Management Agency (CMA) for San Francisco, acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program, administering the \$10 Prop AA vehicle registration fee and operating as the Treasure Island Mobility Management Agency (TIMMA) for San Francisco; and

WHEREAS, The agency's organizational approach also reflects the principle that all activities at the Transportation Authority contribute to the efficient delivery of transportation plans and projects, even though many activities are funded with a combination of revenue sources and in



coordination with a number of San Francisco agencies as well as and federal, state and regional agencies; and

WHEREAS, Attachment A contains a description of the Transportation Authority's proposed Work Program for FY 2016/17; and

WHEREAS, Attachment B displays the proposed budget in a format described in the Transportation Authority's Fiscal Policy; and

WHEREAS, Total revenues are projected to be \$125.8 million and sales tax revenues, net of interest earnings, are projected to be \$108.2 million, or 86% of FY 2016/17 revenues; and

WHEREAS, Total expenditures are projected to be about \$230.2 million, and of this amount, capital project costs are \$219.9 million, or 95.5% of total projected expenditures, with 4.1% of expenditures budgeted for administrative operating costs, and 0.4% for debt service and interest costs; and

WHEREAS, The division of revenues and expenditures into the sales tax program, CMA program, TFCA program, Prop AA program and TIMMA program on Attachment B reflects the five distinct Transportation Authority responsibilities and mandates; and

WHEREAS, At its May 25, 2016 meeting, the Citizens Advisory Committee was briefed on the subject request and unanimously adopted a motion of support for the staff recommendation; and

WHEREAS, At its June 14, 2016 meeting, the Finance Committee reviewed and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the attached San Francisco County Transportation Authority FY 2016/17 Budget and Work Program are hereby adopted.

Attachments (2):

1. Proposed FY 2016/17 Annual Work Program
2. Proposed FY 2016/17 Annual Budget

Attachment 1

Proposed Fiscal Year 2016/17 Annual Work Program



The Transportation Authority's proposed Fiscal Year (FY) 2016/17 Work Program includes activities in five major divisions overseen by the Executive Director: 1) Policy and Programming, 2) Capital Projects, 3) Planning, 4) Technology, Data and Analysis, and 5) Finance and Administration. The Executive Director's office is responsible for directing the agency in keeping with the annual Board-adopted goals, for the development of the annual budget and work program, and for the efficient and effective management of staff and other resources. Further, the Executive Director's office is responsible for regular and effective communications with the Board, the Mayor's Office, San Francisco's elected representatives at the state and federal levels and the public, as well as for coordination and partnering with other city, regional, state and federal agencies.

The agency's work program activities address the Transportation Authority's designated mandates and functional roles. These include: serving as the transportation sales tax administrator and Congestion Management Agency (CMA) for San Francisco, acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program, administering the \$10 Prop AA vehicle registration fee and operating as the new Treasure Island Mobility Management Agency (TIMMA). Our work program also reflects the multi-disciplinary and collaborative nature of our roles in planning, funding and delivering transportation projects and programs across the city, while ensuring transparency and accountability in the use of taxpayer funds.

PLAN

Long-range, countywide transportation planning, Board-responsive transportation planning and policy work, and planning for Treasure Island's new transportation system are the agency's core planning functions. In FY 2016/17, we will continue to implement recommendations from the 2013 SFTP, while we advance the Long Range Transportation Planning Project (LRTPP) and Treasure Island Mobility Management Program (TIMM Program) plans as part of multi-agency partnerships. We will also continue to further neighborhood transportation plans under our lead, while supporting efforts led by others.

In addition, we will undertake new planning efforts meant to inform and respond to emerging trends and policy areas (e.g. shared mobility). This strategic area of focus for our planning work is "active congestion management." Active congestion management is the planning, design, and operation of infrastructure or non-infrastructure-based tools to shape travel demand in real time.

Most of the FY 2016/17 activities listed below are strong multi-divisional efforts, often lead by the Planning Division in close coordination with Transportation, Data and Analysis; Capital Projects; and the Policy and Programming Divisions. Proposed activities include:

Active Congestion Management:

- **Freeway Corridor Management Study (FCMS) Phase 2:** Continue Phase 2 corridor planning study efforts in close coordination with city, regional and state agencies to advance a feasible set of near-term freeway management projects for US 101 and I-280 corridors, as well as a strategic network of managed lanes for the future. Participate in the Metropolitan Transportation Commission's (MTC's) Managed Lanes Implementation Study.
- **Treasure Island Mobility Management Program:** Continue advancing the TIMM Program, which includes transit planning, congestion pricing and travel demand management on Treasure Island. Efforts this year will focus on advancing operational agreements for the first 5 years of Program operation, and advancing both program-wide planning and systems engineering in response to the development program schedule for Treasure Island. This effort will require integration of policies with the San Francisco Municipal Transportation Agency (SFMTA) and the Bay Area Tolling Authority (BATA) and coordination of project scope, schedule and implementation with a number of local partners.

Attachment A

Proposed Fiscal Year 2016/17 Annual Work Program



- **Bay Area Rapid Transit (BART) Perks:** In partnership with BART, we will conduct a travel incentives pilot program to evaluate use of incentives to shift peak period travel demand into San Francisco on BART. We will co-lead pilot design and lead the pilot's employer outreach and evaluation components. The pilot will use gamification and technology to generate changes in travel patterns as part of testing this new approach and its potential impacts.

SFTP Implementation and Board Support:

- **Geary Corridor Bus Rapid Transit (BRT) Environmental Clearance and Design Support, Geneva Harney BRT Feasibility Study:** Complete environmental review of the Geary Corridor BRT study, transition project lead to the SFMTA, support the SFMTA's efforts to enter the project into the Federal Transit Administration's Small Starts program to secure federal funds, and provide engineering support and oversight as the SFMTA advances design of the near-term and core BRT projects.
- **Neighborhood Transportation Improvement Program:** Continue implementation of the sales tax-funded Neighborhood Transportation Improvement Program (NTIP), identified as a new equity initiative in the previous SFTP. We are lead agency for the District 2 Lombard "crooked street" access management study and the District 9 Alemany Interchange Improvement Studies. We will continue to work closely on identification and scoping new NTIP planning and capital efforts, in coordination with Board members and SFMTA's NTIP Coordinator, as well as to monitor and provide support to underway NTIP efforts led by other agencies.
- **Vision Zero Ramps Study:** Continue the Freeway Ramp Vision Zero Safety Assessment of pedestrian, bicycle, and vehicle conflicts and road safety on local San Francisco streets associated with I-80 on- and off- ramps. Phase 1 is funded by a District 6 NTIP Planning grant.
- **Late Night Transportation Study Phase II:** In partnership with the San Francisco Entertainment Commission and the Office of Economic and Workforce Development (OEWD), we lead several elements of the Late Night Transportation Study Phase II. This year we will complete a late night transit service plan revision and a recommendation for ongoing performance monitoring of late night transportation.

Long Range, Countywide, and Inter-Jurisdictional Planning:

- **Bay Area Core Capacity Transit Study:** As part of the multi-agency project team, support this two-year MTC-led effort, looking at major transit capacity improvements for the core of San Francisco (Muni Metro) and the Transbay corridor (e.g. BART, AC Transit). This builds on recommendations from the 2013 SFTP. Results will feed into Plan Bay Area 2040 and the LRTPP.
- **San Francisco Transportation Plan (SFTP) Update:** In collaboration with San Francisco agencies and regional partners, complete a minor update of the 2013 SFTP in parallel with the Plan Bay Area update. This work includes updating project costs and scopes, reporting on trends, progress since the last update, and incorporating new sector work performed by the Transportation Authority and others such as the School Transportation Study and on shared mobility (see below).
- **Technology Enabled Transportation White Paper:** Lead a white paper, in collaboration with the SFMTA, to establish a policy framework, targets, and metrics to assess whether and how new transportation technologies, including autonomous vehicles, are helping San Francisco meet its primary SFTP goals related to healthy environment, livability, economic competitiveness, and state of good repair in addition to other transportation lenses such as equity and affordability. The outputs of this project will serve as a policy memorandum supporting the underway SFTP update as well as shaping future Transportation Authority (and potentially other agency) initiatives in this area.

Attachment A
Proposed Fiscal Year 2016/17 Annual Work Program

Travel Forecasting and Analysis for Transportation Authority Studies: Provide modeling, data analysis, technical advice and graphics services to support efforts such as SFIP, Freeway Corridor Management Study, Balboa I-280 Interchange improvements, Congestion Management Program, Core Capacity Transit Study, Geary Corridor BRT environmental analysis, BART Travel Incentives Program, and the 6th Street Pedestrian Improvement Project.

Modeling Service Bureau: Provide modeling, data analysis, and technical advice to city agencies and consultants in support of many projects and studies. Expected service bureau support this year will be provided for the 16th Street Busway, Better Market Street Study, provide in-kind technical support to Transit Sustainability Program and Caltrain Railyard Alternatives and I-280 Boulevard Feasibility Study.

Data Warehouse and Research Support: Continue to serve as a data resource for city agencies, consultants, and the public and enhance data management and dissemination capabilities by developing web-based tools such as the “Count Dracula” portal for organizing, mapping, and analyzing traffic, bike, and pedestrian counts. Analyze and publish important results from the 2012 California Household Travel Survey. Support researchers working on topics that complement and enhance our understanding of travel behavior. Potential topics include: explore the potential use of new data sources from Transportation Network Companies (TNC’s) and private big data sources; explore the fusion of multiple geographic data sources such as cell phone data with transit fare card, vehicle location, and passenger data; investigate bicycle route choice data before and after the implementation of bicycle infrastructure projects.

Model Consistency/Land Use Allocation: Complete the requirements for model consistency in coordination with MTC as a part of the CMP update. Participate in Bay Area Model Users Group. Continue supporting the refinement of the Bay Area land use growth allocation model with the Planning Department, the Association of Bay Area Governments (ABAG) and MTC. Coordinate land use analysis activities in cooperation with these same agencies.

Travel Demand Model Enhancements: Implement numerous SF-CHAMP and Dynamic Traffic Assignment model improvements, with special emphasis on transit reliability and model performance. In conjunction with MTC and the Puget Sound Regional Council, continue development of a dynamic transit assignment model that will enhance our ability to analyze the impacts of service reliability and crowding on transit trip-making.

FUND

The agency was initially established to serve as the administrator of the Prop B half-cent sales tax (since superseded by Prop K). This remains one of the agency’s core functions, which has been complemented and expanded upon by several other roles which have subsequently been taken on including acting as the administrator for Prop AA and the TFCA County Program, and serving as CMA for San Francisco. We serve as a funding and financing strategist for San Francisco projects; we advocate for discretionary funds and legislative changes to advance San Francisco project priorities; provide support to enable sponsors to comply with timely-use-of-funds and other grant requirements; and seek to secure new sources of revenues. The work program activities highlighted below are typically led by the Policy and Programming Division with support from all agency divisions.

Fund Programming and Allocations: Administer the Prop K sales tax, Prop AA vehicle registration fee, TFCA, Lifeline, One Bay Area Grant (OBAG), and Regional Improvement Program funds which the agency directly allocates or prioritizes projects for grant funding. Provide technical, strategic and advocacy support for a host of other fund programs such as the State’s Cap-and-Trade and Active Transportation Programs and federal competitive grant programs. Notable efforts planned for FY 2016/17 include:

- **Prop AA Strategic Plan Update:** Working closely with project sponsors and stakeholders, we will prepare the first update the Prop AA Strategic Plan to program approximately \$23 million in Prop AA

Attachment A

Proposed Fiscal Year 2016/17 Annual Work Program



funds to projects for the five year period spanning FY 2016/17 to FY 2020/21.

- **Prop K Customer Service and Efficiency Improvements:** This ongoing multi-division initiative will continue to improve the Transportation Authority's processes to make them more user friendly and efficient for both internal and external customers, while maintaining a high level of transparency and accountability appropriate for administration of voter-approved revenue measures. Improvements include design and implementation of an online allocation request form, upgrades to mystreetsf.com – our interactive project map, and ongoing enhancements to the Portal – our web-based grants management database.
- **One Bay Area Grant (OBAG) Cycle 2:** Pending finalization of guidance from MTC (anticipated in May/June 2016), we anticipate conducting a call for projects to program about \$40 million in OBAG county share funds in FY 2016/17. Extrapolating from earlier draft schedules, we anticipate project lists would be due to MTC in spring 2017.
- **Federal-Aid Sponsor Support and Streamlining Advocacy:** Our staff will continue to provide expertise in grants administration for federally funded projects and to play a leadership role in supporting regional efforts to streamline the current federal-aid grant processes and provide input to new guidelines being promulgated as a result of the federal FAST Act.

Capital Financing Program Management: Led together by the Finance and Administration Division and the Policy and Programming Division, we will continue to monitor financial performance, forecast future capital expenditures, analyze finance options, and develop recommendations for issuing and managing debt to enable accelerated delivery of sales-tax funded projects while minimizing financing costs. To support this core function, we are developing an upgraded Prop K Strategic Plan financing module that increases the sensitivity of the existing financial module to allow it to simultaneously model as portfolio of various short and long-term debt instruments (e.g. a loan revolver program used in combination with a sales tax revenue bond).

Plan Bay Area 2040: As CMA, continue to coordinate San Francisco's input to the 2017 Plan Bay Area update, drawing upon the 2013 SFTP recommendations and the SFTP-lite update that is underway. This includes advocating for San Francisco's priorities to be included in the adopted preferred scenario, providing input on related changes to regional fund program guidelines and policies, new revenue advocacy and other policy initiatives. This involves close coordination with San Francisco agencies, the Mayor's office, and our ABAG and MTC Commissioners, as well as coordination with Bay Area CMAs, the "big 3 cities" (San Francisco, Oakland, and San Jose), regional transit agencies and other community stakeholders.

New Revenue Advocacy: Advocate for San Francisco priorities and new regional, state and federal funds by providing Board member staffing, issue advocacy at various venues (such as at MTC committees, Bay Area CMA meetings, and SPUR) and ongoing coordination with, and appearances before, the MTC, California Transportation Commission, and federal agencies. Locally, we continue to lead efforts with the SFMTA to target the 2016 ballot for consideration of a new sales tax revenue measure as recommended by the Mayor's Transportation 2030 Task Force; work with our Board members, the Mayor's Office and the SFMTA on shaping San Francisco's input to BART's anticipated 2016 bond measure, and securing funding for new BART vehicles.

Legislative Advocacy: We will continue to monitor and take positions on state legislation affecting San Francisco's transportation programs, and develop strategies for advancing legislative initiatives beneficial to San Francisco's interests and concerns at the state and federal level. Working with other toll operators through the California Toll Operations Committee, we will identify and engage in legislative efforts to support our future Treasure Island work and other managed lanes efforts. Our advocacy builds off of SFTP recommendations, the agency's adopted legislative program (e.g. includes Vision Zero, new

Attachment A
Proposed Fiscal Year 2016/17 Annual Work Program

revenue, and project delivery advocacy), and is done in coordination with the Mayor's Office, the Self-Help Counties Coalition, and other city and regional agencies.

Funding and Financing Strategy: Provide funding and financing strategy support for Prop K signature projects, many of which are also included in MTC's Regional Transit Expansion Agreement. Examples include: Caltrain Electrification, Central Subway, Transbay Transit Center/Downtown Extension and Van Ness Avenue and Geary Corridor BRT. Continue to serve as a funding resource for all San Francisco project sponsors, including brokering fund swaps, as needed.

Fiscal Agent/Advisor: Continue to serve as fiscal agent for City CarShare's eFleet: Carsharing Electrified Project, which will deploy a fleet of electric vehicles with supportive infrastructure and operations. Provide ongoing funding and technical support to Bayview Mobility Study community group exploring van-sharing operations in the Bayview.

DELIVER

The timely and cost-effective delivery of Transportation Authority-funded transportation projects and programs requires a multi-divisional effort, led primarily by the Capital Projects Division with support from other divisions. As in past years, the agency focuses on providing engineering support and overseeing the delivery of the Prop K sales tax major capital projects, such as the Presidio Parkway, the SFMTA's Central Subway, Radio Replacement and facility upgrade projects; the Transbay Transit Center/Caltrain Downtown Extension; and Caltrain Electrification. The agency is also serving as lead agency for the delivery of certain projects, such as the I-80/Yerba Buena Island (YBI) Interchange Improvement Project and I-280/Balboa Park Area Freeway Ramps projects, which typically are multi-jurisdictional in nature and often involve significant coordination with the California Department of Transportation (Caltrans). Key delivery activities for FY 2016/17 include the following:

Transportation Authority – Lead Construction:

- **I-80/YBI West Bound (WB) On-Off Ramps Project and Yerba Buena Island Bridge Structures:** Continue to lead construction of new I-80/YBI WB on-off ramps on the east side of YBI. Continue supplemental environmental analysis, final engineering and design of the West Side Bridges and prepare for construction. Includes sponsorship of Assembly Bill 2374 Construction Manager/General Contractor (CM/GC) legislation an alternative delivery method for the West Side Bridges project. Work with Caltrans and BATA to construct bicycle/pedestrian touchdown improvements on YBI. Continue coordination activities with Caltrans, BATA, the OEWD and the Treasure Island Development Authority. Work with Caltrans, BATA, Treasure Island Development Authority (TIDA), and the US Coast Guard on implementation of the proposed Southgate Road Realignment in the vicinity of the EB on-off ramps. Construction activities for the I-80/YBI Ramps Improvement Project began in February 2014 is anticipated to be completed winter/spring of 2017.
- **Presidio Parkway Project:** Continue supporting Caltrans with construction management and design support during construction; serve as lead for various components of the public private partnership (P3) contract; work with Caltrans to ensure compliance with conditions associated with prior allocations of federal economic stimulus funds; actively assist Caltrans with oversight of the P3 contract including implementation of various programs outlined in the contract such as the Workforce Development Program and the Underutilized Disadvantaged Business Enterprise Program. In FY 2016/17, we anticipate completing the P3 study that is comparing the effectiveness of delivering Phase 1 of the project using the more tradition design-bid-build model, with Phase 2 which is being delivered as a P3. We anticipate construction close-out for Phase 2 by fall/winter of 2017.

Attachment A
Proposed Fiscal Year 2016/17 Annual Work Program



Transportation Authority – Lead Project Development:

- **I-280 Interchange Modifications at Balboa Park Ramps:** Continue leading next steps for implementing recommendations from the Balboa Park Circulation Study. This includes working towards achieving Caltrans approval and environmental clearance of the realignment of the southbound I-280 off-ramp to Ocean Avenue (to improve safety at the ramp/local street interface) by April 2017, and preparing a Ramp Closure Analysis for the northbound I-280 on-ramp from Geneva Avenue, anticipated to be completed by late 2017.
- **Quint-Jerrold Connector Road:** Coordinate with San Francisco agencies on right of way issues with Union Pacific Railroad and Caltrain and advance design and support the Quint Street Bridge Replacement.

Transportation Authority – Project Delivery Support:

- **Caltrain Early Investment Program and California High-Speed Rail Program:** Coordinate with the California High-Speed Rail Authority (CHSRA) and San Francisco agencies on high-speed rail issues affecting the city; work with Caltrain, MTC, the Mayor's Office and other Peninsula and regional stakeholders to monitor and support delivery of the Caltrain Early Investment Program including the Communications Based Overlay Signal System and Electrification projects. Continue to work closely with aforementioned stakeholders to fully fund electrification and support delivery of the blended system to the Peninsula corridor that extends to the new Transbay Transit Center.
- **Central Subway:** Project management oversight; scope/cost/schedule and funding assessment and strategy.
- **Transbay Transit Center/Caltrain Downtown Extension:** Project management oversight and provide support for Board member participation on other oversight bodies (TJPA, Board of Supervisors), assist with funding assessment and strategy and participate on Planning Department-led Railyard/Boulevard Study.
- **Van Ness Avenue BRT:** Project engineering support, environmental compliance, and general project oversight. Work closely with SFMTA and an interagency project team to maintain project integrity and quality while controlling budget and schedule. Assist the SFMTA in implementing a Construction Manager/General Contractor (CM/GC) approach to construction.
- **Vision Zero:** Continue to support the Vision Zero Committee and agency staff in delivering the program of projects that will enable San Francisco to achieve the goal of Vision Zero.
- **Engineering Support:** Provide engineering support, as needed, for other Transportation Authority-led planning and programming efforts.

TRANSPARENCY & ACCOUNTABILITY

This section of the work program highlights ongoing agency operational activities, and administrative processes to ensure transparency and accountability in the use of taxpayer funds. It includes ongoing efforts lead by the Finance and Administration Division (e.g. accounting, human resources, procurement support), by the Transportation, Data and Analysis Division (e.g. IT and systems integration support), and by the Executive Office (e.g. Board operations and support, budgeting and communications) as listed below:

- **Board Operations and Support:** Staff Transportation Authority Board meetings including standing and ad hoc committees, Vision Zero Committee and Treasure Island Mobility Management Agency meetings.
- **Audits:** Prepare, procure, and manage fiscal compliance and management audits.

Attachment A
Proposed Fiscal Year 2016/17 Annual Work Program



- **Budget, Reports and Financial Statements:** Develop and administer Transportation Authority budget, including performance monitoring, internal program and project tracking. Monitor internal controls and prepare reports and financial statements.
- **Accounting and Grants Management:** Maintain payroll functions, general ledger and accounting system, including paying, receiving and recording functions. Manage grants and prepare invoices for reimbursement.
- **Systems Integration:** Ongoing enhancement and maintenance of the enterprise resource planning system (business management and accounting software) to improve accounting functions, general ledger reconciliations and financial reporting, as well as enabling improved data sharing with Portal (web-based grants management database used by agency staff and project sponsors).
- **Contract Support:** Oversee procurement process for professional consultant contracts, prepare contracts, and manage compliance for contracts and associated Memoranda of Agreement and Understanding.
- **Disadvantaged Business Enterprise and Local Business Enterprise:** Administer program, review and update policy for any new state and federal requirements, conduct outreach and review applications and award certifications.
- **Communications and Community Relations:** Execute the agency's communications strategy with the general public, the agency's board, various interest groups and other government agencies. This is accomplished through various means, including fostering media and community relations, developing strategic communications plans for projects and policy initiatives, disseminating agency news and updates through "The Messenger" newsletter, supporting public outreach and helping coordinate events to promote the agency's work. This year the agency plans to develop an agency-wide strategic communications plan to institutionalize best practices.
- **Website Maintenance:** Update content and maintain and enhance interactive project delivery reporting features such as the mystreetsf.com project map.
- **Policies:** Maintain and update Administrative Code, Rules of Order, fiscal, debt, procurement, investment, travel, and other policies.
- **Human Resources:** Administer recruitment, personnel and benefits management and office procedures. Conduct or provide training for staff.
- **Office Management and Administrative Support:** Maintain facilities and provide procurement of goods and services and administration of services contracts. Staff front desk reception duties. Provide assistance to the Clerk of the Authority as required with preparation of agenda packets and minutes, updates to website and clerking meetings.
- **Legal Issues:** Manage routine legal issues, claims and public records requests.
- **Information Technology:** Provide internal development and support; maintain existing technology systems including phone and data networks; develop new collaboration tools to further enhance efficiency and technological capabilities; and expand contact management capabilities.

**San Francisco County Transportation Authority
Attachment 2
Proposed Fiscal Year 2016/17 Annual Budget**



Proposed Budget by Fund

	Vehicle				Treasure Island Mobility Management Agency Program	Proposed Budget Fiscal Year 2016/17	Increase/ (Decrease) from Prior Year	Amended Budget Fiscal Year 2015/16
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Registration Fee For Transportation Improvements Program				
Revenues:								
Sales Tax Revenues	\$ 108,219,139	\$ -	\$ -	\$ -	\$ -	\$ 108,219,139	\$ 6,925,564	\$ 101,293,575
Vehicle Registration Fee	-	-	-	4,834,049	-	4,834,049	57,509	4,776,540
Interest Income	329,206	-	2,500	3,000	-	334,706	-	334,706
Federal/State/Regional Revenues	99,670	10,509,670	751,324	-	1,000,000	12,360,664	(92,353,010)	104,713,674
Other Revenues	42,212	4,333	-	-	-	46,545	(2,712)	49,257
Total Revenues	108,690,227	10,514,003	753,824	4,837,049	1,000,000	125,795,103	(85,372,649)	211,167,752
Expenditures:								
Capital Project Costs	201,997,327	9,517,185	1,158,590	6,533,249	737,000	219,943,351	(40,616,842)	260,560,193
Administrative Operating Costs	6,285,912	2,380,606	44,765	245,859	344,191	9,301,333	(131,354)	9,432,687
Debt Service	960,000	-	-	-	-	960,000	-	960,000
Total Expenditures	209,243,239	11,897,791	1,203,355	6,779,108	1,081,191	230,204,684	(40,748,196)	270,952,880
Other Financing Sources (Uses):	2,535,021	1,383,788	-	-	81,191	4,000,000	24,000,000	(20,000,000)
Prior Year Expenditure Carryover:	-	-	-	-	-	-	(5,475,973)	5,475,973
Net Change in Fund Balance	\$ (98,017,991)	\$ -	\$ (449,531)	\$ (1,942,059)	\$ -	\$ (100,409,581)	\$ (15,148,480)	\$ (85,261,101)
Budgetary Fund Balance, as of July 1	\$ 17,381,125	\$ -	\$ 617,934	\$ 4,750,887	\$ -	\$ 22,749,946	N/A	N/A
Budgetary Fund Balance, as of June 30	\$ (80,636,866)	\$ -	\$ 168,403	\$ 2,808,828	\$ -	\$ (77,659,635)	N/A	N/A



Memorandum

Date: 05.27.16 **RE:** Finance Committee
June 14, 2016

To: Finance Committee: Commissioners Mar (Chair), Cohen (Vice Chair), Campos, Kim, Yee and Wiener (Ex Officio)

From: Cynthia Fong – Deputy Director for Finance and Administration *CF*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Adoption of the Proposed Fiscal Year 2016/17 Annual Budget and Work Program

Summary

Pursuant to State statutes (PUC Code Sections 131000 et seq.) and the Transportation Authority's Fiscal Policy, the Transportation Authority Board must adopt an annual budget for the following fiscal year by June 30. The proposed Fiscal Year (FY) 2016/17 Annual Budget includes projections of sales tax revenues; federal, state and regional grants; investment income for the fiscal period; and projections of operating and administrative costs, capital expenditures, and associated financing costs. The proposed FY 2016/17 Annual Budget also includes a description of the Transportation Authority's proposed Work Program for the coming fiscal year. Total revenues are projected to be \$125.8 million, including \$108.2 million in sales tax revenues. Total expenditures are projected to be \$230.2 million. Capital project expenditures are projected to be \$219.9 million or about 95.5% of total expenditures. The final proposed FY 2016/17 Annual Budget and Work Program will be presented to the Transportation Authority Board on June 28 for approval.

BACKGROUND

Pursuant to State statutes (PUC Code Sections 131000 et seq.), the Transportation Authority must adopt an annual budget for Fiscal Year (FY) 2016/17 by June 30, 2016. As called for in the Transportation Authority's Fiscal Policy (Resolution 15-31) and Administrative Code (Ordinance 15-01), it is the responsibility of the Finance Committee to set both the overall budget parameters for administrative and capital expenditures, the spending limits on certain line items, as well as to recommend adoption of the budget to the Board of Commissioners prior to June 30 of each year.

Update: Since the presentation of the preliminary FY 2016/17 annual budget last month and based on continued discussions with project sponsors and the Transportation Authority's financial advisors, the Transportation Authority anticipates paying down \$21 million in December 2016, bringing the outstanding balance to \$93.7 million, in the event funds are available to make the repayment and issuing additional debt is not needed. This repayment estimate is at a similar level as paid in FY 2015/16 in the amount of \$20 million. By 2021, it is expected that the Revolving Credit Loan, which financed prior year capital expenditures, will be fully repaid. The impact of this repayment will bring our total fund balance to negative \$77.7 million. The negative fund balance is largely the result of how multi-year programming commitments are accounted for. The Transportation Authority does not hold or retain title for the projects it has constructed or for the vehicles and system improvements purchased with sales tax funds, which can

result in a negative position. In addition, a portion of the negative fund balance reflects grant-funded capital projects that are scheduled to be implemented over the course of several fiscal years with non-current (i.e. future) revenues.

In spring 2017 we anticipate the need to drawdown the \$25 million from the Revolving Credit Loan balance to pay for current sponsor reimbursements for some of the largest projects. The flexibility offered by the Revolving Credit Loan, in combination with long-term debt (if needed) supports our long-term financing plan to advance funds for projects to deliver the benefits sooner to the public, while minimizing financing costs. We will monitor capital spending closely during the upcoming year through a combination of cash flow needs for allocation reimbursements, progress reports, and conversations with project sponsors, particularly for our largest grant recipient, the San Francisco Municipal Transportation Agency.

DISCUSSION

The purpose of this memorandum is to present the Transportation Authority's proposed FY 2016/17 Annual Budget and Work Program and to seek a recommendation for its adoption.

The Transportation Authority's proposed FY 2016/17 Work Program includes activities in five major functional areas that are overseen by the Executive Director: 1) Policy and Programming, 2) Capital Projects delivery support and oversight, 3) Planning, 4) Technology, Data & Analysis and 5) Finance and Administration. These categories of activities are organized to efficiently address the Transportation Authority's designated mandates, including overseeing the Prop K Sales Tax Expenditure Plan, functioning as the Congestion Management Agency (CMA) for San Francisco, acting as the Local Program Manager for the Transportation Fund for Clean Air (TFCA) program, administering the \$10 Prop AA vehicle registration fee and operating as the Treasure Island Mobility Management Agency (TIMMA) for San Francisco. Our organizational approach also reflects the principle that all activities at the Transportation Authority contribute to the efficient delivery of transportation plans and projects, even though many activities are funded with a combination of revenue sources and in coordination with a number of San Francisco agencies as well as federal, state and regional agencies. Attachment A contains a description of the Transportation Authority's proposed Work Program for FY 2016/17.

Attachment B displays the proposed budget in a format described in the Transportation Authority's Fiscal Policy. Total revenues are projected to be \$125.8 million. Sales tax revenues, net of interest earnings, are projected to be \$108.2 million, or 86% of FY 2016/17 revenues. Total expenditures are projected to be about \$230.2 million. Of this amount, capital project costs are \$219.9 million. Capital projects costs are 95.5% of total projected expenditures, with 4.1% of expenditures budgeted for administrative operating costs, and 0.4% for debt service and interest costs. The division of revenues and expenditures into the sales tax program, CMA program, TFCA program, Prop AA program and TIMMA program in Attachment B reflects the five distinct Transportation Authority responsibilities and mandates.

Attachment C shows a more detailed version of the proposed budget. Attachment D provides additional descriptions of line items in the budget.

Revenues: Total revenues in FY 2016/17 are budgeted to decrease from the FY 2015/16 Amended Budget by an estimated \$85.4 million, or 40.4%, which is primarily due to the completion of a one-time milestone payment in FY 2015/16 at substantial completion of construction activities for the Presidio Parkway project and a lower estimate for the I-80/Yerba Buena Island Interchange Improvement Project as construction activities are anticipated to be completed by winter/spring of 2017.

The sales tax revenue projection of \$108.2 million is an increase from the sales tax revenues expected to be received by the Transportation Authority in FY 2016/17. Sales tax revenues have recovered from the

FY 2009/10 low and FY 2016/17 revenues are projected to be the highest collected in a single fiscal year since the inception of the Prop K program.

Expenditures: Capital expenditures in FY 2016/17 are budgeted to decrease from the FY 2015/16 Amended Budget by an estimated 15.6%, which is also primarily due to the completion of a one-time milestone payment in FY 2015/16 at substantial completion of construction activities for the Presidio Parkway project. However, we anticipate higher capital expenditures for the Prop K program overall, and lower capital expenditures for Prop AA capital programs, as compared to FY 2015/16.

Other Sources and Uses: The Other Financing Sources (Uses) section of the Line Item Detail for the FY 2016/17 budget includes inter-fund transfers (for example between the sales tax and CMA funds). These transfers represent the required local match or appropriation of Prop K to federal and state grants such as the Surface Transportation Program and TIMMA Program. This line item also assumes a continuation of the current Revolving Credit Loan with a \$21 million repayment in December 2016 and a drawdown of \$25 million in spring 2017.

Fund Balance: The budgetary fund balance is generally defined as the difference between assets and liabilities, and the ending balance is based on previous year's audited fund balance plus the current year's budget amendment and the budgeted year's activity. There is a negative of \$77.7 million in total fund balances, which is largely the result of how multi-year programming commitments are accounted for. The Transportation Authority does not hold or retain title for the projects it has constructed or for the vehicles and system improvements purchased with sales tax funds, which can result in a negative position. In addition, a portion of the negative fund balance reflects grant-funded capital projects that are scheduled to be implemented over the course of several fiscal years with non-current (i.e. future) revenues. Commitments of future revenues are tracked through the grant administration process, and there is no issue with the availability of future revenues to honor them. A negative fund balance is a result of how these commitments are accounted for, and it does not affect the viability of the projects or grants. This is a conservative accounting presentation of multi-year programming because these commitments are funded with non-current (i.e. future) revenues. This reporting of all legal funding commitments without the corresponding revenue or assets creates or largely contributes to the \$77.7 million negative fund balance.

Next Steps: The final proposed FY 2016/17 Annual Budget and Work Program will be presented to the Transportation Authority Board on June 28 for approval.

ALTERNATIVES

1. Recommend adoption of the proposed FY 2016/17 Annual Budget and Work Program, as requested.
2. Recommend adoption of the proposed FY 2016/17 Annual Budget and Work Program, with modifications.
3. Defer action, pending additional information or staff analysis.

CAC POSITION

The CAC was briefed on this item at its May 25, 2016 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

As described above.

RECOMMENDATION

Recommend adoption of the proposed FY 2016/17 Annual Budget and Work Program.

Attachments (4):

- A. Proposed FY 2016/17 Annual Work Program
- B. Proposed FY 2016/17 Annual Budget
- C. Proposed FY 2016/17 Annual Budget – Line Item Detail
- D. Line Item Descriptions

**San Francisco County Transportation Authority
Attachment C
Proposed Fiscal Year 2016/17 Annual Budget
Line Item Detail**



	Proposed Budget by Fund						Amended Budget Fiscal Year 2015/16
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Proposed Budget Fiscal Year 2016/17	
Revenues:							
Sales Tax Revenues	\$ 108,219,139	\$ -	\$ -	\$ -	\$ -	\$ 108,219,139	\$ 101,293,575
Vehicle Registration Fee	-	-	-	4,834,049	-	4,834,049	4,776,540
Interest Income	329,206	-	2,500	3,000	-	334,706	334,706
Federal/State/Regional Revenues							
Federal BART Travel Incentives Program	-	158,400	-	-	-	158,400	278,400
Federal CMAQ Program: eFleet Carsharing Electrified Project	-	256,667	-	-	-	256,667	110,962
Federal FHWA Transit Reliability Research	-	48,500	-	-	-	48,500	41,500
Federal Highway Bridge Program - I-80/Yerba Buena Island Interchange Improvement	-	2,672,458	-	-	-	2,672,458	20,875,671
Federal Highway Bridge Program - Yerba Buena Island Bridge Structures	-	4,051,509	-	-	-	4,051,509	1,934,656
Federal San Francisco Freeway Performance Initiative Study	-	-	-	-	-	-	278,048
Federal Strategic Highway Research Program	-	118,461	-	-	-	118,461	123,947
Federal Surface Transportation Program 3% Revenue	-	1,385,317	-	-	-	1,385,317	911,683
State Planning, Programming & Monitoring SB45 Funds	-	447,000	-	-	-	447,000	-
State Seismic Retrofit Proposition 1B - I/80 YBI Interchange Improvement Project	-	346,245	-	-	-	346,245	2,704,665
Regional Agency Contributions - Model Service Bureau	-	114,601	-	-	-	114,601	85,964
Regional BART - Travel Incentives Program	-	25,000	-	-	-	25,000	53,800
Regional Golden Gate Bridge, Highway and Transportation District - Presidio Parkway	-	-	-	-	-	-	75,000,000
Regional San Francisco (OEWD) - Late Night Transportation	-	-	-	-	-	-	125,000
Regional San Francisco (Planning) - Long-Range Transportation Planning Program	-	660,412	-	-	-	660,412	179,588
Regional San Francisco (Planning, SFMTA) - Travel Demand Modeling Assistance	-	200,000	-	-	-	200,000	200,000
Regional San Francisco (SFMTA) - 19th Avenue M-Ocean View	-	-	-	-	-	-	287,392
Regional San Francisco (SFMTA) - Alemany Interchange Improvement Study	99,670	-	-	-	-	99,670	-
Regional San Francisco (SFMTA) - School Transportation Survey	-	25,100	-	-	-	25,100	-
Regional TIDA - Treasure Island Mobility Management Agency	-	-	-	-	1,000,000	1,000,000	750,000
Regional Vehicle Registration Fee Revenues (TFCA)	-	-	751,324	-	-	751,324	772,398
Other Revenues							
Local Match: City CarShare eFleet Carsharing Electrified	-	4,333	-	-	-	4,333	1,873
San Francisco Dept of Environment - Shower Facilities	2,000	-	-	-	-	2,000	2,000
Sublease of Office Space	40,212	-	-	-	-	40,212	45,384
Total Revenues	108,690,227	10,514,003	753,824	4,837,049	1,000,000	125,795,103	211,167,752
							(85,372,649)

**San Francisco County Transportation Authority
Attachment C
Proposed Fiscal Year 2016/17 Annual Budget
Line Item Detail**



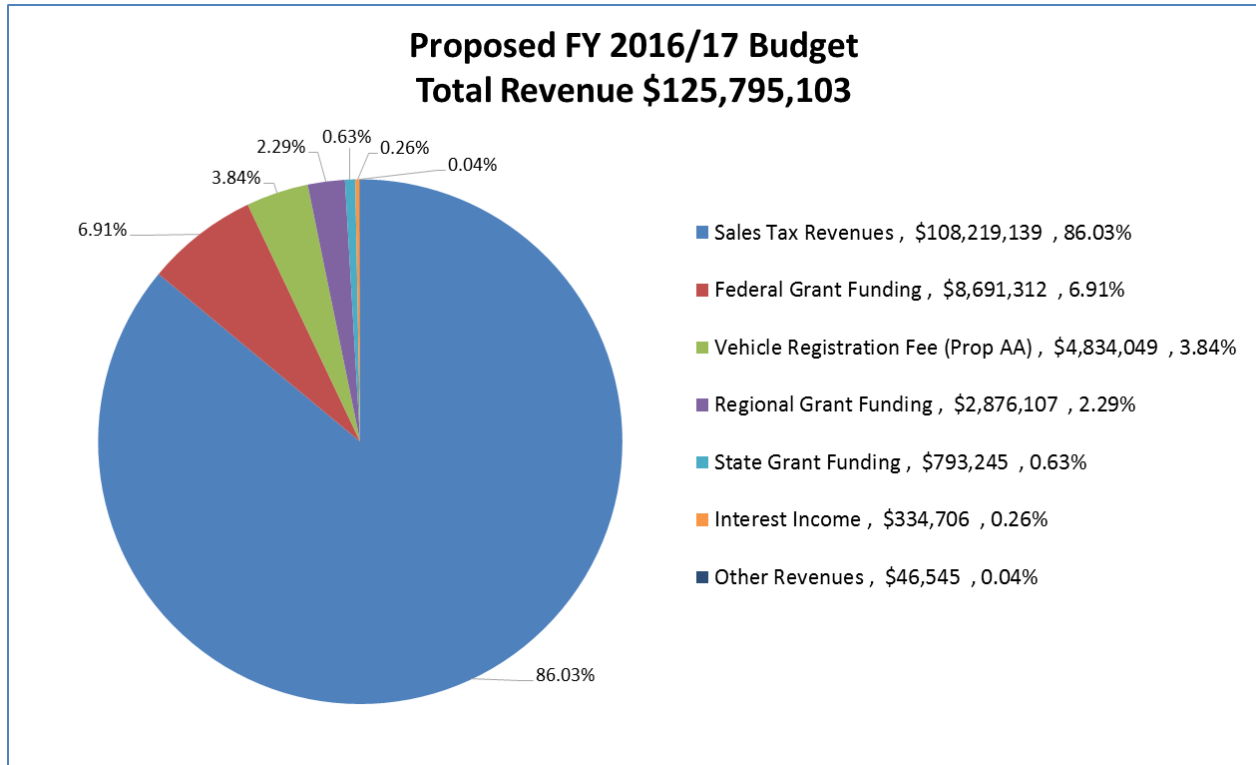
	Proposed Budget by Fund							Amended Budget Fiscal Year 2015/16
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Proposed Budget Fiscal Year 2016/17	Increase/ (Decrease) from Prior Year	
Expenditures:								
Capital Project Costs								
Individual Project Grants, Programs & Initiatives	200,000,000	-	1,158,590	6,508,249	-	207,666,839	54,353,662	153,313,177
Technical Professional Services	1,997,327	9,517,185	-	25,000	737,000	12,276,512	(94,970,504)	107,247,016
Administrative Operating Costs								
Personnel Expenditures								
Salaries	2,692,305	1,496,708	30,440	123,297	205,830	4,548,580	(91,675)	4,640,255
Fringe Benefits	1,266,967	704,333	14,325	58,022	96,861	2,140,508	(41,079)	2,181,587
Pay for Performance	194,965	-	-	-	-	194,965	-	194,965
Non-personnel Expenditures								
Administrative Operations	1,916,575	179,565	-	64,540	35,900	2,196,580	-	2,196,580
Equipment, Furniture & Fixtures	144,700	-	-	-	-	144,700	-	144,700
Commissioner-Related Expenses	70,400	-	-	-	5,600	76,000	1,400	74,600
Debt Service	960,000	-	-	-	-	960,000	-	960,000
Interest and Fiscal Charges								
Total Expenditures	209,243,239	11,897,791	1,203,355	6,779,108	1,081,191	230,204,684	(40,748,196)	270,952,880
Other Financing Sources (Uses):								
Transfers in - Prop K Match to Grant Funding	-	1,383,788	-	-	81,191	1,464,979	(7,425,474)	8,890,453
Transfers out - Prop K Match to Grant Funding	(1,464,979)	-	-	-	-	(1,464,979)	7,425,474	(8,890,453)
Revolving Credit Loan Repayment	(21,000,000)	-	-	-	-	(21,000,000)	(1,000,000)	(20,000,000)
Draw on Revolving Credit Loan	25,000,000	-	-	-	-	25,000,000	-	-
Total Other Financing Sources (Uses)	2,535,021	1,383,788	-	-	81,191	4,000,000	24,000,000	(20,000,000)
Prior Year Expenditure Carryover							(5,475,973)	5,475,973
Net Change in Fund Balance	\$ (98,017,991)	\$ -	\$ (449,531)	\$ (1,942,059)	\$ -	\$ (100,409,581)	\$ (15,148,480)	\$ (85,261,101)
Budgetary Fund Balance, as of July 1	\$ 17,381,125	\$ -	\$ 617,934	\$ 4,750,887	\$ -	\$ 22,749,946	N/A	N/A
Budgetary Fund Balance, as of June 30	\$ (80,636,866)	\$ -	\$ 168,403	\$ 2,808,828	\$ -	\$ (77,659,635)	N/A	N/A
Includes Sales Tax, TFC and Vehicle Registration Fee For Transportation Improvements Reserved for Program and Operating Contingency								
	\$ 10,821,914	\$ -	\$ 75,132	\$ 483,405	\$ -	\$ 11,380,451		

Attachment D
Line Item Descriptions



TOTAL PROJECTED REVENUES..... \$125,795,103

The following chart shows the composition of revenues for the proposed FY 2016/17 budget.



Prop K Sales Tax Revenues:\$108,219,139

The budgeted revenues for Sales Tax programs are from a voter-approved levy of 0.5% sales tax in the County of San Francisco for transportation projects and programs included in the voter-approved Expenditure Plan. The 2003 Prop K Sales Tax Revenue’s Expenditure Plan includes investments in four major categories: 1) Transit; 2) Streets and Traffic Safety; 3) Paratransit services for seniors and disabled people and 4) Transportation System Management/Strategic Initiatives. Based on Fiscal Year (FY) 2015/16 revenues to date, the Transportation Authority projects FY 2016/17 sales tax revenues to increase compared to the budgeted revenues for FY 2015/16 by 6.8% or \$6.9 million. The sales tax revenue projection is net of the Board of Equalization’s charges for the collection of the tax and excludes interest earnings budgeted in Interest Income.

Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Revenues: \$4,834,049

These revenues (excluding interest earnings budgeted in Interest Income) fund projects that will be delivered under Prop AA’s Expenditure Plan. This measure, approved by San Francisco voters in November 2010, collects an additional \$10 vehicle registration fee on motor vehicles registered in San Francisco. Revenues must be used to fund projects included in the voter-approved Expenditure Plan, such as local road repairs, pedestrian safety improvements, and transit reliability improvements. This amount is net of the Department of Motor Vehicle’s charges for the collection of these fees.

Attachment D
Line Item Descriptions



Interest Income: \$334,706

Most of the Transportation Authority’s investable assets are deposited in the City’s Treasury Pool. Based on the average interest income earned over the past year, the deposits in the Pooled Investment Fund are assumed to earn approximately 0.7% for FY 2016/17. The level of Transportation Authority deposits held in the pool during the year depends on the Prop K capital project reimbursement requests. An average sales tax fund budget cash balance during the year of approximately \$40 million was assumed. The budget cash balance consists largely of allocated Prop K funds, which are invested until invoices are received and sponsors are reimbursed.

Sales Tax Program Regional Revenues: \$99,670

The Sales Tax program revenues for FY 2016/17 will be used to cover ongoing professional and technical service contracts required to implement the Sales Tax programs. The Transportation Authority will receive contributions from the San Francisco Municipal Transportation Agency (SFMTA) in support of the Alemany Interchange Improvement Study. The study will be used to develop and evaluate a new north-south multimodal pathway connecting San Bruno Avenue to the Alemany Farmer’s Market, and new bicycle lanes along Alemany Boulevard between Putnam Street and Bayshore Boulevard.

Congestion Management Agency (CMA) Programs Federal, State and Regional Grant Revenues: \$10,509,670

The CMA program revenues (excluding Other Revenues) for FY 2016/17 will be used to cover ongoing staffing and professional/technical service contracts required to implement the CMA programs and projects, as well as for large projects undertaken in the Transportation Authority’s role as CMA. The FY 2016/17 budget includes \$7.1 million from federal and state funding for work on the I-80/Yerba Buena Island (YBI) Interchange Improvement Project and YBI Bridge structures (collectively known as YBI Project). CMA revenues are also comprised of federal, state and regional grant funds, including funds received from the Federal Highway Administration, Metropolitan Transportation Commission (MTC), and the California Department of Transportation (Caltrans). Several of these grants are project-specific, such as those for the BART Travel Incentives Program, Strategic Highway Research Program, Transit Reliability Research Project, and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds for eFleet: Car Sharing Electrified project. Other funding sources, such as federal Surface Transportation Program and state Planning, Programming, and Monitoring funds, can be used to fund a number of eligible planning, programming, model development, and project delivery support activities, including the Freeway Corridor Management Study and San Francisco Transportation Plan update. Regional CMA program revenues include technical and travel demand model services provided to City agencies in support of various projects and studies, such as the Long-Range Transportation Planning Program.

Transportation Fund for Clean Air (TFCA) Program Regional Revenues: \$751,324

The TFCA Vehicle Registration Fee Revenues (excluding interest earnings included in Interest Income above) are derived from a \$4 surcharge on vehicles registered in the nine Bay Area counties and must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. Budgeted revenues are based on a funding estimate provided by the Bay Area Air Quality Management District, which administers these revenues.

Attachment D
Line Item Descriptions



Treasure Island Mobility Management Agency (TIMMA) Program Regional Revenues:..... \$1,000,000

The FY 2016/17 budget for TIMMA consists of local funds from the Treasure Island Development Authority (TIDA) matched by Prop K sales tax revenues. The TIDA funds provide support for administrative, operating, planning and engineering functions including: developing agency policies and partnership agreements; project management; planning; engineering, including systems engineering, civil engineering, and environmental analyses; and direct costs. The budget includes ongoing staffing and professional/technical service contracts required to conduct pre-implementation engineering, planning, and administration.

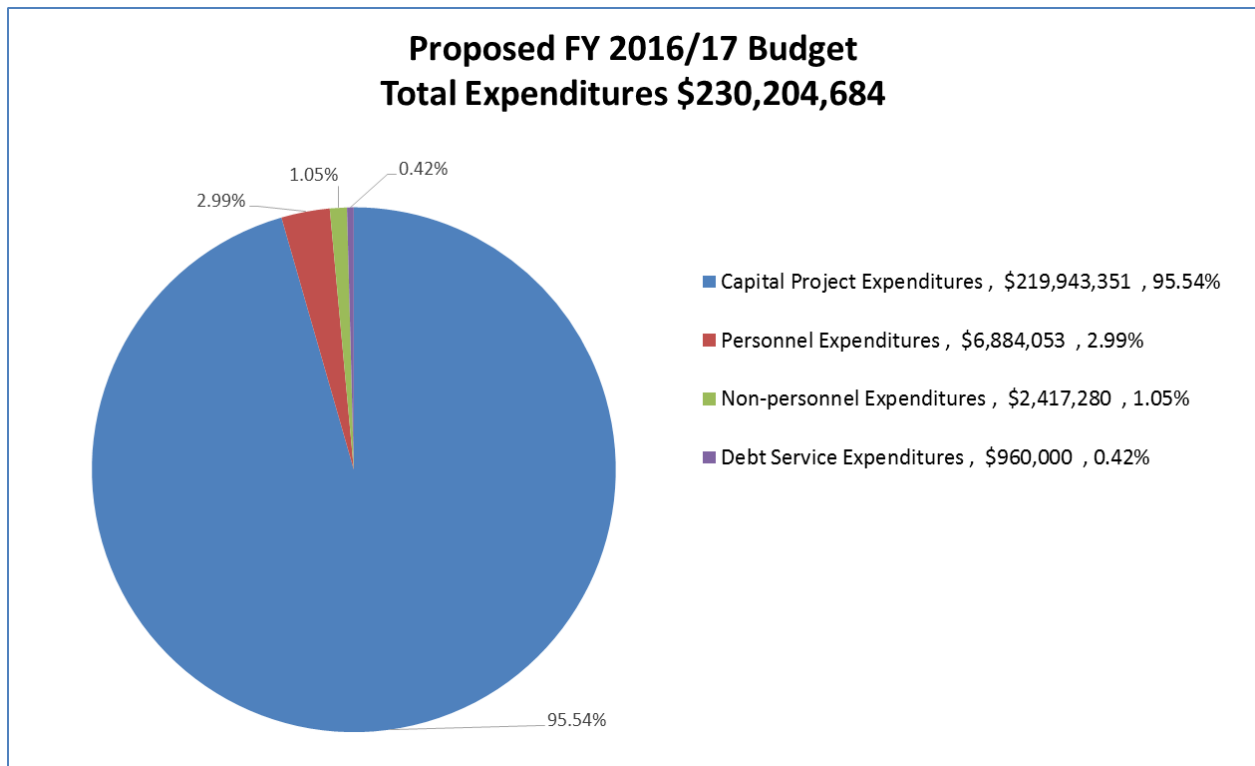
Other Revenues: \$46,545

Other revenues budgeted in FY 2016/17 include contributions from City CarShare for the eFleet: CarSharing Electrified Project and revenues from the sublease of office space.

TOTAL PROJECTED EXPENDITURES\$230,204,684

The Transportation Authority's Total Expenditures projected for the budget year are comprised of Capital Expenditures of \$219.9 million, Administrative Operating Expenditures of \$9.3 million, and Debt Service Expenditures of \$960,000.

The following chart shows the composition of expenditures for the proposed FY 2016/17 budget.



**Attachment D
Line Item Descriptions**



CAPITAL EXPENDITURES..... \$219,943,351

Capital expenditures in FY 2016/17 are budgeted to decrease from the FY 2015/16 Amended Budget by an estimated 15.6%, which is primarily due to the completion of a one-time milestone payment in FY 2015/16 at substantial completion of construction activities for the Presidio Parkway project. However, we anticipate higher capital expenditures for the Prop K program overall aside from Presidio Parkway, and lower capital expenditures for Prop AA capital programs, as compared to FY 2015/16. Project expenditures by Program Fund are detailed below.

Sales Tax Program Expenditures:.....\$201,997,327

The estimate for sales tax capital expenditures is a placeholder reflecting a combination of estimated cash flow needs for existing allocations based on review of reimbursements, progress reports and conversations with project sponsors, as well as anticipated new allocations estimated for FY 2016/17. The anticipated largest capital project expenditures include the SFMTA's vehicle procurements, Radio Communications System & Computer-Aided Dispatch Replacement and Central, Control and Communications projects; and the Transbay Joint Powers Authority's Transbay Transit Center/Downtown Extension Project.

CMA Programs Expenditures:..... \$9,517,185

This line item includes staff time and technical consulting services such as planning, programming, engineering, design, environmental, or programming services, which are needed in order to fulfill the Transportation Authority's CMA responsibilities under state law. Included are various planning efforts and projects such as the Geary Corridor Bus Rapid Transit project, Freeway Corridor Management Study, San Francisco Transportation Plan update, I-280 Balboa Park Interchange Modifications Initiation Phase, Core Capacity Transit Study, eFleet Carsharing Electrified, Strategic Highway Research Program and travel demand model services. Also included is the final phase of construction and engineering activities for the YBI Project, which is supported by federal and state funding matched with funds from TIDA.

TFCA Program Expenditures:..... \$1,158,590

This line item covers projects to be delivered with TFCA funds, a regional program administered by the Bay Area Air Quality Management District, with the Transportation Authority serving as the County Program Manager for San Francisco. These monies must be used for cost-effective transportation projects which reduce motor vehicle air pollutant emissions. The TFCA capital expenditures program includes carryover prior year projects with multi-year schedules as well as projects not anticipated to be completed in FY 2015/16. It also includes an estimate for expenditures for the FY 2016/17 program of projects, which is scheduled to be approved by the Transportation Authority Board in June 2016.

**Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Expenditures:
..... \$6,533,249**

This line item includes projects that will be delivered under the voter-approved Prop AA Expenditure Plan. Consistent with the Expenditure Plan, the revenues will be used for design and construction of ready-to-go local road repairs, pedestrian safety improvements, transit reliability improvements, and travel demand management projects. The Prop AA capital expenditures include new FY 2016/17 projects based on the approved Prop AA Strategic Plan, and carryover prior year projects with multi-

Attachment D
Line Item Descriptions



year schedules as well as projects not anticipated to be completed in FY 2015/16. The largest capital project expenditures include the Brannan Street Pavement Renovation project, the Broadway Chinatown Streetscape Improvement project, and the Dolores Street Pavement Renovation project.

Treasure Island Mobility Management Agency (TIMMA) Program Expenditures:..... \$737,000

This line item includes technical consulting services which are needed in order to fulfill the Transportation Authority’s responsibilities as TIMMA, per state and local law. Technical consulting services include planning, engineering, design, communications, and environmental services. Included are technical services contracts already awarded: for the Treasure Island System Manager; On-Call demand model development and application; On-Call transportation planning; and project management support. Additional technical services contracts anticipated in this line item include strategic communications, legal services, and outreach services.

ADMINISTRATIVE OPERATING EXPENDITURES \$9,301,333

Operating expenditures include personnel expenditures, administrative expenditures, commissioner-related expenditures, and equipment, furniture and fixtures.

Personnel:..... \$6,884,053

Personnel costs are budgeted at a lower level by 1.9% compared to the FY 2015/16 Amended Budget, due to cost savings related to recent staff hires and the reclassification of two positions, approved in November 2015 through Resolution 16-24. Capacity for merit increases is also included in the pay-for-performance and salary categories; however, there is no assurance of any annual pay increase. Transportation Authority employees are not entitled to cost of living increases. All salary adjustments are determined by the Executive Director based on merit only.

Non-Personnel: \$2,417,280

This line item includes typical operating expenditures for office rent, telecommunications, postage, materials and office supplies, printing and reproduction equipment and services, and other administrative support requirements for all Transportation Authority activities, along with all administrative support contracts, whether for City-supplied services, such as the City Attorney legal services and the Department of Technology cablecast services, or for competitively procured services (such as auditing, legislative advocacy, outside computer system support, etc.). Also included are funds for ongoing maintenance and operation of office equipment; computer hardware; licensing requirements for computer software; and an allowance for replacement furniture and fixtures. This line item also includes Commissioner meeting fees, and compensation for Commissioners’ direct furniture, equipment and materials expenditures. Non-personnel expenditures are budgeted at a similar level as in the FY 2015/16 Amended Budget.

DEBT SERVICE EXPENDITURES..... \$960,000

In June 2015, the Transportation Authority substituted its \$200 million commercial paper notes (Limited Tax Bonds), Series A and B with a \$140 million tax-exempt revolving credit loan agreement (Revolver Credit Loan). By 2021, it is expected that the Revolving Credit Loan, which financed prior year capital expenditures, will be fully repaid. As of December 31, 2015, \$114.7 million of the Revolving Credit Loan was outstanding. This line item assumes the same level of interest and fiscal

**Attachment D
Line Item Descriptions**



charges as in the FY 2015/16 Amended Budget.

OTHER FINANCING SOURCES/USES.....\$4,000,000

The Other Financing Sources/Uses section of the Line Item Detail for the FY 2016/17 budget includes inter-fund transfers (for example between the sales tax and CMA funds). These transfers represent the required local match or appropriation of Prop K to federal and state grants such as the Surface Transportation Program and TIMMA Program. This line item also assumes a continuation of the current Revolving Loan Agreement and a \$21 million repayment against the outstanding \$114.7 million balance. In addition, the estimated level of sales tax capital expenditures for FY 2016/17 may trigger the need to drawdown the unutilized Revolving Credit Loan balance of approximately \$25 million. We will continue to monitor capital spending closely during the upcoming year through a combination of cash flow needs for allocation reimbursements, progress reports and conversations with project sponsors, particularly our largest grant recipient, the SFMTA. If some of the largest projects continue to progress as currently anticipated, we would expect to seek approval for additional financing capacity concurrent with a mid-year budget revision. The size and duration of needed financing will be easier to forecast following receipt of FY 2015/16 fourth quarter invoices.

BUDGETARY FUND BALANCE FOR CONTINGENCIES..... \$11,380,451

The Transportation Authority's Fiscal Policy directs that the Transportation Authority shall allocate not less than five percent (5%) and up to fifteen percent (15%) of estimated annual sales tax revenues as a hedge against an emergency occurring during the budgeted fiscal year. In the current economic climate, a budgeted fund balance of \$10.8 million, or 10% of annual projected sales tax revenues, is set aside as a program and operating contingency reserve. The Transportation Authority has also set aside \$483,405 and \$75,132 or about 10% as a program and operating contingency reserve respectively for the Prop AA Program and TFCA Program.

RESOLUTION PROGRAMMING \$360,000 IN SUPPLEMENTAL REGIONAL SAFE ROUTES TO SCHOOL (SR2S) FUNDS TO SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH'S SR2S PROGRAM, AND REPROGRAMMING \$52,251 IN ONE BAY AREA GRANT FUNDS AND \$548,388 IN CONGESTION MANAGEMENT AGENCY BLOCK GRANT FUNDS TO SAN FRANCISCO PUBLIC WORKS' SECOND STREET IMPROVEMENT PROJECT, WITH CONDITIONS

WHEREAS, In May 2012, through Resolution 4035, the Metropolitan Transportation Commission (MTC) adopted the Cycle 1 One Bay Area Grant Program (OBAG) as its framework for programming federal surface transportation funds for Fiscal Years 2012/13 – 2015/16, including the Regional Safe Routes to School (SR2S) program and OBAG County Program; and

WHEREAS, In June 2013, through Resolution 13-62, the Transportation Authority programmed \$1.439 million in Regional SR2S funds to the San Francisco Department of Public Health's (SFDPH's) SR2S Program; and

WHEREAS, MTC has added one more fiscal year to Cycle 1 OBAG, making \$5 million in supplemental funds available for the Regional SR2S program for the extended year; and

WHEREAS, SFDPH proposes using San Francisco's share (\$360,000) of MTC's supplemental SR2S funds to further expand communication, coordination, outreach, and evaluation efforts for its SR2S program; and

WHEREAS, In June 2013, through Resolution 13-63, the Transportation Authority programmed \$519,631 in federal funds to San Francisco Public Works' (SFPW's) ER Taylor Elementary Safe Routes to School project (ER Taylor SR2S) and \$10,515,748 to SFPW's Second Street Streetscape Improvement Project (Second Street); and



WHEREAS, SFPW has identified \$52,251 in Cycle 1 OBAG County funds that are no longer needed for ER Taylor SR2S; and

WHEREAS, SFPW has a remaining balance of \$548,388 in Congestion Management Agency (CMA) Block Grant Program (predecessor to the OBAG County Program) funds from the completed Folsom Streetscape Improvement Project; and

WHEREAS, These federal funds are available for reprogramming to another OBAG project; and

WHEREAS, SFPW is seeking additional funding to cover Second Street's unanticipated cost increases due to the rising cost of construction and the community's request for the inclusion of pedestrian lighting; and

WHEREAS, On May 25, 2016, the Citizens Advisory Committee considered the subject request and unanimously adopted a motion of support for the staff recommendation to reprogram \$360,000 in supplemental Regional SR2S funds to SFDPH's SR2S program, and reprogram \$52,251 in Cycle 1 OBAG funds and \$548,388 in CMA Block Grant funds to SFPW's Second Street improvement project; and

WHEREAS, On June 21, 2016, the Plans and Programs Committee considered the subject request and unanimously recommended approval of the staff recommendation; and

WHEREAS, MTC will consider approving the Transportation Authority's subject programming action at its July 27, 2016 meeting; now, therefore, be it

RESOLVED, The Transportation Authority hereby programs \$360,000 in supplemental Regional SR2S funds to SFDPH's SR2S Program, and reprograms \$52,251 in Cycle 1 OBAG funds and \$548,388 in CMA Block Grant funds to SFPW's Second Street improvement project; and be it further

RESOLVED, That the Capital Improvement Program of the Congestion Management Program is hereby amended, as appropriate.

Attachments (2):

1. Cycle 1 OBAG Project List
2. San Francisco SR2S – Fact Sheet, Proposed Budget Change, and the Active Transportation Program-funded Scope Summary

Attachment 1
One Bay Area Grant (OBAG) Cycle 1 Project
List May 2016

Project Name (Sponsor)	Description	Construction Start	Open for Use	Total Project Cost	OBAG Funds as Last Amended	Proposed Change
Chinatown Broadway Street Design (San Francisco Public Works (SFPW))	Design and construct a complete streets project on Broadway from Columbus to the Broadway Tunnel, including bulb-outs, special crosswalk paving, new medians, street trees, bus stop improvements, and repaving. Construction contract is planned for award by July 2016.	July 2016	July 2017	\$7,102,487	\$3,477,802	\$3,477,802 ^{1,3}
ER Taylor Elementary School Safe Routes to School (SFPW)	Design and construct four pedestrian bulb outs at the intersection of Bacon and Gottingen near ER Taylor Elementary School to improve pedestrian safety. The project is open for use.	June 2015	November 2015	\$604,573	\$452,366	\$400,115 ^{3,4}
Longfellow Elementary School Safe Routes to School (SFPW)	Design and construct pedestrian safety improvements at the intersections of Mission & Whittier, Mission & Whipple, and Mission & Lowell near Longfellow Elementary School. The project is open for use.	October 2015	March 2016	\$852,855	\$670,307	\$670,307
Mansell Corridor Improvement (San Francisco Municipal Transportation Agency (SFMTA))	Design and construct of a complete streets project on Mansell Street from Visitacion Avenue to Brazil Street including reduction in number of vehicular lanes and creating a multiuse path for pedestrians and bicyclists. Construction is in progress.	November 2015	September 2016	\$6,807,348	\$1,762,239	\$1,762,239
Masonic Avenue Complete Streets (SFMTA)	Construct complete streets improvements on Masonic Avenue from Fell to Geary, including reallocation of space to calm traffic, dedicated bicycle space (raised cycle track), and pedestrian enhancements. Construction contract was awarded in February 2016.	June 2016	November 2017	\$22,785,900	\$0	\$0 ²
Second Street Streetscape Improvement (SFPW)	Design and construct of a complete streets project on Second Street from Market to Townsend, including pedestrian safety improvements, a buffered cycle track, landscaping, and repaving. Construction contract is planned for advertisement by July 2016.	December 2016	June 2018	\$15,415,115	\$10,515,746	\$10,567,997 ⁴
Transbay Transit Center Bike and Pedestrian Improvements (Transbay Joint Powers Authority)	Construct pedestrian and bicycle projects associated with the Transbay Transit Center, including a pedestrian walkway, sidewalks, path-finding signage, real time passenger information, bike racks and channels, pedestrian lighting, and public art. OBAG work will be implemented as part of various construction contracts for the Transbay Transit Center project.	July 2015	December 2017	\$11,480,440	\$6,000,000	\$6,000,000
Light Rail Vehicle (LRV) Procurement (SFMTA)	Purchase 175 replacement LRVs and 25 expansion LRVs to help meet projected vehicle needs through 2020, including for the Central Subway. The first new LRV is expected to roll out by the end of 2016.	September 2014 (procurement)	Through 2020	\$175,000,000	\$10,227,540	\$10,227,540 ²
Lombard Street US-101 Corridor Improvement (SFPW)	Design and construct safety improvements along Lombard Street between Van Ness Avenue and Richardson Avenue, including curb extensions (pedestrian and transit bulb-outs), daylighting at intersections, signal timing improvements, advance stop bars and high visibility curb crosswalks. SFPW and SFMTA are committed to delivering this project prior to a Caltrans paving project in 2018.	January 2017	March 2018	\$17,465,000	\$1,910,000	\$1,910,000 ¹
Total OBAG:					\$35,016,000	\$35,016,000

Attachment 1
One Bay Area Grant (OBAG) Cycle 1 Project
List May 2016

¹ \$1.91 million in OBAG funds were swapped with SFMTA local revenue bond funds because the OBAG funds were unavailable when needed. In October 2015, the Transportation Authority Board reprogrammed the OBAG funds to SFPW's Lombard Street US-101 Corridor Improvement via 2016 Regional Transportation Improvement Program, as requested by SFMTA and SFPW.

² In order to minimize risk of losing federal funds due to project delays, in February 2015, the Transportation Authority Board reprogrammed \$10,227,540 in OBAG funds from SFMTA's Masonic Avenue project to the LRV Procurement project, with the condition that SFMTA continue to follow OBAG reporting requirements for the Masonic Avenue project. See the Plans and Programs Committee memo (February 3, 2015) and Resolution 15-42 for more detail.

³ On December 15, 2015, the Transportation Authority Board approved SFPW's request to reprogram \$67,265 cost savings from the recently completed ER Taylor SR2S to Chinatown Broadway, which has received a higher-than-anticipated bid to its original construction contract advertisement.

⁴ [Pending Transportation Authority Board's approval on June 28, 2016] SFPW requests reprogramming additional \$51,215 from the completed ER Taylor SR2S to Second Street to cover the cost of the pedestrian lighting, which has been added per the community's request.



San Francisco 2015-2016 Safe Routes to School Program

Safer, healthier, more fun ways to get to and from school.

www.sfsaferoutes.org

Participating Elementary Schools in 2015-2016

More than 50% of students at these schools live within one mile of their school.

Alamo	Dianne Feinstein	Rosa Parks
Alvarado	Bret Harte	George Peabody
Argonne	Glen Park	Paul Revere
Buena Vista Horace Mann	Grattan	SF Community
Bessie Carmichael	Jefferson	Sherman
George Washington Carver	Lafayette	Commodore Sloat
Cesar Chavez	Gordon Lau	Spring Valley
John Yehall Chin	Lawton	RL Stevenson
Chinese Immersion at de Avila	Longfellow	Sunnyside
Cleveland	Marshall	Sunset
El Dorado	Monroe	ER Taylor
Fairmount	Jean Parker	

Participating Middle and High Schools in 2015-2016

Bessie Carmichael Middle School	Thurgood Marshall High School
Marina Middle School	Washington High School
Martin Luther King Jr Middle School	

San Francisco Safe Routes to School Vision: San Francisco is a healthy community where students and families safely walk, bike, take transit, and carpool to and from school.

Program Goals:

- To promote health and educational opportunities by advancing sustainable modes of transportation and safer environments for the school commute;
- To increase pedestrian, bicycle and traffic safety around schools;
- To decrease traffic congestion around schools;
- To reduce childhood obesity by increasing number of children walking and biking to school; and
- To improve air quality, community safety, and community involvement around school.

Safe Routes to School goals are achieved through the following strategies:

The FIVE E's

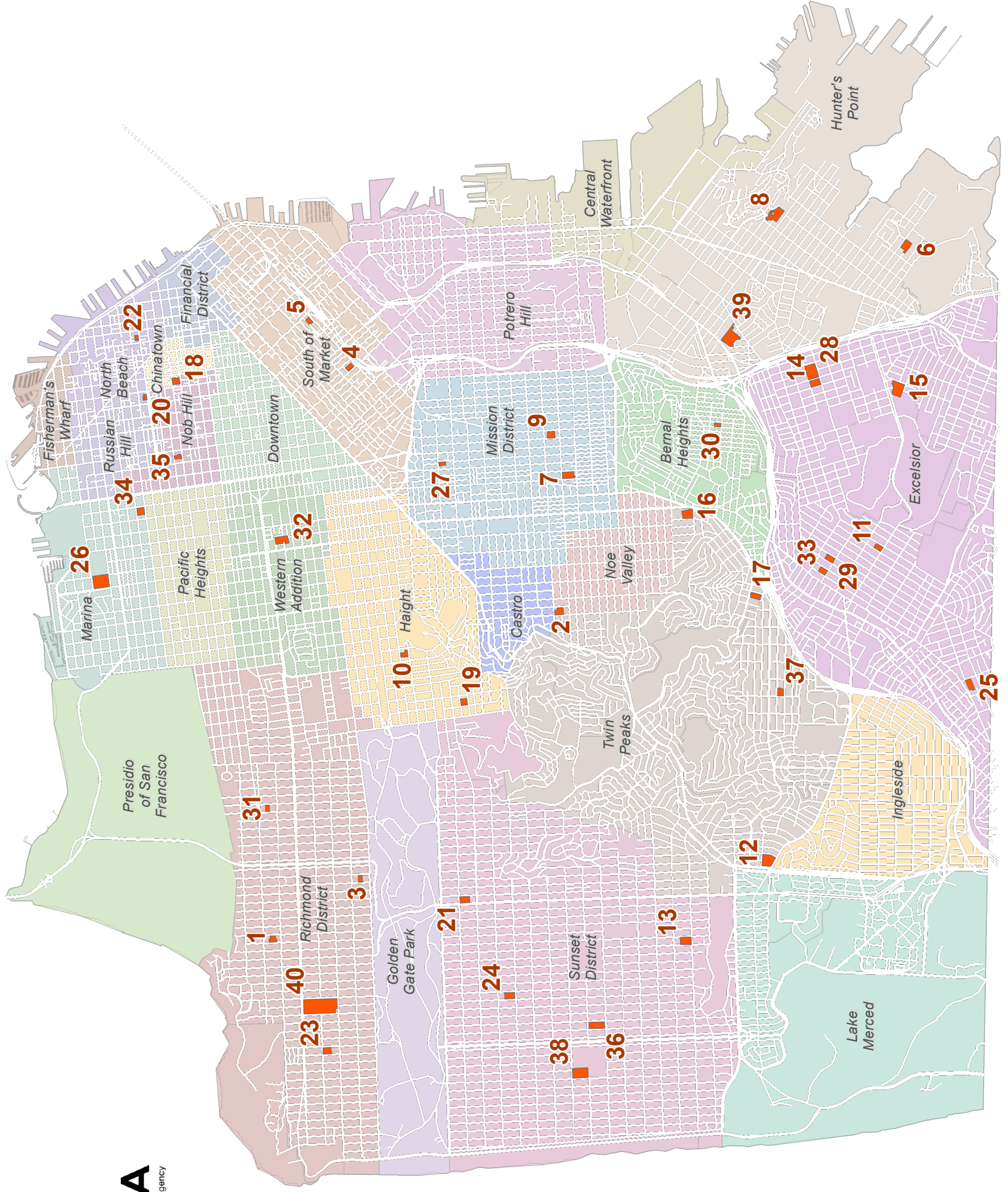
Education	School assemblies for elementary schools on pedestrian and bicycle safety
Encouragement	1) Organize Walk and Roll to School Day and San Francisco Bike to School Week 2) Train and organize parents to form regular walking school buses and bike trains
Engineering	Conduct walk and bike audits at schools
Enforcement	Enforce traffic laws around schools
Evaluation	Collect and analyze how school children get to and from school as well as parent surveys on knowledge and attitudes toward walking and biking

Safe Routes to School Program Partners: The Safe Routes to School Program is led by the SF Department of Public Health and supported by the Presidio YMCA, Shape Up SF, SF Bicycle Coalition; SF Department of Environment; the SF Municipal Transportation Agency; SF Police Department; SF Unified School District; and Walk SF.



2015-2016 San Francisco Safe Routes to School Program

No.	School
1	Alamo
2	Alvarado
3	Argonne
4	Bessie Carmichael Elementary
5	Bessie Carmichael Middle
6	Bret Harte
7	Buena Vista Horace Mann
8	Carver
9	Cesar Chavez
10	Chinese Immersion at De Avila
11	Cleveland
12	Commodore Sloat
13	Diane Feinstein
14	E.R. Taylor
15	El Dorado
16	Fairmount
17	Glen Park
18	Gordon Lau
19	Grattan
20	Jean Parker
21	Jefferson
22	John Yehall Chin
23	Lafayette
24	Lawton
25	Longfellow
26	Marina
27	Marshall
28	Martin Luther King Jr.
29	Monroe
30	Paul Revere
31	Peabody
32	Rosa Parks
33	SF Community
34	Sherman
35	Spring Valley
36	Stevenson
37	Sunnyside
38	Sunset
39	Thurgood Marshall
40	Washington </td



N
 0 0.475 0.95 Miles
 Participating Schools
 Last modified: 5/19/16



2015-1016 SAFE ROUTES TO SCHOOLS PROGRAM
PARTICIPATING SCHOOLS BY SUPERVISORIAL DISTRICT

DISTRICT 1 | Eric Mar

Alamo Elementary School
 250 23rd Avenue, 8:40-2:40
 Principal: Rosa Fong

Argonne Elementary School
 680 18th Ave, 8:30-2:40
 Principal: Cami Okubo

Lafayette Elementary School
 4545 Anza Street, 7:50-1:50
 Principal: Heath Caceres

George Peabody Elementary School
 251 6th Avenue, 8:40-2:40
 Principal: Willem Vroegh

Washington High School
 599 30th Ave, 7:30-3:30
 Principal: Ericka Lovrin

DISTRICT 2 | Mark Farrell

Sherman Elementary School
 1651 Union Street, 7:50-1:50
 Principal: Sara Shenkan-Rich

Marina Middle School
 3500 Fillmore, 9:10-3:25
 Principal: Joanna Fong

DISTRICT 3 | Aaron Peskin

John Yehall Chin Elementary School
 350 Broadway Street, 9:25-3:35
 Principal: Allen Lee

Gordon Lau Elementary School
 950 Clay Street, 8:40-2:40
 Principal: Nita Mok

Jean Parker Elementary School
 840 Broadway Street, 8:40-2:40
 Principal: Wesley Tang

Spring Valley Elementary School
 1451 Jackson Street, 8:40-2:40
 Principal: Marlene Callejas

DISTRICT 4 | Katy Tang

Dianne Feinstein Elementary School
 2550 25th Avenue, 7:50-1:50
 Principal: Michelle Chang

Jefferson Elementary School
 1725 Irving Street, 8:40-2:40
 Principal: Kimberly Adams

Lawton K-8 School
 1570 31st Avenue, 8:55-3:30
 Principal: Gina Ferrante

RL Stevenson Elementary School
 2051 34th Avenue, 8:40-2:40
 Principal: Diane Lau-Yee

Sunset Elementary School
 1920 41st Avenue, 8:40-2:40
 Principal: Sophie Lee

DISTRICT 5 | London Breed

Chinese Immersion at de Avila Elementary School
 1250 Waller Street, 8:40-2:40
 Principal: Rosina Tong

Grattan Elementary School
 165 Grattan Street, 7:50-1:50
 Principal: Matthew Reedy

Rosa Parks Elementary School
 1501 O'Farrell Street, 7:50-1:50
 Principal: Paul Jacobsen

DISTRICT 6 | Jane Kim

Bessie Carmichael Elementary School
 375 7th Street, 8:40-2:40
 Principal: Rehema Allen

Bessie Carmichael Middle School
 824 Harrison St, 8:30-2:40
 Principal: Rehema Allen



2015-1016 SAFE ROUTES TO SCHOOLS PROGRAM
PARTICIPATING SCHOOLS BY SUPERVISORIAL DISTRICT

DISTRICT 7 | Norman Yee

Commodore Sloat Elementary School
 50 Darien Way, 8:40-2:40
 Principal: Greg John

Sunnyside Elementary School
 250 Foerster Street, 8:40-2:40
 Principal: Renee Marcy

DISTRICT 8 | Scott Wiener

Alvarado Elementary School
 625 Douglas Street, 7:50-1:50
 Principal: Jennifer Kuhr Butterfoss

Fairmount Elementary School
 65 Chenery Street, 8:35-2:40
 Principal: Luis Rodriguez

Glen Park Elementary School
 151 Lippard Ave, 8:40-2:40
 Principal: Jean C. Robertson

DISTRICT 9 | David Campos

Buena Vista Horace Mann K-8 School
 3351 23rd Street, 9:30-3:45
 Principal: Richard Zapien

Cesar Chavez Elementary School
 825 Shotwell Street, 8:40-2:55
 Principal: Catalina Rico

Marshall Elementary School
 1575 15th Street, 8:40-2:40
 Principal: Peter Avila

Paul Revere K-8 School
 555 Tompkins Avenue, 7:50-1:50
 Principal: Stacy-Ann Afflick

ER Taylor Elementary School
 423 Burrows Street, 8:40-2:45
 Principal: Barbara Berman

Martin Luther King Jr. Middle School
 350 Girard St, 9:05-3:30
 Principal: Michael Eissen

DISTRICT 10 | Malia Cohen

George Washington Carver Elementary School
 1360 Oakdale Avenue, 8:30-2:40
 Principal: Emmanuel S. Stewart

El Dorado Elementary School
 70 Delta Street, 7:50-1:50
 Principal: Silvia Cordero

Bret Harte Elementary School
 1035 Gilman Avenue, 8:25-2:40
 Principal: Jeremy Hilinski

Thurgood Marshall High School
 45 Conkling St, 8:00-3:15
 Principal: Martha Torres

DISTRICT 11 | John Avalos

Cleveland Elementary School
 455 Athens Street, 9:30-3:30
 Principal: Mark Sanchez

Longfellow Elementary School
 755 Morse Street, 8:40-2:40
 Principal: Carrie Betti

Monroe Elementary School
 260 Madrid Street, 8:25-2:30
 Principal: Jose Montano

SF Community K-8 School
 125 Excelsior Ave, 9:15-3:30
 Principal: Nora Houseman

Attachment 2-2. Cycle 2 San Francisco Safe Routes to School Program
 Task Summary - Budget by Agency
 Original Budget for 14-17

Task	Agency #1 San Francisco Department of Public Health	Agency #2 San Francisco Bicycle Coalition	Agency #3 Walk San Francisco	Agency #4 Presidio Ybike Program	Agency #5 SF Unified School District	Agency #6 SF Department of the Environment	Agency #5 SF Study Center - Fiscal intermediary fees, assemblies, and curricula	TOTAL
Task 1	SF SRTS grant management per federal transportation aid requirements	\$ 158,512.00						\$ 158,512.00
Task 2	SFUSD school coordination and outreach				\$ 93,974.00			\$ 93,974.00
Task 3	Outreach team to provide targeted outreach, education, and encouragement	\$ 61,029.00	\$ 15,972.00					\$ 77,001.00
Task 4	Parent/guardian champions at participating schools	\$ 186,192.00	\$ 96,925.00					\$ 283,117.00
Task 5	In-school assemblies for elementary school						\$ 42,000.00	\$ 42,000.00
Task 6	Bicycle Rodeos at elementary schools			\$ 61,889.00				\$ 61,889.00
Task 7	Bike clubs for 3 middle schools			\$ 134,912.00				\$ 134,912.00
Task 8	Bike shop programs for 2 high schools			\$ 147,154.00				\$ 147,154.00
Task 9	Curriculum for classroom teachers and fiscal intermediary fees						\$ 198,351.00	\$ 198,351.00
Task 10	Regular walk and roll events	\$ 113,788.00	\$ 55,489.00					\$ 169,277.00
Task 12	Annual Walk and Roll to School Day in October	1664	\$ 40,087.00					\$ 41,751.00
Task 13	Annual spring SF SRTS celebration	34956	\$ 1,101.00					\$ 36,057.00
Task 14	Transportation demand management (TDM) toolkits					\$ 77,742.00		\$ 77,742.00
Task 15	Program Evaluation	\$ 103,701.00						\$ 103,701.00
	TOTAL	\$ 262,213.00	\$ 397,629.00	\$ 209,574.00	\$ 343,935.00	\$ 77,742.00	\$ 240,351.00	\$ 1,625,438.00

Attachment 2-2. Cycle 2 San Francisco Safe Routes to School Program
 Task Summary - Budget by Agency
 Additional funds for 16-17

Task	Agency #1 San Francisco Department of Public Health	Agency #2 San Francisco Bicycle Coalition	Agency #3 Walk San Francisco	Agency #4 Presidio Ybike Program	Agency #5 SF Unified School District	Agency #6 SF Department of the Environment	Agency #5 SF Study Center - Fiscal intermediary fees, assemblies, and curricula	TOTAL
Task 1	\$ 60,804.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,804.00
Task 2	\$ -	\$ -	\$ -	\$ -	\$ 87,280.00	\$ -	\$ -	\$ 87,280.00
Task 3	\$ -	\$ 24,925.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,925.00
Task 4	\$ -	\$ -	\$ 27,470.00	\$ -	\$ -	\$ -	\$ -	\$ 27,470.00
Task 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,000.00	\$ 29,000.00
Task 6	\$ -	\$ -	\$ -	\$ 59,711.00	\$ -	\$ -	\$ -	\$ 59,711.00
Task 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Task 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Task 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,898.00	\$ 27,898.00
Task 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Task 12	\$ -	\$ -	\$ 10,234.00	\$ -	\$ -	\$ -	\$ -	\$ 10,234.00
Task 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Task 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000.00	\$ -	\$ 15,000.00
Task 15	\$ 2,678.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,678.00
TOTAL	\$ 63,482.00	\$ 24,925.00	\$ 37,704.00	\$ 59,711.00	\$ 87,280.00	\$ 15,000.00	\$ 71,898.00	\$ 360,000.00

Attachment 2-2. Cycle 2 San Francisco Safe Routes to School Program
 Task Summary - Budget by Agency
 Total budget 14-17

Task	Agency #1 San Francisco Department of Public Health	Agency #2 San Francisco Bicycle Coalition	Agency #3 Walk San Francisco	Agency #4 Presidio Ybike Program	Agency #5 SF Unified School District	Agency #6 SF Department of the Environment	Agency #5 SF Study Center - Fiscal intermediary fees, assemblies, and curricula	TOTAL
Task 1	SF SRTS grant management per federal transportation aid requirements	\$ 219,316.00						\$ 219,316.00
Task 2	SFUSD school coordination and outreach				\$ 181,254.00			\$ 181,254.00
Task 3	Outreach team to provide targeted outreach, education, and encouragement	\$ 85,954.00	\$ 15,972.00					\$ 101,926.00
Task 4	Parent/guardian champions at participating schools	\$ 186,192.00	\$ 124,395.00					\$ 310,587.00
Task 5	In-school assemblies for elementary school						\$ 71,000.00	\$ 71,000.00
Task 6	Bicycle Rodeos at elementary schools			\$ 121,600.00				\$ 121,600.00
Task 7	Bike clubs for 3 middle schools			\$ 134,912.00				\$ 134,912.00
Task 8	Bike shop programs for 2 high schools			\$ 147,154.00				\$ 147,154.00
Task 9	Curriculum for classroom teachers and fiscal intermediary fees						\$ 225,811.00	\$ 225,811.00
Task 10	Regular walk and roll events	\$ 113,788.00	\$ 55,489.00					\$ 169,277.00
Task 12	Annual Walk and Roll to School Day in October	1664	\$ 50,321.00					\$ 51,985.00
Task 13	Annual spring SF SRTS celebration	34956	\$ 1,101.00					\$ 36,057.00
Task 14	Transportation demand management (TDM) toolkits					\$ 92,742.00		\$ 92,742.00
Task 15	Program Evaluation	\$ 106,379.00						\$ 106,379.00
	TOTAL	\$ 325,095.00	\$ 422,554.00	\$ 247,278.00	\$ 403,666.00	\$ 92,742.00	\$ 311,811.00	\$ 1,985,000.00

(rounded)

Attachment 2-3. Active Transportation Program-Funded Scope Summary

The overall purpose of the San Francisco Safe Routes to School (SF SRTS) program is to promote walking and biking to and from San Francisco schools. For school years 2014-2017, SF SRTS delivers an integrated set of services based on four of the five Es – Education, Encouragement, Engineering and Evaluation. SF SRTS currently works with 40 public schools total - 35 elementary, 3 middle and 2 high schools. SF SRTS has received additional funding from the Active Transportation Program, which as describes below:

Active Transportation Program Cycle 1 – September 1, 2015 to August 31, 2017

This funding would supplement current MTC Regional SRTS Cycle 2 funding. For 2015-2017 school years, SF SRTS will implement the following:

Policy: By 2017, SFUSD will adopt a new resolution supporting all modes of transportation to and from school, especially walking and biking. In addition, policies at each school supporting the implementation of the SRTS activities will be in place.

Education: Comprehensive tailored active transportation toolkits, targeted for 102 schools in the District will be developed, translated, and distributed in hard copies and online to all families in the district. Each school will get a toolkit including: area map around school, map of where attending students live, suggested walking, biking and transit routes (e.g. bike routes, transit stops, crossing guards, and carpooling information), and list of resources to increase safe walking and biking.

Encouragement: SF SRTS will work with a multilingual team of outreach workers at the SF Environment who will promote the active transportation toolkits to parents. They will identify strategies to reach parents and will promote resources to participate in active transportation.

Enforcement: SF Police Department to provide enforcement of motor vehicle laws near schools located on high injury corridors to increase safety, both real and perceived.

Evaluation: The program will be evaluated utilizing travel tallies, parent surveys and focus groups.

Active Transportation Program Cycle 2 – September 1, 2017 to August 31, 2019

This grant allows SF SRTS to implement new elements of our current program as outlined below:

- Expanding the focus on underserved communities, specifically schools with 75% or more of student population on free and reduced price meals;
- Creating SF SRTS neighborhood task forces, arranging schools by neighborhood for collective impact;
- Hosting neighborhood skills building, encouragement and outreach events;
- Integrate Safe Passage into SF SRTS neighborhood project;
- Launch City Street Investigators curricula in afterschool programs;
- Offer bike physical education at 4 middle and 2 high schools;
- Conduct walk and bike audits and 4 schools;
- Implement SRTS elements of SFUSD Wellness and Vision Zero Resolutions; and
- Evaluating program activities through student travel tallies and parent surveys.

Recently, CA Department of Transportation deemed that several items in the grant application were deemed ineligible for funding by the Active Transportation Program. SF SRTS has identified other funds for these items; thereby, MTC Regional Cycle 2 funds will not be used to cover this funding gap.



Memorandum

Date: 06.15.16 **RE:** Plans and Committee
June 21, 2016

To: Plans and Programs Committee: Commissioners Tang (Chair), Farrell (Vice Chair), Avalos, Breed, Peskin and Wiener (Ex Officio)

From: Amber Crabbe – Assistant Deputy Director for Policy and Programming *Ac*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Programming \$360,000 in Supplemental Regional Safe Routes to School (SR2S) Funds to San Francisco Department of Public Health’s SR2S Program, and Reprogramming \$52,251 in One Bay Area Grant Funds and \$548,388 in Congestion Management Agency Block Grant Funds to San Francisco Public Works’ Second Street Improvement Project

Summary

The purpose of this memorandum is to seek a recommendation for some programming changes related to two Cycle 1 One Bay Area Grant (OBAG) projects. In June 2013, as Congestion Management Agency (CMA) for San Francisco, the Transportation Authority Board programmed \$1.439 million in Regional Safe Routes to School (SR2S) funds to the San Francisco Department of Public Health’s (SFDPH’s) SR2S Program and \$35 million in Cycle 1 OBAG block grant funds to seven projects, including San Francisco Public Works’ (SFPW’s) Second Street Improvement Project. Since then, the Metropolitan Transportation Commission extended Cycle 1 OBAG by 1 year and, as a result, generated supplemental funds for the Regional SR2S program. We are proposing to program San Francisco’s modest share (\$360,000) of these funds to expand SFDPH’s SR2S Program, particularly the communication, coordination, outreach, and evaluation efforts. The second recommended action is to reprogram unneeded funds from the ER Taylor SR2S (\$52,251 in Cycle 1 OBAG) and the Folsom Streetscape Improvement (\$548,388 in CMA Block Grant funds, the predecessor to OBAG) projects to SFPW’s Second Street project. The Second Street project has experienced cost increases due to the rising cost of construction since the project was originally funded in 2013, and the community’s request for the inclusion of pedestrian lighting.

BACKGROUND

In June 2013, as Congestion Management Agency (CMA) for San Francisco, the Transportation Authority Board programmed \$1.439 million in Regional Safe Routes to School (SR2S) funds to the San Francisco Department of Public Health’s (SFDPH’s) SR2S Program and \$35 million in One Bay Area Grant (OBAG) Cycle 1 funds to seven competitively selected projects, including San Francisco Public Works’ (SFPW’s) Second Street Improvement Project (see Attachment 1 for the project descriptions and subsequent amendments).

Since then, the Metropolitan Transportation Commission (MTC) has added one more fiscal year to Cycle 1 OBAG, making \$5 million in supplemental funds available for the Regional SR2S program for the extended year. San Francisco’s share of the supplemental Regional SR2S program funds is a modest

\$360,000, which the Transportation Authority is charged with programming.

SFPW has completed ER Taylor SR2S and Folsom Streetscape Improvement projects and identified \$52,251 in the Cycle 1 OBAG County Program funds and \$548,388 in the CMA Block Grant Program (predecessor to the OBAG County Program) funds, respectively, that can be reprogrammed to another OBAG project.

DISCUSSION

The purpose of this memorandum is to seek a recommendation for programming \$360,000 in supplemental Regional SR2S funds to SFDPH's SR2S Program, and reprogramming \$52,251 in Cycle 1 OBAG funds and \$548,388 in CMA Block Grant funds to SFPW's Second Street project to help cover cost increases. Additional details on both sets of recommended programming actions are provided below.

San Francisco SR2S Program: The originally programmed Cycle 2 Regional SR2S funds (\$1.439 million) enabled the San Francisco SR2S Program to expand from 15 elementary schools to 40 schools, including 35 elementary schools, 3 middle schools, and 2 high schools; conduct bilingual outreach to educate and organize parents; offer pedestrian and bicycle safety education during assemblies and school events; and develop and distribute transportation demand management toolkits.

As the lead agency of San Francisco SR2S Coalition (comprised of the San Francisco Unified School District (SFUSD), City agencies, and non-profits), SFDPH proposes using San Francisco's share (\$360,000) of MTC's supplemental SR2S funds to expand communication, coordination, outreach, and evaluation efforts, such as:

- Fully fund an outreach worker at SFUSD to pilot the concept of establishing Neighborhood Hubs to coordinate trips among multiple schools;
- Expand hands-on bike education to middle and high schools;
- Expand the use of social media and website for information sharing key dates and events;
- Ensure all surveys and toolkits are available in all languages and in a hard copy format (not just digitally);
- Evaluate and document lessons learned and develop case studies during summer recess;
- Accommodate unanticipated cost increases, including changes to fringe benefit rates.

SFDPH has received Active Transportation Program (ATP) funds to supplement and extend its SR2S program but has not secured funds beyond summer 2019. See Attachment 2-1 through 2-3 for more detailed program information, a proposed budget, and the ATP-funded scope summary.

Second Street Improvement: The Second Street project has recently received federal environmental clearance and is finalizing the federal authorization process prior to advertising the construction contract. SFPW has added pedestrian lighting as an alternate bid item to accommodate a community request, which turned out to be more expensive than usual due to the presence of sub-sidewalk basements. SFPW also updated the bid prices with the most recent data, which reflected the rising cost of construction.

SFPW proposes reprogramming \$52,251 from ER Taylor SR2S and \$548,388 from the Folsom Streetscape project to partially cover the cost increase and is working to identify other funding sources to fully fund pedestrian lighting. SFPW plans on advertising the Second Street construction contract by July 2016 and awarding it by the end of this year. SFPW's Prop K allocation request for the Second Street project, which is subject of a separate agenda item, provides more detail on the project scope, schedule, and funding plan.

If approved by the Transportation Authority Board, the proposed SR2S programming and OBAG reprogramming actions would then be subject to approval by MTC.

ALTERNATIVES

1. Recommend programming \$360,000 in supplemental Regional SR2S funds to SFDPH's SR2S Program, and reprogramming \$52,251 in Cycle 1 OBAG funds and \$548,388 in CMA Block Grant funds to SFPW's Second Street project, as requested.
2. Recommend programming \$360,000 in supplemental Regional SR2S funds to SFDPH's SR2S Program, and reprogramming \$52,251 in Cycle 1 OBAG funds and \$548,388 in CMA Block Grant funds to SFPW's Second Street project, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC considered this item at its May 25, 2016 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

There is no financial impact to the Transportation Authority's adopted FY 2015/16 budget from the requested action.

RECOMMENDATION

Recommend programming \$360,000 in supplemental Regional SR2S funds to SFDPH's SR2S Program, and reprogramming \$52,251 in Cycle 1 OBAG funds and \$548,388 in CMA Block Grant Program funds to SFPW's Second Street project.

Attachments (2):

1. Cycle 1 OBAG Project List
2. San Francisco SR2S – Fact Sheet, Proposed Budget Change, and ATP-funded Scope Summary

RESOLUTION ALLOCATING \$6,004,645 IN PROP K FUNDS, WITH CONDITIONS, AND APPROPRIATING \$75,000 IN PROP K FUNDS, FOR EIGHT REQUESTS, SUBJECT TO THE ATTACHED FISCAL YEAR CASH FLOW DISTRIBUTION SCHEDULES

WHEREAS, The Transportation Authority received eight Prop K requests totaling \$6,079,645, as summarized in Attachments 1 and 2 and detailed in the enclosed allocation request forms; and

WHEREAS, The requests seek funds from the following Prop K Expenditure Plan categories: Balboa Park BART/Muni Station Access, Guideways – SFMTA, Great Highway Erosion Repair, Street Repair & Cleaning Equipment, Pedestrian and Bicycle Facility Maintenance, Bicycle Circulation/Safety, Tree Planting and Maintenance, and Transportation/Land Use Coordination; and

WHEREAS, As required by the voter-approved Expenditure Plans, the Transportation Authority Board has adopted a Prop K 5-Year Prioritization Program (5YPP) for all of the aforementioned Expenditure Plan programmatic categories; and

WHEREAS, Six of the eight requests are consistent with the relevant 5YPPs for their respective categories; and

WHEREAS, San Francisco Public Works' request for Street Repair and Cleaning Equipment requires a finance cost neutral Prop K Strategic Plan amendment to 1) advance programming and cash flow from Fiscal Years 2017/18 and 2018/19 to Fiscal Year 2016/17 in the Street Repair and Cleaning Equipment category and 2) offset any finance costs by reprogramming deobligated funds from prior fiscal years to Fiscal Years 2017/18 and 2018/19 in the Street Resurfacing, Rehabilitation, and Maintenance category, with corresponding amendments to the 5YPPs for both



categories; and

WHEREAS, The San Francisco Municipal Transportation Agency's request for Rail Grinding requires a 5YPP amendment to the Guideways–SFMTA category, as detailed in the enclosed allocation request form; and

WHEREAS, After reviewing the requests, Transportation Authority staff recommended allocating a total of \$6,004,645 in Prop K funds, with conditions, and appropriating \$75,000 in Prop K funds, for eight requests, as described in Attachment 3 and detailed in the enclosed allocation request forms, which include staff recommendations for Prop K allocation amounts, required deliverables, timely use of funds requirements, special conditions, and Fiscal Year Cash Flow Distribution Schedules; and

WHEREAS, There are sufficient funds in the Capital Expenditures line item of the Transportation Authority's approved Fiscal Year 2016/17 budget to cover the proposed actions; and

WHEREAS, At its May 25, 2016 meeting, the Citizens Advisory Committee was briefed on the subject request and unanimously adopted a motion of support for the staff recommendation; and

WHEREAS, On June 21, 2016, the Plans and Programs Committee reviewed the subject request and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby amends the Prop K Strategic Plan to advance programming and cash flow in the Street Repair and Cleaning Equipment category and reprogram deobligated funds in the Street Resurfacing, Rehabilitation, and Maintenance category, as detailed in the enclosed allocation request form; and be it further

RESOLVED, That the Transportation Authority hereby amends the 5YPPs for the Prop K Guideways–SFMTA, Street Resurfacing, Rehabilitation and Maintenance, and Street Repair and

Cleaning Equipment categories, as detailed in the enclosed allocation request forms; and be it further

RESOLVED, That the Transportation Authority hereby allocates \$6,004,645 in Prop K funds, with conditions, and appropriates \$75,000 in Prop K funds, for eight requests, as summarized in Attachment 3 and detailed in the enclosed allocation request forms; and be it further

RESOLVED, That the Transportation Authority finds the allocation of these funds to be in conformance with the priorities, policies, funding levels, and prioritization methodologies established in the Prop K Expenditure Plan, the Prop K Strategic Plan, and the relevant 5YPPs; and be it further

RESOLVED, That the Transportation Authority hereby authorizes the actual expenditure (cash reimbursement) of funds for these activities to take place subject to the Fiscal Year Cash Flow Distribution Schedules detailed in the enclosed allocation request forms; and be it further

RESOLVED, That the Capital Expenditures line item for subsequent fiscal year annual budgets shall reflect the maximum reimbursement schedule amounts adopted and the Transportation Authority does not guarantee reimbursement levels higher than those adopted; and be it further

RESOLVED, That as a condition of this authorization for expenditure, the Executive Director shall impose such terms and conditions as are necessary for the project sponsors to comply with applicable law and adopted Transportation Authority policies and execute Standard Grant Agreements to that effect; and be it further

RESOLVED, That as a condition of this authorization for expenditure, the project sponsors shall provide the Transportation Authority with any other information it may request regarding the use of the funds hereby authorized; and be it further



RESOLVED, That the Capital Improvement Program of the Congestion Management Program and the relevant 5YPPs are hereby amended, as appropriate.

Attachments (4):

1. Summary of Applications Received
2. Project Descriptions
3. Staff Recommendations
4. Prop K Allocation Summary – FY 2016/17

Enclosure:

Prop K/Prop AA Allocation Request Forms (8)

Attachment 1: Summary of Applications Received

Source	EP Line No./Category ¹	Project Sponsor ²	Project Name	Current Prop K Request	Current Prop AA Request	Total Cost for Requested Phase(s)	Leveraging		Phase(s) Requested	District	
							Expected Leveraging by EP Line ³	Actual Leveraging by Project Phase(s) ⁴			
Prop K	22M	SFMTA	Rail Grinding	\$ 1,036,400		\$ 5,182,000	78%	80%	Construction	3, 5, 6, 8	
Prop K	26	SFPW	Great Highway Reroute (Permanent Restoration)	\$ 64,734		\$ 410,000	86%	84%	Design	7, 4	
Prop K	35	SFPW	Street Repair and Cleaning Equipment	\$ 1,499,408		\$ 1,499,408	29%	0%	Procurement	Citywide	
Prop K	37	SFPW	Public Sidewalk Repair	\$ 537,494		\$ 786,375	48%	32%	Construction	Citywide	
Prop K	42	SFPW	Tree Planting & Maintenance	\$ 1,092,025		\$ 6,200,238	57%	82%	Construction	Citywide	
Prop K	44, 13	SFMTA	Geneva-San Jose Intersection Study [NTIP Planning]	\$ 150,000		\$ 150,000	56%	0%	Planning	11	
Prop K	44, 39	SFPW	Second Street Improvement	\$ 1,549,584		\$ 15,369,419	32%	90%	Construction	6	
Prop K	44	SFCTA/SFMTA	NTIP Program Support	\$ 150,000		\$ 150,000	40%	0%	Planning	Citywide	
TOTAL							\$ 6,079,645	\$ -	\$ 29,747,440	46%	80%

Footnotes

¹ "EP Line No./Category" is either the Prop K Expenditure Plan line number referenced in the 2014 Prop K Strategic Plan or the Prop AA Expenditure Plan category referenced in the 2012 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit).

² Acronyms: SFCTA (San Francisco County Transportation Authority), SFMTA (San Francisco Municipal Transportation Agency), SFPW (San Francisco Public Works)

³ "Expected Leveraging By EP Line" is calculated by dividing the total non-Prop K funds expected to be available for a given Prop K Expenditure Plan line item (e.g. Pedestrian Circulation and Safety) by the total expected funding for that Prop K Expenditure Plan line item over the 30-year Expenditure Plan period. For example, expected leveraging of 90% indicates that on average non-Prop K funds should cover 90% of the total costs for all projects in that category, and Prop K should cover only 10%.

⁴ "Actual Leveraging by Project Phase" is calculated by dividing the total non-Prop K or non-Prop AA funds in the funding plan by the total cost for the requested phase or phases. If the percentage in the "Actual Leveraging" column is lower than in the "Expected Leveraging" column, the request (indicated by yellow highlighting) is leveraging fewer non-Prop K dollars than assumed in the Expenditure Plan. A project that is well leveraged overall may have lower-than-expected leveraging for an individual or partial phase.

Attachment 2: Brief Project Descriptions¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
22M	SFMTA	Rail Grinding	\$ 1,036,400	\$ -	Requested funds will leverage \$4,145,600 in federal funds for rail grinding to all inbound and outbound tracks inside the Muni Metro Subway. The subway rails will be re-shaped to the optimal profile to extend the useful life of the rails by approximately 20%, reduce the risk of derailments, improve ride quality, and mitigate noise from light rail vehicles. SFMTA expects work to begin in Fall 2016 and be complete within one year. All work will be done at night during non-revenue hours.
26	SFPW	Great Highway Reroute (Permanent Restoration)	\$ 64,734	\$ -	Funds will be used for the design phase of the permanent restoration of the Great Highway after the southbound lane was undermined and partially collapsed in the winter of 2009/10. These funds will serve as the local match to Federal Highway Administration (FHWA) Emergency Relief Program funds. The project will preserve the roadway's function, converting the two existing Great Highway northbound lanes into a single northbound and single southbound travel lane. Design is expected to be completed in 9 months, with construction to be completed in March 2018.
35	SFPW	Street Repair and Cleaning Equipment	\$ 1,499,408	\$ -	Requested funds will be used to replace five street cleaning air sweepers that have exceeded their useful lives and are non-compliant with Bay Area Air Quality Management District (BAAQMD) standards. All city departments were recently notified that they must comply with BAAQMD requirements by the end of 2016, however Public Works will coordinate with BAAQMD for an acceptable extension to this deadline since the new equipment will not be in service until June 2017. See Attachment 3 for details on the cost-neutral Prop K Strategic Plan amendment that is required to make sufficient funds available to SFPW in Fiscal Year (FY) 2016/17.

Attachment 2: Brief Project Descriptions¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
37	SFPW	Public Sidewalk Repair	\$ 537,494	\$ -	Prop K funds will leverage \$248,881 in state funds to repair a total of 221 sidewalk locations around City street trees. Prioritization criteria include locations with accidents, complaints, and areas of high lift and extensive damage. All work will be performed in FY 2016/17.
42	SFPW	Tree Planting & Maintenance	\$ 1,092,025	\$ -	Funds will leverage over \$5.1 million in state gas tax and local funds to replace 375 street trees in the public right-of-way, establish 376 young trees by watering them on a weekly basis, and maintain 814 mature street trees. Prioritized locations are listed on pages 1-2 of the allocation request form. All work will be performed in FY 2016/17.
44, 13	SFMTA	Geneva-San Jose Intersection Study [NTIP Planning]	\$ 150,000	\$ -	Funds will be used to develop conceptual designs for near, medium and long-term improvements for multimodal transportation safety and transit access in the vicinity of the Geneva and San Jose intersection, including passenger access to Muni's M-Ocean View Line. This project was proposed by the Balboa Park Community Advisory Committee (BPCAC), and will use both NTIP planning funds and Balboa Park Station Area Improvement placeholder funds for projects determined by the BPCAC. The SFMTA will work closely with the district supervisor's office, public agencies, and community stakeholders to coordinate this project with the various other projects in the immediate vicinity of the intersection. SFMTA expects to complete the final report by July 2017.

Attachment 2: Brief Project Descriptions¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
44, 39	SFPW	Second Street Improvement	\$ 1,549,584	\$ -	Funds will leverage \$9.2 million in OneBayArea Grant (OBAG) funds for the construction phase of the complete streets project on 2nd Street between Market and Townsend streets. The project, which has been refined through extensive public outreach, consists of sidewalk widening, buffered and raised cycletracks, lane reduction, pedestrian safety improvements, bus stop improvements, a new traffic signal at 2nd and South Park, street trees and landscaping, and associated sewer rehabilitation. In response to feedback from the community, SFPW has included pedestrian lighting as a bid alternate item should funding become available. SFPW anticipates starting construction by January 2017 and completing construction by June 2018.
44	SFCTA/ SFMTA	NTIP Program Support	\$ 150,000	\$ -	Requested funds will enable the SFMTA and Transportation Authority staff to work together to support commissioners' efforts to identify potential Neighborhood Transportation Improvement Program (NTIP) planning and capital projects; to develop proposed scope, schedule, and budget information to support allocation of NTIP grants; and to provide ongoing NTIP support as grants are implemented.
TOTAL			\$ 6,079,645	\$ -	

¹ See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Recommended	Prop AA Funds Recommended	Recommendation
22M	SFMTA	Rail Grinding	\$ 1,036,400	\$ -	5-Year Prioritization Program (5YPP) Amendment: Recommendation is contingent upon a concurrent Muni Guideways 5YPP amendment to re-program \$1,036,400 from the Muni Metro Rail Replacement Program to the subject project. See attached 5YPP amendment for details.
26	SFPW	Great Highway Reroute (Permanent Restoration)	\$ 64,734	\$ -	
35	SFPW	Street Repair and Cleaning Equipment	\$ 1,499,408	\$ -	Prop K Strategic Plan and 5YPP Amendments: In order to advance funds for the subject project as requested by SFPW to meet BAAQMD requirements, our recommendation is contingent upon a finance cost neutral Strategic Plan Amendment and corresponding 5YPP amendment to 1) advance programming (\$722,582 from FY 2017/18) and cash flow (\$1,110,996 from FYs 2017/18 and 2018/19) to FY 2016/17 in the Street Repair and Cleaning Equipment category and 2) offsetting any finance costs by reprogramming \$1,110,996 in deobligated funds from prior fiscal years to FYs 2017/18 and 2018/19 in the Street Resurfacing, Rehabilitation, and Maintenance category. SFPW has determined that this amendment will not impact any planned street resurfacing projects. See attached amendments for details.
37	SFPW	Public Sidewalk Repair	\$ 537,494	\$ -	
42	SFPW	Tree Planting & Maintenance	\$ 1,092,025	\$ -	
44, 13	SFMTA	Geneva-San Jose Intersection Study [NTIP Planning]	\$ 150,000	\$ -	
44, 39	SFPW	Second Street Improvement	\$ 1,549,584	\$ -	
44	SFCTA/ SFMTA	NTIP Program Support	\$ 150,000	\$ -	
TOTAL			\$ 6,079,645	\$ -	

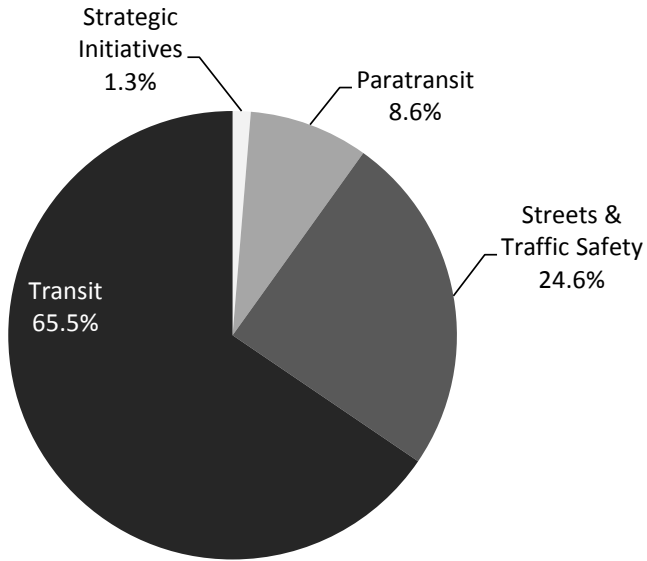
¹ See Attachment 1 for footnotes.

**Attachment 4.
Prop K Allocation Summary - FY 2016/17**

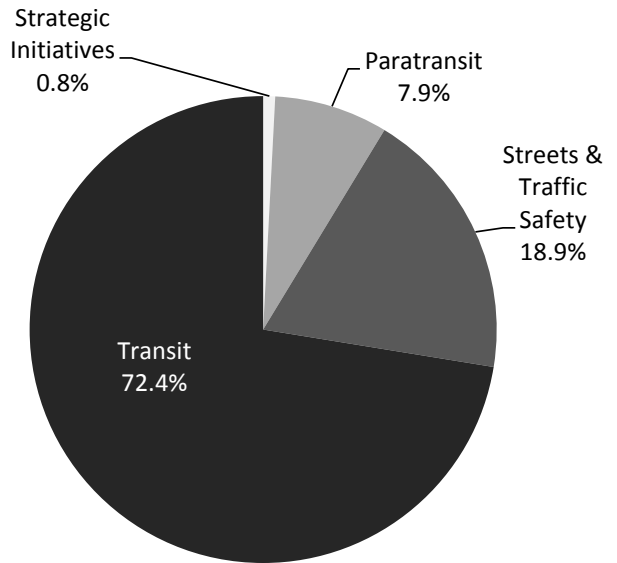
PROP K SALES TAX						
		CASH FLOW				
	Total	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Prior Allocations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Request(s)	\$ 6,079,645	\$ 4,610,189	\$ 1,469,456	\$ -	\$ -	\$ -
New Total Allocations	\$ 6,079,645	\$ 4,610,189	\$ 1,469,456	\$ -	\$ -	\$ -

The above table shows maximum annual cash flow for all FY 2015/16 allocations approved to date, along with the current recommended

Investment Commitments, per Prop K Expenditure Plan



Prop K Investments To Date



Memorandum

Date: 06.15.16 **RE:** Plans and Programs Committee
June 21, 2016

To: Plans and Programs Committee: Commissioners Tang (Chair), Farrell (Vice Chair), Avalos, Breed, Peskin and Wiener (Ex Officio)

From: Anna LaForte – Deputy Director for Policy and Programming *all*

Through: Tilly Chang – Executive Director *TJC*

Subject: **ACTION** – Recommend Allocation of \$6,004,645 in Prop K Funds, with Conditions, and Appropriation of \$75,000 in Prop K Funds, for Eight Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules

Summary

As summarized in Attachments 1 and 2, we have eight requests totaling \$6,079,645 in Prop K funds to present to the Plans and Programs Committee. The San Francisco Municipal Transportation Agency (SFMTA) is requesting about \$1.03 million for rail grinding of all tracks in the Muni Metro tunnel to extend the useful life of the rails, reduce the risk of derailment, and improve ride quality. The SFMTA has also requested \$150,000 for a Neighborhood Transportation Improvement Program (NTIP) planning project to develop conceptual designs for multimodal improvements to the Geneva-San Jose intersection, including passenger access to the M-Ocean View Line. San Francisco Public Works (SFPW) has requested \$64,734 for the design phase of the Great Highway Reroute (Permanent Restoration) and \$1.5 million to leverage One Bay Area Grant funds for construction of complete street improvements on 2nd Street between Market and Townsend Streets. SFPW has also requested funds for three programs funded annually by Prop K: Public Sidewalk Repair (\$537,494), Tree Planting and Maintenance (\$1,092,025) and Street Repair and Cleaning Equipment (\$1,499,408). The latter request is for replacement of five street sweepers which have exceeded their useful lives and will be out of compliance with California and Bay Area emissions standards after December 31, 2016. As a result, SFPW is requesting a Prop K Strategic Plan amendment to advance funds to meet Bay Area Air Quality Management District requirements. Finally, we are requesting \$150,000 jointly with the SFMTA for planning work to support commissioners' efforts to identify potential NTIP planning and capital projects and develop associated scopes, schedules and budgets.

BACKGROUND

We have received eight requests for a total of \$6,079,645 in Prop K funds to present to the Plans and Programs Committee at its June 21, 2016 meeting, for potential Board approval on June 28, 2016. As shown in Attachment 1, the requests come from the following Prop K categories:

- Balboa Park BART/ Muni Station Access
- Guideways - SFMTA
- Great Highway Erosion Repair
- Street Repair & Cleaning Equipment

- Pedestrian and Bicycle Facility Maintenance
- Bicycle Circulation/ Safety
- Tree Planting and Maintenance
- Transportation/ Land Use Coordination

Transportation Authority Board adoption of a 5-Year Prioritization Program (5YPP) for Prop K programmatic categories is a prerequisite for allocation of funds from these categories.

DISCUSSION

The purpose of this memorandum is to present eight Prop K requests totaling \$6,079,645 to the Plans and Programs Committee and to seek a recommendation to allocate or appropriate the funds as requested. Attachment 1 summarizes the requests, including information on proposed leveraging (i.e. stretching Prop K dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop K Expenditure Plan. Attachment 2 provides a brief description of each project. A detailed scope, schedule, budget and funding plan for each project are included in the enclosed Allocation Request Forms.

Staff Recommendation: Attachment 3 summarizes the staff recommendations for the requests, highlighting special conditions and other items of interest.

Transportation Authority staff and project sponsors will attend the Plans and Programs Committee meeting to provide brief presentations on some of the specific requests and to respond to any questions that the members may have.

ALTERNATIVES

1. Recommend allocation of \$6,004,645 in Prop K funds, with conditions, and appropriation of \$75,000 in Prop K funds, for eight requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules, as requested.
2. Recommend allocation of \$6,004,645 in Prop K funds, with conditions, and appropriation of \$75,000 in Prop K funds, for eight requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC was briefed on this item at its May 25, 2016 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

This action would allocate \$6,004,645 and appropriate \$75,000 in FY 2016/17 Prop K sales tax funds, with conditions, for eight requests. The allocations and appropriation would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the enclosed Allocation Request Forms. The proposed Prop K Strategic Plan amendment to advance funds in the Street Repair and Cleaning Equipment category is finance cost neutral over the 30-year life of the Expenditure Plan; finance costs are offset by reprogramming de-obligated funds from prior fiscal years in the Street Resurfacing category.

Attachment 4, Prop K Allocation Summaries – FY 2016/17, shows that the subject Prop K requests are the first of FY 2016/17, and shows the recommended allocations, appropriations, and cash flows that are the subject of this memorandum.

Sufficient funds are included in the proposed FY 2016/17 budget to accommodate the recommended actions. Furthermore, sufficient funds will be included in future budgets to cover the recommended cash flow distribution for those respective fiscal years.

RECOMMENDATION

Recommend allocation of \$6,004,645 in Prop K funds, with conditions, and appropriation of \$75,000 in Prop K funds, for eight requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules.

Attachments (4):

1. Summary of Applications Received
2. Project Descriptions
3. Staff Recommendations
4. Prop K Allocation Summary – FY 2016/17

Enclosure:

Prop K/Prop AA Allocation Request Forms (8)



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RESOLUTION APPROVING THE FISCAL YEAR 2016/17 TRANSPORTATION FUND FOR CLEAN AIR PROGRAM OF PROJECTS AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT FOR \$1,009,824 IN FISCAL YEAR 2016/17 FUNDS AND TO ENTER INTO AGREEMENTS WITH APPLICABLE PUBLIC AGENCIES, ESTABLISHING CONDITIONS FOR THE USE OF THESE FUNDS

WHEREAS, On June 15, 1992, the Board of Supervisors of the City and County of San Francisco designated the San Francisco County Transportation Authority (Transportation Authority) as the Program Manager of the local guaranteed portion of the Transportation Fund for Clean Air (TFCA) funds; and

WHEREAS, As Local Program Manager, the Transportation Authority is required to file an expenditure plan application with the Bay Area Air Quality Management District (Air District) for the upcoming fiscal year's funding cycle, which was submitted to the Air District on March 3, 2016; and

WHEREAS, After netting out 5% (\$37,566) for administrative expenses as allowed by Air District guidelines and including deobligated and previously unallocated funds, the Transportation Authority is expected to have \$972,257 in Fiscal Year 2016/17 TFCA funds to program to eligible projects; and

WHEREAS, On February 25, 2016, the Transportation Authority solicited applications for projects from eligible project sponsors for Fiscal Year 2016/17 TFCA funds, and by April 29, 2016, received six applications requesting a total of approximately \$1,476,415 in TFCA funds; and

WHEREAS, Two applications were subsequently withdrawn to allow for further project development, leaving four applications requesting a total of \$1,111,269; and



WHEREAS, The Transportation Authority's adopted Local Expenditure Criteria include review of eligibility per the Air District's guidelines, calculation of the cost effectiveness ratio for each project, and other factors; and

WHEREAS, Transportation Authority staff, working in consultation with project sponsors, reviewed and prioritized the applications for funding based on Air District TFCA guidelines and the Transportation Authority's adopted Local Expenditure Criteria (Resolution 16-38); and

WHEREAS, Transportation Authority staff recommended fully funding three projects and partially funding one projects as shown in Table A of Attachment 2; and

WHEREAS, On May 25, 2016, the Citizens Advisory Committee was briefed on San Francisco's Fiscal Year 2016/17 TFCA Program of Programs and unanimously adopted a motion of support for the staff recommendation; and

WHEREAS, On June 21, 2016, the Plans and Programs Committee was briefed on the subject request and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby approves the Fiscal Year 2016/17 TFCA Program of Projects as shown in Table A of Attachment 2; and be it further

RESOLVED, That the Executive Director is authorized to execute any agreements with the Air District necessary to secure \$972,257 for projects and \$37,566 for administrative expenses for a total of \$1,009,824 in Fiscal Year 2016/17 TFCA Program Manager funds; and be it further

RESOLVED, That the Executive Director is authorized to execute funding agreements with each implementing agency to pass-through these funds for implementation of projects, establishing such terms and conditions governing cash drawdowns, financial and program audits, and reporting as necessary to comply with the requirements imposed by the Air District for the use of the funds and as required by the Transportation Authority in order to optimize the use of these of fund.



Attachment:

1. Fiscal Year 2016/17 TFCA Program of Projects – Detailed Recommendation

Attachment 1
San Francisco County Transportation Authority
Draft Fiscal Year 2016/2017 TFCA Program of Projects – Detailed Staff Recommendation

PROJECTS RECOMMENDED FOR TFCA FUNDS [sorted by cost-effectiveness (CE) ratio]										
No.	Sponsor ¹	Project Description	District	Project Type ²	Prop K Eligible	CE Ratio ³	CO ₂ Tons Reduced ⁴	Total Project Cost	TFCA Amount Requested	TFCA Amount Proposed
1	SFSU	Gator Pass Implementation Project - SF State students have voted to adopt a mandatory fee to provide Muni Class Passes and BART discounts to all SF State students. The requested funds would support implementation, including providing students with Clipper Cards tailored to the project and implementing the technology needed to provide a discount specifically for SF State students travelling on BART to/from Daly City Station. Additional implementation funds come from MTC (\$120,000) and from the student fee (\$110,000). The pass program is structured to be revenue neutral, consistent with BART and Muni policies. Our recommendation is contingent on the project receiving all necessary approvals from SFSU, the California State University, SFMTA, and BART, which are all expected by July 2016.	7	1	Yes	\$24,741	7617.7	\$580,000	\$350,000	\$ 350,000
2	SFMTA	Alternative Fuel Taxicab Incentive Program - This project is an Alternative Fuel Rebate/Incentive Program for new vehicles. Under this program, taxicab companies will have the opportunity to purchase new alternative fuel vehicles (hybrid, CNG, or electric) and will be able to submit proof of purchase materials to receive a rebate of \$2,500 for hybrid vehicles or \$3,500 for electric or accessible vehicles, which are typically more expensive than hybrid vehicles.	Citywide	3	No	\$59,211	384.5	\$250,000	\$250,000	\$ 250,000
3	SFE	Emergency Ride Home - Provides a free or low cost ride home in cases of emergency for employees who use alternative modes to get to work. The ride comes in the form of taxi, carshare or rental car reimbursement to employees of businesses participating in the program when a supervisor-approved unscheduled overtime or an emergency situation occurs. This program provides one year of funding for processing employer registrations and reimbursements.	Citywide	1	Yes	\$84,159	229.9	\$36,269	\$36,269	\$ 36,269
4	SFMTA	Short Term Bicycle Parking - Bicycle parking spaces provide end-of-trip facilities for new bicycle trips thereby replacing vehicle trips and reducing motor vehicle emissions. This project would plan, design, purchase, and install 950 bicycle parking racks in San Francisco, providing an additional 1,900 bicycle parking spaces. Our recommendation is to fund this project at 71%, due to the limited funds available. This would result in approximately 672 racks or 1344 parking spaces being installed.	Citywide	1	Yes	\$248,238	543.2	\$701,079	\$475,000	\$ 335,988

TOTAL \$1,567,348 **\$1,111,269** **\$972,257**
 Total TFCA Funding Available for Projects: \$972,257

¹ Sponsor acronyms include Department of the Environment (SFE), San Francisco Municipal Transportation Agency (SFMTA), San Francisco State University (SFSU).
² Priority based on project type is established in the Local Expenditure Criteria, with zero-emissions non-vehicle projects as the highest priority, followed in turn by alternative fuel vehicle projects, and finally any other eligible project.
³ The TFCA cost effectiveness ratio (CE) is designed to measure the cost effectiveness of a project in reducing motor vehicle air pollutant emissions and to encourage projects that contribute funding from non-TFCA sources. CE ratio limits vary by project type: for FY 16/17 the limit for Ridesharing Projects, which encompasses Emergency Ride Home and Gator Pass Implementation, is \$90,000 per ton of emissions reduced and the limit for the Bicycle Projects and Alternative Fuel Light-Duty Vehicles categories is \$250,000 per ton of emissions reduced.
⁴ CO₂ Reduction is based on tons of carbon dioxide reduced over the lifetime of the project. This figure is calculated in the cost effectiveness worksheet.



Memorandum

Date: 06.15.16 **RE:** Plans and Programs Committee
June 21, 2016

To: Plans and Programs Committee: Commissioners Tang (Chair), Farrell (Vice Chair), Avalos, Breed, Peskin and Wiener (Ex Officio)

From: Anna LaForte – Deputy Director for Policy and Programming *all*

Through: Tilly Chang – Executive Director *TJC*

Subject: **ACTION** – Recommend Approval of the Fiscal Year 2016/2017 Transportation Fund for Clean Air Program of Projects

Summary

The Transportation Fund for Clean Air (TFCA) Program was established to fund the most effective transportation projects that achieve emission reductions from motor vehicles in accordance with the Bay Area Air Quality Management District's (Air District's) Clean Air Plan. Funds are generated from a \$4 surcharge on the vehicle registration fee collected by the Department of Motor Vehicles. As the San Francisco TFCA County Program Manager, the Transportation Authority annually develops the Program of Projects for the TFCA Program Manager funds. In February we issued the call for Fiscal Year 2016/2017 TFCA applications. We received six project applications by the April 29, 2016 deadline, requesting \$1,476,415 in TFCA funds compared to \$972,257 in available funds. Two applications were subsequently withdrawn to allow for additional project development. We reviewed the remaining projects for eligibility, then evaluated eligible projects following the Board-adopted local expenditure criteria which include project type (e.g., first priority to zero emission projects), cost effectiveness of emissions reduced, program diversity, project readiness, and other considerations (e.g., a sponsor's track record for delivering prior TFCA projects). Based on this review, we are recommending full funding for the Gator Pass Implementation Project, Alternative Fuel Taxicab Incentive Program, and Emergency Ride Home. We are recommending partial funding for Short Term Bike Parking which is scalable to fit the amount of funds available.

BACKGROUND

The Transportation Fund for Clean Air (TFCA) Program was established to fund the most effective transportation projects that achieve emission reductions from motor vehicles in accordance with the Bay Area Air Quality Management District's (Air District) Clean Air Plan. Funds are generated from a \$4 surcharge on the vehicle registration fee collected by the Department of Motor Vehicles in San Francisco. 40% of the funds are distributed on a return-to-source basis to Program Managers for each of the nine counties in the Air District. The Transportation Authority is the designated County Program Manager for the City and County of San Francisco. The remaining 60% of the revenues, referred to as the TFCA Regional Fund, are distributed on a competitive basis to applicants from the nine Bay Area counties. The TFCA Regional Fund is administered by the Air District through a separate application process.

On February 25, 2016 we issued the call for Fiscal Year (FY) 2016/2017 TFCA applications to San

Francisco project sponsors. We received six project applications by the April 29, 2016 deadline, requesting \$1,476,415 in TFCA funds compared to \$972,257 in available funds. Subsequent to the deadline, the University of California San Francisco's (UCSF) application for Dogpatch Bike Lanes and the San Francisco Municipal Transportation Agency's (SFMTA) application for Business Relocation Outreach Travel Demand Management (TDM) were withdrawn to allow for additional project development. UCSF will work with the SFMTA and local developers to advance conceptual engineering for the Dogpatch Bike Lanes. The SFMTA may seek future Prop K funds for the TDM project. The remaining four applications are requesting a total of \$1,111,269 in TFCA funds.

DISCUSSION

The purpose of this memorandum is to present the staff recommendation for San Francisco's FY 2016/17 TFCA Program of Projects to the Plans and Programs Committee, and to seek a recommendation for its approval.

Available funds: We have a total of \$972,257 in available TFCA funds to program in FY 2016/17. As shown in the table below, this amount is comprised of estimated FY 2016/17 TFCA revenues, interest income, and de-obligated funds from completed and canceled prior-year TFCA projects.

Estimated TFCA Funds Available for Projects FY 2016/17	
Estimated TFCA Revenues (FY 2016/17)	\$751,324
Interest Income	\$2,500
De-obligated Funds from Prior Cycles	\$256,000
Total Funds	\$1,009,824
5% Administrative Expense	(\$37,567)
Total Available for Projects	\$972,257

Unused funds from earlier projects were de-obligated and made available for the 2016/17 call for projects. These funds came from the Commute by Bike project that was completed under budget, and three projects that were cancelled without any expenses having been reimbursed – the 8th and Market Bikeway, PresidiGo Shuttle, and Solar Chargers at the Zoo. After netting out 5% for Transportation Authority staff administrative expenses as allowed by the Air District, the estimated amount available to program to projects is \$972,257.

Prioritization Process: We evaluated the TFCA project applications following the prioritization process for developing the TFCA Program of Projects shown in Attachment 1. The first step involved screening projects to ensure eligibility according to the Air District's TFCA guidelines. One of the most important aspects of this screening was ensuring a project's cost effectiveness (CE) ratio was calculated correctly and was low enough to be eligible for consideration. The Air District's CE ratio, described in detail in Attachment 1, is designed to measure the cost effectiveness of a project in reducing air pollutant emissions and to encourage submittal of projects that leverage funds from non-TFCA sources. CE ratio limits vary by project type: for 2016/17 the limit for Ridesharing Projects, which encompasses transit and transportation demand management projects, is \$90,000 per ton of emissions reduced and the limit for the Bicycle Projects and Alternative Fuel Light-Duty Vehicles categories \$250,000 per ton of emissions reduced.

We performed our review of the CE ratio calculations in consultation with project sponsors and the Air District. The focus was to ensure that the forms were completed correctly, that values other than default values had adequate justification, and that assumptions were consistently applied across all project applications for a fair evaluation. Inevitably, as a result of our review, we had to adjust some of the submitted CE worksheets. In these cases, we worked with the project sponsor to determine the correct CE ratio and whether or not it exceeded the Air District's CE threshold.

We then prioritized projects that passed the eligibility screening using factors such as project type (e.g., first priority to zero emission projects), cost effectiveness, program diversity, project delivery (i.e., readiness), and other considerations (e.g., a sponsor's track record for delivering prior TFCA projects). Our prioritization process also considered carbon dioxide (CO₂) emissions reduced by each project. CO₂ emissions are estimated in the Air District's CE worksheets, but are not a factor in the CE calculations.

Staff Recommendation: Attachment 2 shows the four candidate projects and other information including a brief project description, total project cost, and the amount of TFCA funds requested. We are recommending TFCA funding for all four candidate projects, which includes two transportation demand management projects, one bicycle parking project, and one alternative fuel vehicle project. Three of the four projects recommended for funding are zero emissions non-vehicles projects, which is the top priority project type in the Transportation Authority's prioritization criteria.

We are recommending full funding for the Gator Pass Implementation Project, Alternative Fuel Taxicab Incentive Program, and Emergency Ride Home, and partial funding for the Short Term Bike Parking project which is scalable to fit the amount of funds remaining and the least cost effective of the recommended projects.

Schedule for Funds Availability: We expect to enter into a master funding agreement with the Air District by July 2016 after which we will issue grant agreements for the recommended FY 2016/17 TFCA funds. Pending timely review and execution of the grant agreements by the Air District and project sponsors, we expect funds to be available for expenditure beginning in August or September 2016.

ALTERNATIVES

1. Recommend approval of the FY 2016/17 TFCA Program of Projects, as requested.
2. Recommend approval of the FY 2016/17 TFCA Program of Projects, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC was briefed on this item at its May 25, 2016 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

The estimated total budget for the recommended FY 2016/17 TFCA program is \$1,009,824. This includes \$972,257 for the four proposed projects and \$37,567 for administrative expenses. The latter is consistent with Air District rules, which allow the Transportation Authority to set aside up to 5% of each year's annual income to use for administrative expenses. Revenues and expenditures for the TFCA program are included in the proposed Transportation Authority's FY 2016/17 budget, which will be considered for adoption by the Transportation Authority Board in June 2016.

RECOMMENDATION

Recommend approval of the FY 2016/17 TFCA Program of Projects.

Attachments (3):

1. FY 2016/17 TFCA Local Expenditure Criteria
2. FY 2016/17 TFCA Program of Projects – Detailed Staff Recommendation
3. FY 2016/17 TFCA Program of Projects – Summary Staff Recommendation



Attachment 1

Fiscal Year 2016/17 Transportation Fund for Clean Air (TFCA)

DRAFT LOCAL EXPENDITURE CRITERIA

The following are the Fiscal Year 2016/17 Local Expenditure Criteria for San Francisco's TFCA County Program Manager Funds.

ELIGIBILITY SCREENING

In order for projects to be considered for funding, they must meet the eligibility requirements established by the Air District's TFCA County Program Manager Fund Policies for Fiscal Year 2016/17. Consistent with the policies, a key factor in determining eligibility is a project's cost effectiveness (CE) ratio. The TFCA CE ratio is designed to measure the cost effectiveness of a project in reducing motor vehicle air pollutant emissions and to encourage projects that contribute funding from non-TFCA sources. TFCA funds budgeted for the project (both Regional Funds and County Program Manager Funds combined) are divided by the project's estimated emissions reduction. The estimated reduction is the weighted sum of reactive organic gases (ROG), oxides of nitrogen (NO_x), and particulate matter (PM) emissions that will be reduced over the effective life of the project, as defined by the Air District's guidelines.

TFCA CE is calculated by inputting information provided by the applicant into the Air District's CE worksheets. Transportation Authority staff will be available to assist project sponsors with these calculations, and will work with Air District staff and the project sponsors as needed to verify reasonableness of input variables. The worksheets also calculate reductions in carbon dioxide (CO₂) emissions, which are not included in the Air District's official CE calculations, but which the Transportation Authority considers in its project prioritization process.

Consistent with the Air District's Guidelines, in order to be eligible for Fiscal Year 2016/17 TFCA funds, a project must meet the CE ratio for emissions (i.e., ROG, NO_x, and PM) reductions as specified in the guidelines for each project type. Projects that do not meet the appropriate CE threshold cannot be considered for funding.

PROJECT PRIORITIZATION

Candidate projects that meet the cost effectiveness thresholds will be prioritized for funding based on the two-step process described below:

Step 1 - TFCA funds are programmed to eligible projects, as prioritized using the Transportation Authority Board-adopted Local Priorities (see next page).

Step 2 - If there are TFCA funds left unprogrammed after Step 1, the Transportation Authority will work with project sponsors to develop additional TFCA candidate projects. This may include refinement of projects that were submitted for Step 1, but were not deemed eligible, as well as new projects. This approach is in response to an Air District policy that does not allow County Program Managers to rollover any unprogrammed funds to the next year's funding cycle. If Fiscal Year 2016/17 funds are not programmed by November 2016, funds can be redirected (potentially to non-San

Francisco projects) at the Air District's discretion. New candidate projects must meet all of the TFCA eligibility requirements, and will be prioritized based on the Transportation Authority Board's adopted Local Priorities.

Local Priorities

The Transportation Authority's Local Priorities for prioritizing TFCA funds include the following factors:

Project Type – In order of priority:

- 1) Zero emissions non-vehicle projects including, but not limited to, bicycle and pedestrian facility improvements, transit priority projects, traffic calming projects, and transportation demand management projects;
- 2) Shuttle services that reduce vehicle miles traveled (VMT);
- 3) Alternative fuel vehicles and alternative fuel infrastructure; and
- 4) Any other eligible project.

Emissions Reduced and Cost Effectiveness – Priority will be given to projects that achieve high CE (i.e. a low cost per ton of emissions reduced) compared to other applicant projects. The Air District's CE worksheet predicts the amount of reductions each project will achieve in ROG, NO_x, PM, and CO₂ emissions. However, the Air District's calculation only includes the reductions in ROG, NO_x, and PM per TFCA dollar spent on the project. The Transportation Authority will also give priority to projects that achieve high CE for CO₂ emission reductions based on data available from the Air District's CE worksheets. The reduction of transportation-related CO₂ emissions is consistent with the City and County of San Francisco's 2004 *Climate Action Plan for San Francisco*.

Project Delivery – Priority will be given to projects that are ready to proceed and have a realistic implementation schedule, budget, and funding package. Projects that cannot realistically commence in calendar year 2017 or earlier (e.g. to order or accept delivery of vehicles or equipment, begin delivery of service, award a construction contract, start the first TFCA-funded phase of the project) and be completed within a two-year period will have lower priority. Project sponsors may be advised to resubmit these projects for a future TFCA programming cycle.

Program Diversity – Promotion of innovative TFCA projects in San Francisco has resulted in increased visibility for the program and offered a good testing ground for new approaches to reducing motor vehicle emissions. Using the project type criteria established above, the Transportation Authority will continue to develop an annual program that contains a diversity of project types and approaches and serves multiple constituencies. The Transportation Authority believes that this diversity contributes significantly to public acceptance of and support for the TFCA program.

Other Considerations – Projects that are ranked high in accordance with the above local expenditure criteria may be lowered in priority or restricted from receiving TFCA funds if either of the following conditions applies or has applied during Fiscal Years 2014/15 or 2015/16:

- **Monitoring and Reporting** – Project sponsor has failed to fulfill monitoring and reporting requirements for any previously funded TFCA project.
- **Implementation of Prior Project(s)** – Project sponsor has a signed Funding Agreement for a TFCA project that has not shown sufficient progress; the project sponsor has not implemented the project by the project completion date without formally receiving a time extension from the Authority; or the project sponsor has violated the terms of the funding agreement.

Attachment 3

San Francisco County Transportation Authority
 Fiscal Year 2016/2017 Transportation Fund for Clean Air County Program Manager Fund
 Summary of Draft Recommendations

RECOMMENDED PROJECTS (sorted by cost-effectiveness (CE) ratio)				
Sponsor ²	Project	Total Project Cost	TFCA Requested	TFCA Recommended
SFSU	Gator Pass Implementation Project	\$580,000	\$350,000	\$350,000
SFMTA	Alternative Fuel Taxicab Incentive Program	\$250,000	\$250,000	\$250,000
SFE	Emergency Ride Home	\$36,269	\$36,269	\$36,269
SFMTA	Short Term Bicycle Parking	\$701,079	\$475,000	\$335,988
Totals:		\$1,567,348	\$1,111,269	\$972,257

Total TFCA Funding Available for Projects: **\$972,257**

¹Projects are listed in ranked order by cost-effectiveness ratio.

²See Attachment 2 for acronyms and other notes.



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RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE, WITH CONDITIONS, A SEVEN PARTY SUPPLEMENT TO THE 2012 MEMORANDUM OF UNDERSTANDING THAT ADOPTED AN EARLY INVESTMENT STRATEGY PERTAINING TO THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT

WHEREAS, The Early Investment Strategy, also known as the Early Investment Program, consists of three components: the Communications Based Overlay Signal System (also known as Positive Train Control), the electrification of the Caltrain line between San Jose and San Francisco, and the purchase of electric-multiple unit vehicles to operate on the electrified railroad; and

WHEREAS, The program will modernize the corridor, reduce train related emissions by up to 90 percent, provide faster and increased service to more stations, and prepare the Caltrain system for shared use with High-Speed Rail; and

WHEREAS, On April 24, 2012, through Resolution 12-62, the Transportation Authority Board authorized the Executive Director to execute, with conditions, a Memorandum of Understanding (MOU) with the California High-Speed Rail Authority (CHSRA), the Metropolitan Transportation Commission (MTC), and six other local and regional entities to establish a funding framework for a High-Speed Rail Early Investment Strategy for a blended system in the Peninsula Corridor; and

WHEREAS, At the time the MOU was executed in 2012, the total cost for the Early Investment Program was \$1.456 million, with a \$60 million local contribution from each of the three Peninsula Corridor Joint Powers Board (PCJPB) member counties (San Francisco, San Mateo and Santa Clara); and

WHEREAS, The Transportation Authority has committed funds to cover \$20.86 million of San Francisco's original \$60 million contribution (mostly from Prop K sales tax, with \$4 million in



Regional Improvement Program funds), with the City's Prop A General Obligation bond (2014) covering the rest; and

WHEREAS, The initial budget was subsequently updated by Caltrain staff to reflect a cost estimate study conducted in 2014 and to account for received bids, resulting in a new projected cost of \$1.22 billion, an increase of \$755 million; and

WHEREAS, The 2012 MOU identified \$125 million in Federal Transit Administration (FTA) transit formula funds that are needed by the PCJPB to advance critical state of good repair improvements necessary to maintain existing Caltrain operations, and the PCJPB has requested removal of these funds from the Early Investment Strategy, which creates a \$125 million funding gap: and

WHEREAS, As shown in the attached 2016 Supplemental MOU, most of the cost increase and funding gap are proposed to be covered by a FTA Core Capacity grant (\$647 million) and State Cap and Trade Program funds (including some from CHSRA's share), with MTC and PCJPB members also making increased contributions; and

WHEREAS, The 2016 Supplemental MOU would commit the three PCJPB members to a total local contribution of \$80 million each for the Early Investment Program for the Peninsula Corridor, a \$20 million increase over the 2012 MOU; and

WHEREAS, There is \$3.9 million remaining in the Electrification line item in the Prop K Strategic Plan that have been included in the proposed Fiscal Year 16/17 capital budget, which was the subject of a separate agenda item at the June 14, 2016 Finance Committee meeting; and

WHEREAS, The City and the Transportation Authority are jointly seeking to identify the remaining \$16.1 million which could include General Fund revenues associated with a proposed 2016 charter amendment establishing among other things a transportation set aside or a transportation sales tax measure; and

WHEREAS, As a precondition of the Supplemental MOU, the parties have agreed on an oversight protocol (attached) under which the funding partners will be able to closely monitor the project, have access to all project information, and participate in the decision making process, especially when related to changes in scope, schedule or cost; and

WHEREAS, Staff recommended authorizing the Executive Director to execute, with conditions, the attached seven party supplement to the 2012 Memorandum of Understanding that adopted an Early Investment Strategy pertaining to the Peninsula Corridor Electrification Project, with the condition being codification of the aforementioned oversight protocol in a separate staff level agreement; and

WHEREAS, At its May 25, 2016 meeting, the Citizens Advisory Committee was briefed on the subject request and unanimously adopted a motion of support for the staff recommendation; and

WHEREAS, At its June 21, 2016 meeting, the Plans and Programs Committee reviewed the subject request and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby authorizes the Executive Director to execute, with conditions, a seven party supplement to the 2012 Memorandum of Understanding that adopted an Early Investment Strategy pertaining to the Peninsula Corridor Electrification Project.

Attachments (2):

1. Seven Party Supplement to the 2012 MOU
2. Oversight Protocol

**SEVEN-PARTY SUPPLEMENT TO
2012 MEMORANDUM OF UNDERSTANDING (MOU)**

**FINANCIAL COMMITMENTS TO ADDRESS FUNDING GAP FOR
THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT**

BY AND AMONG THE FOLLOWING PARTIES (PARTIES)

SAN MATEO COUNTY TRANSPORTATION AUTHORITY (SMCTA)
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
CITY AND COUNTY OF SAN FRANCISCO (CCSF)
SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY (SFCTA)
METROPOLITAN TRANSPORTATION COMMISSION (MTC)
PENINSULA CORRIDOR JOINT POWERS BOARD (PCJPB)
CALIFORNIA HIGH SPEED RAIL AUTHORITY (CHSRA)

RECITALS

WHEREAS, during the spring of 2012, the California High Speed Rail Authority (CHSRA) and the Peninsula Corridor Joint Powers Board (PCJPB), together with the Metropolitan Transportation Commission (MTC), the San Francisco County Transportation Authority (SFCTA), the Santa Clara Valley Transportation Authority (VTA), the City of San Jose, the City and County of San Francisco (CCSF), the San Mateo County Transportation Authority (SMCTA), and the Transbay Joint Powers Authority entered into a Memorandum of Understanding that adopted an early investment strategy pertaining to the Blended System in the San Francisco to San Jose Segment of the Peninsula Rail Corridor (the "2012 Nine-Party MOU"), a copy of which is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the 2012 Nine-Party MOU identifies two principal inter-related projects as essential to the early investment strategy: (1) the Peninsula Corridor Electrification Project, including associated rolling stock acquisition (the PCEP), and (2) construction of an advanced signal system, commonly known as the PCJPB's "CBOSS" project, which will incorporate federally mandated Positive Train Control (collectively, the "Early Investment Projects"); and

WHEREAS, the Parties to the 2012 Nine-Party MOU agreed to work together to identify the appropriate amounts and types of local resources that may be used to support the completion of the Early Investment Projects and to coordinate efforts to obtain funding using a mutually agreed-upon strategy, and in the event that funding for the program is constrained by statute, rescission of existing law, change in funding requirements or eligibility, reduction in funding level or availability, the Parties agreed to take steps to notify each other as needed in a timely manner; and

WHEREAS, \$125 million in FTA funds identified in the 2012 Early Investment Strategy funding plan included in the 2012 Nine-Party MOU is needed by the PCJPB to advance critical state of good repair improvements necessary to maintain existing Caltrain operations, and the PCJPB has requested to remove these funds from the early investment funding strategy, which would create a \$125 million funding gap; and

WHEREAS, a note to the 2012 early investment strategy funding plan included in the 2012 Nine-Party MOU indicated that other potential future funding sources could be substituted if secured; and

WHEREAS, the PCJPB conducted a cost estimate study for the PCEP in 2014 to update the 2008 cost estimate on which the 2012 Nine-Party MOU funding strategy for the PCEP was based, and the PCJPB has since included additional program contingency to the PCEP, such that the total anticipated budget for the PCEP is up to \$1.980 billion, which includes costs covering the contracts, program management, and contingency costs; and

WHEREAS, the Parties to this Seven-Party Supplement (Supplement) have met and discussed with all parties to the 2012 Nine-Party MOU additional funding needed for the PCEP to support contract award and have agreed to the funding commitments specified herein;

NOW, THEREFORE, it is mutually understood and agreed to by the PARTIES as follows:

1. To fully fund the PCEP, the parties to this Supplement commit to make the funding available to support the PCEP as set forth below. This funding is in addition to funding commitments

previously made by these parties in the 2012 Nine-Party MOU.

- a. The SMCTA will contribute an additional \$20 million;
 - b. The VTA will contribute an additional \$20 million;
 - c. The SFCTA and/or the CCSF will contribute an additional \$20 million;
- (For SMCTA, VTA, and SFCTA and/or CCSF, each agency's contribution is contingent on the commitment of \$20 million each from the other two PCJPB partners, with the exact manner and timing of the contributions to be worked out with the PCJPB. The commitment of CCSF is subject to the Special Provisions in Exhibit C, attached to and incorporated in this MOU. These Special Provisions only apply to the funds to be provided by CCSF, and not any other parties to this Supplement.)
- d. The MTC will program \$28.4 million from Regional Measures 1 and 2;
 - e. The PCJPB will contribute \$9 million from funding provided by formula to Caltrain through the State of California's Low Carbon Transit Operations Program; and
 - f. The CHSRA will contribute an additional \$113 million.
2. The Parties to this Supplement also support the PCJPB's efforts to obtain \$647 million from FTA's Core Capacity Grant Program for the PCEP as a regional priority. The \$647 million would help provide funding needed for the PCEP, as well as funding to support a larger contingency set-aside for the PCEP program.
 3. The Parties to this Supplement understand PCJPB has requested \$225 million from the California State Transportation Agency's Transit & Intercity Rail Capital Program (Cap & Trade TIRCP) to support the PCEP, as contemplated in the 2012 Nine-Party MOU. These funds will be prioritized for PCEP and will be used to backfill any shortfall in requested FTA Core Capacity funds. If available, funding not needed for PCEP will be used to replace the remaining Caltrain diesel vehicles with Electric Multiple Units (EMUs). The exact remaining number of vehicles to be replaced will be contingent on the final Cap & Trade TIRCP grant award.
 4. The Parties to this Supplement also agree that, with the additional funding sources, \$125 million in FTA funds identified in the 2012 Early Investment Strategy funding plan will no longer be needed for the PCEP, and will instead be programmed by the MTC to the PCJPB to advance critical Caltrain state of good repair improvements through MTC's established regional Transit Capital Priorities process.
 5. The total anticipated amount of funding to be secured for the PCEP will be \$1.980 billion, which includes the funding sources outlined above in paragraphs 1, 2, and 3, along with the original funding sources in the 2012 Nine-Party MOU except the \$125 million noted in paragraph 4 above. The revised funding plan for the PCEP reflecting the changes described herein is attached as Exhibit B.
 6. The parties to this supplement agree to continue, through regular meetings, to provide opportunity for all nine parties to the 2012 Nine-Party MOU to discuss, review, and/or comment on relevant project matters and collectively provide advisory oversight to help advance the PCEP.

7. If overall program costs reflect a financial commitment that is below the funding plan of \$1.980 billion, funding commitments from the parties to this Supplement will be reduced proportionally according to their respective additional shares as stated in this Supplement.
8. In the event overall program costs reflect a financial commitment that is above the funding plan of \$1.980 billion, or if the FTA Core Capacity funds are awarded at less than \$647 million, the parties to this Supplement will discuss with all parties to the 2012 Nine-Party MOU how to secure additional funding beyond what is presently identified, and/or discuss project scope adjustments to match to funding availability.
9. The parties to the 2012 Nine-Party MOU will also discuss and agree in writing on program oversight roles for the funding partners prior to the award of the PCEP contracts.

IN WITNESS WHEREOF, this MOU has been executed by the PARTIES hereto as of the day and year indicated next to each signature, with the final signature date constituting the effective date.

 Jim Hartnett, Executive Director
 Peninsula Corridor Joint Powers Board and
 San Mateo County Transportation Authority

 Date

 Nuria Fernandez, General Manager/CEO
 Santa Clara Valley Transportation Authority

 Date

 Edwin M. Lee, Mayor
 City and County of San Francisco

 Date

Board of Supervisors
 Resolution No. _____
 Dated: _____

Attest:

 Clerk of the Board

 Tilly Chang, Executive Director
 San Francisco County Transportation Authority

 Date

 Steve Heminger, Executive Director
 Metropolitan Transportation Commission

 Date

 Jeff Morales, Chief Executive Officer
 California High Speed Rail Authority

 Date

APPROVED AS TO FORM BY:

Attorney for Peninsula Corridor Joint Powers Board and San Mateo County Transportation Authority	Date
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Attorney for Santa Clara Valley Transportation Authority	Date
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Dennis J. Herrera, City Attorney

By:

Robin M. Reitzes, Deputy City Attorney Attorney for City and County of San Francisco	Date
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Attorney for San Francisco County Transportation Authority	Date
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Attorney for Metropolitan Transportation Commission	Date
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Attorney for California High Speed Rail Authority	Date
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EXHIBIT C**Special Provisions for the City and County of San Francisco**

(References to “City” in Paragraphs 1 and 2 refer to the City and County of San Francisco)

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation. This Agreement is subject to the budget and fiscal provisions of the City’s Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City’s obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor’s assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Guaranteed Maximum Costs. The City’s obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

3. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors’ bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization’s net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

FUNDING PARTNERS OVERSIGHT PROTOCOL FOR CALTRAIN'S CAL MOD PROGRAM
(Electrification, Vehicles, CBOSS)

1. The Caltrain Project Management staff (CPMT) will have an open door policy with the Funding Partners' oversight representatives (Partners), who will have access to project Section Managers and available information. The Funding Partners and their oversight representatives understand that some information will be confidential and commit to honor that confidentiality by not sharing or divulging any information so defined.
2. The Partners will attend all progress meetings with the CPMT, to stay abreast of all project activities and when warranted, may also attend, as observers, partnering sessions and progress meetings with the contractor. The CPMT will provide a list of current and anticipated regularly scheduled meetings, and the Partners and CPMT will jointly determine the meetings that would be most useful.
3. Subject to FTA concurrence, the Partners will also attend meetings with the FTA and its PMO. It will be the responsibility of the Partners to secure FTA's agreement to such participation. The CPMT will make the first approach to the FTA.
4. The CPMT will make available to the Partners all project deliverables, reports, plans, procedures, and progress and cost reports for review and comment, which will be performed within the stipulated review period. Should the Partners not provide comments by the due date, the CPMT may assume that they are not forthcoming.
5. The Partners will review progress and cost reports and provide comments.
6. The Partners will participate in consultant selection panels and proposal/bid reviews.
7. The Partners will monitor quality through regular discussions with the Quality Assurance Manager.
8. The Partners will be members of the Risk Management team and participate in all Risk Management meetings and receive copies of the original risk register, its monthly updates, and reports.
9. The CPMT will institute a Configuration Management Board (CMB), with one representative each from San Francisco, CHSRA, and VTA as voting members, to review all proposed changes, regardless of whether they are owner, designer, or contractor originated, to determine merit, agree on quantum, and ultimately authorize all changes for the project. The Partners agree that their representative to the CMB will have the appropriate technical and Project Management background. No member of the CMB will have Veto power.
10. The Partners will provide support to the CPMT on funding and financing issues.
11. The Partners will review and approve project invoices submitted to their respective Agencies and assure that they are processed on a timely manner.
12. The Partners will assist the CPMT with development of grant amendments and funding requests which are submitted to their respective Agencies for approval.



Memorandum

Date: 06.15.16 **RE:** Plans and Programs Committee
June 21, 2016

To: Plans and Programs Committee: Commissioners Tang (Chair), Farrell (Vice Chair), Avalos, Breed, Peskin and Wiener (Ex Officio)

From: Eric Cordoba – Deputy Director for Capital Projects *EC*
Maria Lombardo – Chief Deputy Director *mel*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Authorizing the Executive Director to Execute, with Conditions, a Seven Party Supplement to the 2012 Memorandum of Understanding that Adopted an Early Investment Strategy Pertaining to the Peninsula Corridor Electrification Project

Summary

The Caltrain Early Investment Program consists of three components: the Communications Based Overlay Signal System (CBOSS) to provide Positive Train Control; the electrification of the Caltrain line between San Jose and San Francisco; and the purchase of electric-multiple unit (EMU) vehicles to operate on the electrified railroad. It is one of Prop K's signature projects. In April 2012, the Transportation Authority Board authorized the Executive Director to execute a Memorandum of Understanding (MOU) with the California High-Speed Rail Authority, the Metropolitan Transportation Commission, and six other local and regional entities to establish a funding framework for a High-Speed Rail Early Investment Strategy for a blended system in the Peninsula Corridor. At the time, local contribution from each of the three Peninsula Corridor Joint Powers Board (PCJPB) member counties (San Francisco, San Mateo and Santa Clara) was \$60 million. The total Early Investment Program budget, established in 2009 and the basis of the 2012 nine-party MOU, was estimated at \$1.456 billion. That budget was based on a 2008 estimate. Subsequently, the initial budget was updated by Caltrain staff to reflect a cost estimate study conducted in 2014 and to account for received bids, resulting in a new projected cost of \$1.22 billion, an increase of \$755 million. The majority of the cost increase is attributable to the cost estimate study and the remainder from bid results. The new estimate includes \$316 million in contingency. This cost increase has triggered a need for a supplemental MOU to address the funding gap, which is the subject of this request. The supplemental MOU will increase each PCJPB members' contribution by \$20 million, to a total of \$80 million. In San Francisco, the Transportation Authority and the City would jointly cover the increase. We have \$3.9 million in Prop K funds remaining in the electrification line item. The source of the remaining funds is to be determined, but could include a potential new sales tax measure under consideration for the November 2016 ballot or City funds. This memo also provides an update on the overall program.

BACKGROUND

The Peninsula Corridor Joint Powers Board's (PCJPB) Electrification project will replace Caltrain's existing diesel service with a fully-electrified service from the 4th and King station in San Francisco to the Tamien station in San Jose. This project is one of the signature projects of the Prop K Expenditure Plan.

It is also one of the main components of the Caltrain Modernization program, which provides the commuter rail system with the strategic vision to improve system performance while minimizing equipment and operating costs, and is critical to the long-term financial sustainability of Caltrain.

2012 Memorandum of Understanding: On April 24, 2012, through Resolution 12-62, the Transportation Authority Board authorized the Executive Director to execute, with conditions, a Memorandum of Understanding (MOU) with the California High-Speed Rail Authority (CHSRA), the Metropolitan Transportation Commission (MTC), and six other local and regional entities to establish a funding framework for a High-Speed Rail Early Investment Strategy for a blended system in the Peninsula Corridor. The Early Investment Strategy, also known as the Early Investment Program, consists of three components: the Communications Based Overlay Signal System (CBOSS) (also known as Positive Train Control (PTC)), the electrification of the Caltrain line between San Jose and San Francisco, and the purchase of electric-multiple unit (EMU) vehicles to operate on the electrified railroad. The program will modernize the corridor, reduce train related emissions by up to 90 percent, provide faster and increased service to more stations, and prepare the Caltrain system for shared use with High-Speed Rail.

At the time, the total cost for the Early Investment Program was \$1.456 billion, with a \$60 million local contribution from each of the three PCJPB member counties (San Francisco, San Mateo and Santa Clara). The Transportation Authority has provided nearly \$21 million (mostly from Prop K, with \$4 million in Regional Improvement Program funds) and the City is covering the delta with the 2014 General Obligation bond.

DISCUSSION

The purpose of this memorandum is to update the Plans and Programs Committee on the status of the Early Investment Program and to request a recommendation for the execution of a supplement to the 2012 MOU (Attachment 1) to address a cost increase.

Budget: The total Early Investment Program budget, established in 2009 and the basis of the 2012 nine-party MOU was estimated at \$1.456 billion. That budget was based on a 2008 estimate done as part of the environmental review process. Subsequently, the initial budget was updated by Caltrain staff to reflect a cost estimate study conducted in 2014 and to account for received bids, resulting in a new projected cost of \$1.22 billion, an increase of \$755 million. Of this amount, \$655 million was the result of the cost estimate study and \$100 million from bid results. The new budget includes \$316 million in contingency and \$120 million in escalation. The table below compares both budgets.

Early Investment Program Costs (<i>in \$ millions</i>)	2012 MOU	2016 MOU
CBOSS/Positive Train Control	\$231	\$231
Electrification	\$785	\$1,253
Vehicles - Electric Multiple Units	\$440	\$727
TOTAL	\$1,456	\$2,211

Funding: The 2016 Supplemental MOU funding plan is shown below, together with the original 2012 funding plan. The MOU commits each of the three PCJPB members to a local contribution of \$80 million

each for the Early Investment Program for the Peninsula Corridor, a \$20 million increase over the 2012 MOU.

Program Funding by Source (in \$ millions)	2012 MOU	2016 MOU
PCJPB Member Agency Contributions	\$180.0	\$240.0
JPB Local (San Mateo County Transportation Authority)	\$11.0	\$20.0
Caltrain PTC	\$4.0	\$4.0
<i>Subtotal Local</i>	<i>\$195.0</i>	<i>\$264.0</i>
Prop 1A Connectivity	\$106.0	\$106.0
Prop 1A High Speed Rail Authority	\$600.0	\$600.0
CHSRA Cap & Trade/Other		\$113.0
Cap & Trade TIRCP		\$20.0
Prop 1B Caltrain	\$24.0	\$24.0
<i>Subtotal State</i>	<i>\$730.0</i>	<i>\$863.0</i>
Federal Rail Administration (FRA)	\$17.0	\$17.0
FTA/FHWA prior/current obligations	\$45.8	\$45.8
FTA future obligations	\$440.0	\$315.0
FTA Core Capacity		\$647.0
<i>Subtotal Federal</i>	<i>\$502.8</i>	<i>\$1,024.8</i>
MTC Bridge Tolls	\$11.0	\$39.4
BAAQMD Carl Moyer	\$20.0	\$20.0
<i>Subtotal Regional</i>	<i>\$31.0</i>	<i>\$59.4</i>
TOTAL	\$1,458.8	\$2,211.2

As noted above, the Transportation Authority has committed funds to cover \$20,860,000 of San Francisco's original \$60 million contribution, with the City's Prop A General Obligation bond (2014) covering the rest. The \$20 million increase in the local contribution will be partially covered by \$3.9 million

in Prop K sales tax funds that are remaining in the Caltrain Electrification line item. The source for the remaining funds has yet to be identified. The City and the Transportation Authority are jointly working to secure the funds. Sources could include a potential charter amendment that would among other things establish a transportation set aside in the General Fund, or a new sales tax measure, both of which are under consideration for the November 2016 ballot. Other major sources of funds in the Early Investment Program are planned to come mainly from the CHSRA (\$113M), Federal Transit Administration (FTA) Core Capacity (\$647M), and MTC Bridge tolls (\$28M).

The MOU states that if overall program costs reflect financial commitment that is below the \$1.98 billion cost estimate, funding commitments from the parties to the supplement will be reduced proportionally, and if overall program costs reflect a financial commitment that is above the funding plan of \$1.980 billion, or if the FTA Core Capacity funds are awarded at less than \$647 million, the parties to the supplement will discuss with all parties to the 2012 Nine Party MOU how to secure additional funding beyond what is presently identified, and/or discuss project scope adjustments to match to funding availability.

The MOU also addresses other adjustments in the funding plan, the largest of which is a reduction in FTA transit formula funds that PCJPB needs to address state of good repair. These funds are proposed to be backfilled by the FTA Core Capacity funds, which PCJPB must secure through this competitive nationwide grant program.

As a precondition of the MOU, the parties have agreed on an oversight protocol (Attachment 2) under which the funding partners will be able to closely monitor the project, have access to all project information, and participate in the decision making process, especially when related to changes in scope, schedule or cost. We are already actively participating in oversight activities consistent with the new protocol.

Schedule: Caltrain is proceeding with the implementation of the Early Investment Program. Work is underway on the design/build contract for CBOSS, which is now in the testing and commissioning phase. Procurement for the electrification and vehicles contracts has been completed and Caltrain staff anticipates awarding both contracts in July 2016. A table with the significant milestones of the program going forward is shown below. As the contractors come on-board and Caltrain approves their schedules, a more detailed milestone list will be made available.

Caltrain Early Investment Program Milestones	
CBOSS Revenue Service Demonstration	October 2016
CBOSS Final Acceptance	April 2017
Electrification Design-Build Contract Award	July 2016
Electric Multiple Units Vehicle Award	July 2016
First Vehicle Delivered	July 2019
Revenue Service	Late 2020

Status: The project is environmentally cleared. The California Environmental Quality Act (CEQA) Environmental Impact Report (EIR) was certified in January 2015. On the National Environmental Policy Act (NEPA) side, the FTA issued a Finding of No Significant Impact in 2009.

On January 27, 2012 the PCJPB issued the notice-to-proceed for the \$231 million CBOSS design-build contract. Construction is in the punch-list phase and work is concentrating on systems and operations testing. The Backup Central Control Facility is now complete and a successful switchover was conducted in early May. The Federal Rail Administration (FRA) Revenue Service Demonstration is anticipated for October 2016.

The procurement processes for the design-build electrification contract and for the EMU vehicles have been completed, and Caltrain is planning to award both contracts at its July 2016 Board meeting.

In accordance with the 2012 MOU, the Transportation Authority, together with the other signatories established the Peninsula Corridor Working Group, which is tasked with providing oversight and guidance to Caltrain. The group meets on a monthly basis to discuss progress and issues.

DBE/SBE Program: In December 2014, the PCJPB adopted a project-specific Disadvantaged Business Enterprise (DBE) goal of 5.2%. At the May 5 meeting of the PCJPB, staff presented their DBE goal-setting methodology and recommended a goal of 14% for Fiscal Years 2017-2019. This goal has been advertised for comments and the results will be presented to the PCJPB with a final recommendation. The final DBE goal is due to the FTA by August 1.

Challenges: The CBOSS project is six months behind schedule. Although testing is progressing well, a lot of work remains to be done in order for the contractor to conduct the Revenue Service Demonstration for the FRA by October 2016. Part of the demonstration is to show interoperability, and the Back Office System provider has announced that it will not have a passenger-rail compatible software upgrade until July, and the possibility exists that the provider will not complete the upgrade as scheduled.

In addition to the MOU subject of this request, the PCJPB needs to execute a series of funding agreements to secure full funding for the program on a timely manner. The State/CHSRA agreement is anticipated in the June/July timeframe, the Cap and Trade award is anticipated for August 2016, and the FTA Core Capacity grant is anticipated as early as December 2016, but could possibly take up to several months longer. In order to maintain the schedule, Caltrain staff anticipates issuing limited notice-to-proceed (NTP) to both contractors in line with the funding on-hand. Since both contracts have a significant design component, work can proceed on that phase until all the funding is in place, at which time Caltrain will issue the full NTP.

ALTERNATIVES

1. Recommend authorizing the Executive Director to execute, with conditions, a Seven Party Supplement to the 2012 Memorandum of Understanding that Adopted an Early Investment Strategy Pertaining to the Peninsula Corridor Electrification Project, as requested.
2. Recommend authorizing the Executive Director to execute, with conditions, a Seven Party Supplement to the 2012 Memorandum of Understanding that Adopted an Early Investment Strategy Pertaining to the Peninsula Corridor Electrification Project, with modifications.
3. Defer action, pending further information or clarification from staff.

CAC POSITION

The CAC was briefed on this item at its May 25, 2016 meeting and unanimously adopted a motion of

support for the staff recommendation. Subsequent to the CAC meeting, the PCJPB and parties to the supplement agreed to add Exhibit C to the supplemental MOU (shown in Attachment 1), which includes several special provisions required to support the City's execution of the MOU. As such, the provisions only apply to the City and not the other signatories of the MOU, including the Transportation Authority. The provisions do not impact the core terms of the MOU, including the amount of the increased local contributions.

FINANCIAL IMPACTS

The Supplemental MOU would commit the City and the Transportation Authority to contribute an additional \$20 million in aggregate to the Early Investment Program. There is \$3.9 million remaining in the Electrification line item in the Prop K Strategic Plan that have been included in the proposed Fiscal Year 16/17 capital budget, which is the subject of a separate agenda item at the June 14 Finance Committee meeting. The City and the Transportation Authority are jointly seeking to identify the remaining \$16.1 million which could include General Fund revenues associated with a proposed 2016 charter amendment establishing among other things a transportation set aside or a transportation sales tax measure.

RECOMMENDATION

Recommend authorizing the Executive Director to execute, with conditions, a Seven Party Supplement to the 2012 Memorandum of Understanding that Adopted an Early Investment Strategy Pertaining to the Peninsula Corridor Electrification Project.

Attachments (2):

1. Seven Party Supplement to the 2012 MOU
2. Oversight Protocol



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Memorandum

Date: 06.24.16 **RE:** Transportation Authority Board
June 28, 2016

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

From: Maria Lombardo – Chief Deputy Director *mel*

Through: Tilly Chang – Executive Director *asc*

Subject: **INFORMATION** – Development of a Potential Local Transportation Revenue Measure and Expenditure Plan

Summary

The Mayor and several members of the San Francisco Board of Supervisors have collaborated on a Transportation Expenditure Plan that would direct approximately \$100 million per year for 25 years to critical transit services and transportation improvements in every neighborhood, including safer, well-maintained streets, transit maintenance and expansion, and Muni equity and affordability programs. The Expenditure Plan is described in a charter amendment that would create General Fund set-asides for homelessness programs and for transportation (Attachment 1). The budget set-asides would be funded by the City's General Fund. A general sales tax increase of 0.75% has also been proposed for the November ballot. While the two measures are not legally linked, if both measures were approved, they would result at least initially, in approximately equivalent increases in General Fund revenues and expenditures. A separate 'back-up' option under consideration for the November ballot, should the Charter Amendment not move forward, is a dedicated 0.5% sales tax increase ordinance for transportation only (Attachment 3). The Expenditure Plans of both measures are identical. In order to keep the transportation sales tax 'back-up' option on the table, we must hold a public hearing on the sales tax Expenditure Plan before the Metropolitan Transportation Commission can approve the plan. This June 28 Board meeting will serve as the official public hearing for this purpose. A hearing on the Charter Amendment legislation has also been scheduled for the June 30 Rules Committee at the Board of Supervisors. We are seeking input on the Charter Amendment Measure and Transportation Expenditure Plan from the Board and public.

BACKGROUND

The Transportation Authority adopted the most recent update of the countywide transportation plan (the San Francisco Transportation Plan or SFTP) in 2013, which established the 30-year vision for San Francisco's transportation system. As documented in the SFTP, and affirmed by the Mayor's Transportation 2030 (T2030) Task Force thereafter, San Francisco's needs for transportation funding far exceed expected revenue from federal, state and local sources with an estimated \$19 billion unfunded need through 2040.

Federal and state support for transportation remains inadequate and so cities and counties across the nation and state continue look to voter support for 'self-help' in the form of local transportation funding

measures. The T2030 Task Force recommended a series of local funding sources, including a transportation bond measure (passed by voters as Prop A in 2014), restoration of the Vehicle License Fee to the historic 2% level, and an additional half-cent sales tax, which combined to address approximately \$3 billion of an estimated \$10 billion need over 15 years (a subset of the need estimated in the SFTP).

Remaining needs and new priorities emerging since the 2014 Transportation bond measure (Prop A) include increasing the pavement quality of local streets, funding expansion vehicles for San Francisco's major transit operators, reaching the city's Vision Zero transportation safety goal by 2024, the San Francisco Municipal Transportation Agency's (SFMTA's) Equity Policy and Muni Equity Strategy, interest in a second transbay tube, and investments in adaptation and resiliency.

Local Transportation Revenue Measures under Consideration: The Mayor and several members of the San Francisco Board of Supervisors (BOS) have collaborated on an Expenditure Plan that would direct roughly \$100 million a year for 25 years to critical transit services and transportation improvements in every neighborhood, including safer, well-maintained streets, transit maintenance and expansion, and Muni equity and affordability programs. The Expenditure Plan is described in a charter amendment that would create General Fund set-asides for homelessness programs and for transportation (Attachment 1). A hearing on this legislation has been scheduled at the BOS Rules Committee on June 30.

If the Charter Amendment is placed on the November 2016 ballot and approved by a simple majority of voters, the Charter Amendment would set aside the following amounts of General Fund revenues:

- \$11.5 M in Fiscal Year (FY) 2016/17 and \$47.75 M beginning in FY 2017/18 and each year thereafter through FY 2041/42 for homeless housing and services; and
- \$23 M in FY 2016/17 and \$95.5 M beginning in FY 2017/18 and each year thereafter through FY 2041/42 for transportation.

The distribution of revenues is 1/3 for homelessness and 2/3 for transportation. A general sales tax increase of 0.75% has also been proposed for the November ballot. If approved, this measure would generate additional revenues for the General Fund. While the two measures are not legally linked, if both measures were approved, they would result, at least initially in an approximately equivalent increase in General Fund revenues and expenditures.

A separate 'back-up' option under consideration for the November ballot, should the Charter Amendment not move forward, is a dedicated 0.5% sales tax increase for transportation only (Attachment 2). The BOS resolution calling for development of the Expenditure Plan and describing principles for the initial draft sales tax ordinance is shown in Attachment 3.

We are encouraged to see the interest exhibited by the Board and Mayor in funding transportation by the introduction of both measures. We fully anticipate that by the end of July, the BOS and Mayor will decide upon one measure to place on the November 2016 ballot as they consider transportation in the context of all the other measures under consideration for the fall election cycle. For this reason, both the sales tax Expenditure Plan and the Charter Amendment include identical categories of funding and initial percentages for the distribution of revenues. The two measures differ in their voter-approval requirements and some administrative aspects.

Update: In order to keep the transportation sales tax 'back-up' option on the table, we must hold a public hearing on the sales tax Expenditure Plan before the Metropolitan Transportation Commission can approve the plan. The June 28 Transportation Authority Board meeting will serve as the official public hearing for this purpose. A hearing on the Charter Amendment legislation has also been scheduled for the June 30 Rules Committee at the Board of Supervisors. We are seeking input on the Charter Amendment Measure and Transportation Expenditure Plan from the Board and public.

DISCUSSION

The Board was briefed on the two local transportation measures under consideration for the November 2016 election at its May 24 meeting, and the Plans and Programs Committee was further briefed at its June 21 meeting. The purpose of this memorandum is to provide some updates and to enable the Board to continue to provide input on this topic at the June 28 meeting. The most noteworthy change has been clarification that the proposed Charter Amendment is the measure which the Mayor and the sponsoring BOS members are seeking to gain support for placing on the November 2016 ballot, with the transportation sales tax being the ‘back-up’ option. At the Board meeting, we will provide additional updates include verbal summaries of input received through ongoing outreach efforts, which has included a series of meetings co-hosted by the Mayor’s Office and the Transportation Authority, in close coordination with Supervisors Wiener and Avalos and the SFMTA. Also at the Board meeting, we will provide information on an updated sales tax forecast; estimates of need and funding shortfalls for each of the six expenditure plan programs; and highlight some potential amendments to the expenditure plan based on feedback from outreach.

The central feature of the draft Expenditure Plan are the six categories or programs that describe the types of projects and projects that would be eligible to receive funds from the sales tax measure. Those categories are show in Table 1 below. One notable difference from the current Prop K transportation sales tax that the Transportation Authority currently manages is the inclusion of the Transit Service and Affordability program (slated to receive 10% of revenues).¹ It is specifically intended to address equity and affordability issues and can help support Free Muni for Low Income Youth, Senior and Disabled Rider Programs; help implement recommendations from the Muni Equity Strategy (capital or operations); fund late night transportation services for night and swing shift workers; and provide transit service for vulnerable populations such as paratransit and mobility management programs as well as help prevent service cuts in future years for these populations during economic downturns.

For ease of comparison, the amounts shown in Table 1 below are based on a rough estimate of approximately \$100 million in new revenues annually for transportation. We expect to adjust this upwards slightly based on the updated revenue forecast.

Table 1: San Francisco Transportation Expenditure Plan Summary 2016 (\$ millions)

Program	% of New Funding	25-Year Estimated Total
1. Transit Service and Affordability	10%	\$250
2. Muni Fleet, Facilities and Infrastructure Repair and Maintenance	20%	\$500
3. Transit Optimization and Expansion	10%	\$250
4. Regional Transit (and Smart System Management)	15%	\$375
5. Vision Zero Safer and Complete Streets	10%	\$250
6. Street Resurfacing	35%	\$875
Total	100%	\$2,500

¹ Prop K does include a paratransit funding program which comprises 8.6% of total program revenues.

One feature of the second category 'Muni Fleet, Facilities and Infrastructure Repair and Maintenance' is the ability to shift funds (up to 25% in a given year) to the first category 'Transit Service and Affordability' in order to prevent service cuts to Communities of Concern, in the event of an economic downturn.

Public Involvement: On the public agency side, we have been working very closely with the SFMTA and have held ongoing conversations with regional transit operators, particularly BART and Caltrain. We have sought input from our Technical Working Group which include City departments with transportation functions, the Port, regional transit operators, the Transbay Joint Powers Authority, MTC, Caltrans and others.

As noted above, in coordination with the Mayor's Office, Supervisors Wiener and Avalos' offices and the SFMTA, we have been continuing to meet with stakeholder groups including those representing the transportation, equity and environment community, business organizations, civic and labor groups. We are also conducting a citywide telephone town hall – in accessible languages and formats – on Wednesday, June 29 at 6 p.m.. Anyone interesting in participating in the telephone town hall should sign up at: www.vekeo.com/sfcta or call our front desk at 415-522-4800. Director Tilly Chang and SFMTA Director Ed Reiskin will co-host the telephone town hall.

Key dates for public engagement and for the approval process of the charter amendment and the 'back-up' transportation sales tax measure are included in Attachment 4.

ALTERNATIVES

None. This is an information item.

FINANCIAL IMPACTS

None. This is an information item.

RECOMMENDATION

None. This is an information item.

Attachments (4):

1. Charter Amendment – Homeless Housing and Services Fund and Budget Set-Aside; Transportation Improvement Fund and Budget Set-Aside
2. Board of Supervisors Initiative Ordinance – Business and Tax Regulations Code – Half-Cent Sales Tax Increase for Transportation
3. Board of Supervisors Resolution – Developing a Transportation Sales Tax Expenditure Plan
4. Public Engagement Schedule and Key Approval Dates for a New Local Transportation Revenue Measure

FILE NO. 160581

(FIRST DRAFT)

1 [Charter Amendment - Homeless Housing and Services Fund; Transportation Improvement Fund
2 - Budget Set-Asides]

3 **Describing and setting forth a proposal to the voters to amend the Charter of the City and**
4 **County of San Francisco, at an election to be held on November 8, 2016, to: create a**
5 **Homeless Housing and Services Fund and appropriate \$11.5 million to the Fund in fiscal**
6 **year 2016-2017 and \$47.75 million annually to the Fund, adjusted for changes in**
7 **discretionary City revenues, for the next 24 years, and create a Transportation**
8 **Improvement Fund and appropriate \$23 million to the Fund in fiscal year 2016-2017 and**
9 **\$95.5 million annually to the Fund, adjusted for changes in discretionary City revenues, for**
10 **the next 24 years.**

11
12 Section 1. The Board of Supervisors hereby submits to the qualified voters of the City
13 and County, at an election to be held on November 8, 2016, a proposal to amend the Charter of
14 the City and County by adding Sections 16.134 and 16.135, to read as follows:

15 NOTE: **Unchanged Charter text and uncodified text** are in plain font.
16 **Additions** are *single-underline italics Times New Roman font*.
17 **Deletions** are ~~*strike-through italics Times New Roman font*~~.
18 **Asterisks (* * * *)** indicate the omission of unchanged Charter
19 subsections.

20 **SEC. 16.134. HOMELESS HOUSING AND SERVICES FUND.**

21 *(a) Creation of the Fund. There shall be a Homeless Housing and Services Fund. In*
22 *fiscal year 2016-2017, the City shall appropriate \$11.5 million to the Fund. Beginning in fiscal*
23 *year 2017-2018 and each year thereafter through fiscal year 2041-2042, the City shall*
24 *appropriate \$47.75 million to the Fund, to be adjusted as provided in subsection (b).*

25 *(b) Adjustments to the Required Appropriation. Beginning with fiscal year 2018-2019,*
the City shall each year adjust the appropriation required under subsection (a) by the

1 percentage increase or decrease in aggregate City discretionary revenues, as determined by the
2 Controller, based on calculations consistent from year to year. In determining aggregate City
3 discretionary revenues, the Controller shall only include revenues received by the City that are
4 unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any
5 lawful City purpose.

6 (c) Appropriations Excluded from Discretionary Revenues. Notwithstanding the
7 provisions of Charter Sections 8A.105, 9.113.5, 16.108, 16.109, 16.110, and 16.123-2, the value
8 of appropriations to the Fund, as calculated in subsections (a) and (b), shall be excluded from
9 the Controller's calculation of aggregate discretionary revenue used to adjust required
10 appropriations baselines and set-asides set in the Charter.

11 (d) Uses of the Fund. Monies in the Fund shall be used to provide services to the
12 homeless, including programs to prevent homelessness, create exits from homelessness, and
13 move homeless individuals into more stable situations. Such programs may be designed to
14 address the needs of specific at-risk populations. Monies in the Fund may be used for both
15 operations of these programs and capital investments required to maintain or expand system
16 infrastructure needs.

17 (e) Term. Except as provided in subsection (f) below, this Section 16.134 shall, by
18 operation of law, become inoperative on July 1, 2042, and on or after such date the City
19 Attorney shall cause this Section 16.134 to be removed from the Charter.

20 (f) Early Termination. At any time before January 1, 2017, the Mayor, after consulting
21 with his or her Budget Director and the Controller, and after taking into account the City's
22 projected revenues and expenditures in the City's financial plans, may terminate implementation
23 of this Section 16.134 by issuing a written notice to the Board of Supervisors and the Controller.
24 The termination shall be irrevocable and apply to this entire Section. Upon the Mayor's
25 submittal of the notice to the Controller and the Board of Supervisors, this Section 16.134 shall,

1 by operation of law, become inoperative, and the City Attorney shall cause this Section to be
 2 removed from the Charter.

4 **SEC. 16.135. TRANSPORTATION IMPROVEMENT FUND.**

5 (a) Creation of the Fund. There shall be a Transportation Improvement Fund. In fiscal
 6 year 2016-2017, the City shall appropriate \$23 million to the Fund. Beginning in fiscal
 7 year 2017-2018 and each year thereafter through fiscal year 2041-2042, the City shall
 8 appropriate \$95.5 million to the Fund, in the amounts specified in subsection (d), to be adjusted
 9 as provided in subsection (b).

10 (b) Adjustments to the Required Appropriation. Beginning with fiscal year 2018-2019,
 11 the City shall each year adjust the appropriations required under subsections (a) and (d) by the
 12 percentage increase or decrease in aggregate City discretionary revenues, as determined by the
 13 Controller, based on calculations consistent from year to year. In determining aggregate City
 14 discretionary revenues, the Controller shall only include revenues received by the City that are
 15 unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any
 16 lawful City purpose.

17 (c) Appropriations Excluded from Discretionary Revenues. Notwithstanding the
 18 provisions of Charter Sections 8A.105, 9.113.5, 16.108, 16.109, 16.110, and 16.123-2, the value
 19 of appropriations to the Fund, as calculated in subsections (a) and (b), shall be excluded from
 20 the Controller's calculation of aggregate discretionary revenue used to adjust required
 21 appropriations baselines and set-asides set in the Charter.

22 (d) Uses of the Fund. Monies in the Fund shall be used to improve the transportation
 23 network in San Francisco through investments in the following categories and amounts:

24 (1) Transit Service and Affordability. Expenditures in this category 1 shall
 25 prioritize measures to mitigate identified deficiencies in transit service to low-income and

1 transit-dependent communities and to provide transit service affordability for low- and
2 moderate-income youth, seniors, and people with disabilities. Appropriations for this purpose
3 shall equal 10 percent of appropriations to the Fund in that fiscal year.

4 (2) Muni fleet, facilities, and infrastructure repair and improvement.

5 Expenditures in this category 2 shall prioritize measures to mitigate identified deficiencies in
6 transit service to low-income and transit-dependent communities. Appropriations for this
7 purpose shall equal 20 percent of appropriations to the Fund in that fiscal year.

8 (3) Transit optimization and expansion. Appropriations for this purpose shall
9 equal 10 percent of appropriations to the Fund in that fiscal year.

10 (4) Regional transit. Appropriations for this purpose shall equal 15 percent of
11 appropriations to the Fund in that fiscal year.

12 (5) Vision Zero Safer and Complete Streets. Appropriations for this purpose
13 shall equal 10 percent of appropriations to the Fund in that fiscal year.

14 (6) Street resurfacing. Appropriations for this purpose shall equal 35 percent of
15 appropriations to the Fund in that fiscal year.

16 (e) Administration of the Fund. Appropriations in categories (1) and (2) in
17 subsection (d) shall be allocated to the Municipal Transportation Agency (MTA), or its successor
18 agency, for the purposes specified. Appropriations in categories (3), (4), and (5) above shall be
19 allocated to the County Transportation Authority (CTA), or its successor agency, for the
20 purposes specified, subject to the approval of the Board of Supervisors. Appropriations in
21 category (6) shall be allocated to the Department of Public Works, or its successor agency, for
22 the purposes specified. In any fiscal year in which the Municipal Transportation Agency (MTA)
23 would otherwise be required to adopt service reductions as part of its budget, the MTA may
24 transfer up to 25% of the appropriations otherwise required to go to category (2) to category (1)
25

1 to offset those service reductions, in an amount not to exceed the cost of maintaining the
2 services.

3 (f) Term. Except as provided in subsection (g) below, this Section 16.135 shall, by
4 operation of law, become inoperative on July 1, 2042, and on or after such date the City
5 Attorney shall cause this Section 16.135 to be removed from the Charter.

6 (g) Early Termination. At any time before January 1, 2017, the Mayor, after consulting
7 with his or her Budget Director and the Controller, and after taking into account the City's
8 projected revenues and expenditures in the City's financial plans, may terminate implementation
9 of this Section 16.135 by issuing a written notice to the Board of Supervisors and the Controller.
10 The termination shall be irrevocable and apply to this entire Section. Upon the Mayor's
11 submittal of the notice to the Controller and the Board of Supervisors, this Section 16.135 shall,
12 by operation of law, become inoperative, and the City Attorney shall cause this Section to be
13 removed from the Charter.

14
15
16 APPROVED AS TO FORM:
17 DENNIS J. HERRERA, City Attorney

18 By: _____
19 THOMAS J. OWEN
20 Deputy City Attorney

21 n:\legana\as2016\1600770\01108712.docx

22
23
24
25

1 [Initiative Ordinance - Business and Tax Regulations Code - Half-Cent Sales Tax Increase for
2 Transportation]

3 **Ordinance amending the Business and Tax Regulations Code to impose a transactions**
4 **(sales) and use tax at the rate of one-half of one percent (0.5%) for 25 years, to be**
5 **imposed by the San Francisco County Transportation Authority and administered by**
6 **the State Board of Equalization; designate the Transportation Authority as the**
7 **independent agency to oversee implementation of the San Francisco Transportation**
8 **Expenditure Plan; authorize the issuance of bonds or other obligations to finance the**
9 **projects identified in the Expenditure Plan; and establish an appropriations limit; and**
10 **directing submission of the tax for voter approval at the November 8, 2016 general**
11 **municipal election.**

12 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
13 **Additions to Codes** are in *single-underline italics Times New Roman font*.
14 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
15 **Board amendment additions** are in double-underlined Arial font.
16 **Board amendment deletions** are in ~~strikethrough Arial font~~.
17 **Asterisks (* * * *)** indicate the omission of unchanged Code
18 subsections or parts of tables.

19 Be it ordained by the People of the City and County of San Francisco:

20 Section 1. The Board of Supervisors hereby submits the following ordinance to the
21 voters of the City and County of San Francisco, at the general municipal election to be held on
22 November 8, 2016.

23 Section 2. The Business and Tax Regulations Code is hereby amended by adding
24 Article 14-A, consisting of Sections 1430 through 1446, to read as follows:
25

1 **SEC. 1430. TITLE.**

2 This Article 14-A shall be known as the San Francisco Transportation Expenditure Plan
 3 Ordinance. The San Francisco County Transportation Authority hereinafter shall be called
 4 "Authority." This Article shall be applicable in the City and County of San Francisco, which shall be
 5 referred to herein as "District" or "City."

6
 7 **SEC. 1431. OPERATIVE DATE.**

8 "Operative Date" means the first day of the first calendar quarter commencing more than 120
 9 days after the effective date of this Article 14-A.

10
 11 **SEC. 1432. PURPOSES.**

12 This Article 14-A is adopted to achieve the following, among other purposes, and directs that
 13 the provisions hereof be interpreted in order to accomplish those purposes:

14 (a) To impose a retail transactions and use tax in accordance with the provisions of
 15 Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section
 16 131000 et seq. of the Public Utilities Code, which authorize the City to adopt this tax ordinance which
 17 shall be operative if a two-thirds majority of the electors voting on the measure vote to approve the
 18 imposition of the tax at an election called for that purpose.

19 (b) To adopt a retail transactions and use tax ordinance that incorporates provisions
 20 identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions
 21 are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the
 22 Revenue and Taxation Code.

23 (c) To adopt a retail transactions and use tax ordinance that imposes a tax and
 24 provides a measure therefor that can be administered and collected by the State Board of Equalization
 25 in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from,

1 the existing statutory and administrative procedures followed by the State Board of Equalization in
2 administering and collecting the California State Sales and Use Taxes.

3 (d) To adopt a retail transactions and use tax ordinance that can be administered in
4 a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of
5 Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use
6 taxes, and at the same time, minimize the burden of recordkeeping upon persons subject to taxation
7 under the provisions of this Article 14-A.

8 (e) To adopt an appropriations limit, as required by Article XIII B of the California
9 Constitution, of \$500,000,000.

10
11 **SEC. 1433. CONTRACT WITH STATE.**

12 Prior to the operative date, the Authority shall contract with the State Board of Equalization to
13 perform all functions incident to the administration and operation of this Article 14-A; provided, that if
14 the Authority shall not have contracted with the State Board of Equalization prior to the operative date,
15 it shall nevertheless so contract and in such a case the operative date shall be the first day of the first
16 calendar quarter following the execution of such a contract.

17
18 **SEC. 1434. TRANSACTIONS TAX RATE.**

19 For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all
20 retailers in the District at the rate of 0.5% of the gross receipts of any retailer from the sale of all
21 tangible personal property sold at retail in said District on and after the operative date of this Article
22 14-A. This tax is additional to any other existing or future sales and use tax imposed under the
23 authority of Revenue and Taxation Code Division 2, Parts 1.6 or 1.7.

1 **SEC. 1435. PLACE OF SALE.**

2 For the purposes of this Article 14-A, all retail sales are consummated at the place of business
3 of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an
4 out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross
5 receipts from such sales shall include delivery charges, when such charges are subject to the state sales
6 and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent
7 place of business in the State or has more than one place of business, the place or places at which the
8 retail sales are consummated shall be determined under rules and regulations to be prescribed and
9 adopted by the State Board of Equalization.

10
11 **SEC. 1436. USE TAX RATE.**

12 An excise tax is hereby imposed on the storage, use, or other consumption in the District of
13 tangible personal property purchased from any retailer on and after the operative date of this Article
14 14-A for storage, use, or other consumption in said District at the rate of 0.5% of the sales price of the
15 property. This tax is additional to any other existing or future sales and use tax imposed under the
16 authority of Revenue and Taxation Code Division 2, Parts 1.6 or 1.7. The sales price shall include
17 delivery charges when such charges are subject to state sales or use tax regardless of the place to
18 which delivery is made.

19
20 **SEC. 1437. ADOPTION OF PROVISIONS OF STATE LAW.**

21 Except as otherwise provided in this Article 14-A and except insofar as they are inconsistent
22 with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of
23 Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby
24 adopted and made a part of this Article 14-A as though fully set forth herein.

1 **SEC. 1438. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE**
 2 **TAXES.**

3 In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

4 (a) Wherever the State of California is named or referred to as the taxing agency,
 5 the name of this Authority shall be substituted therefor. However, the substitution shall not be made
 6 when:

7 (1) The word "State" is used as a part of the title of the State Controller,
 8 State Treasurer, Victim Compensation and Government Claims Board, State Board of Equalization,
 9 State Treasury, or the Constitution of the State of California;

10 (2) The result of that substitution would require action to be taken by or
 11 against this Authority or any agency, officer, or employee thereof rather than by or against the State
 12 Board of Equalization, in performing the functions incident to the administration or operation of this
 13 Article 14-A;

14 (3) In those sections, including, but not necessarily limited to sections
 15 referring to the exterior boundaries of the State of California, where the result of the substitution would
 16 be to:

17 (A) Provide an exemption from this tax with respect to certain sales,
 18 storage, use, or other consumption of tangible personal property which would not otherwise be exempt
 19 from this tax while such sales, storage, use, or other consumption remain subject to tax by the State
 20 under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or

21 (B) Impose this tax with respect to certain sales, storage, use, or other
 22 consumption of tangible personal property which would not be subject to tax by the State under the said
 23 provision of that code.

24 (4) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715,
 25 6737, 6797, or 6828 of the Revenue and Taxation Code.

1 **(b)** The word "District" shall be substituted for the word "State" in the phrase
 2 "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in
 3 Section 6203 of the Revenue and Taxation Code.

4
 5 **SEC. 1439. PERMIT NOT REQUIRED.**

6 If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation
 7 Code, an additional transactor's permit shall not be required by this Article 14-A.

8
 9 **SEC. 1440. EXEMPTIONS AND EXCLUSIONS.**

10 **(a)** There shall be excluded from the measure of the transactions tax and the use tax
 11 the amount of any sales tax or use tax imposed by the State of California or by any city, city and county,
 12 or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any
 13 state-administered transactions or use tax.

14 **(b)** There are exempted from the computation of the amount of transactions tax the
 15 gross receipts from:

16 **(1)** Sales of tangible personal property, other than fuel or petroleum
 17 products, to operators of aircraft to be used or consumed principally outside the County in which the
 18 sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or
 19 property under the authority of the laws of this State, the United States, or any foreign government.

20 **(2)** Sales of property to be used outside the District which is shipped to a
 21 point outside the District, pursuant to the contract of sale, by delivery to such point by the retailer or
 22 his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the
 23 purposes of this subsection (b)(2), delivery to a point outside the District shall be satisfied:

24 **(A)** With respect to vehicles (other than commercial vehicles) subject
 25 to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle

1 Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and
2 undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle
3 Code by registration to an out-of-District address and by a declaration under penalty of perjury, signed
4 by the buyer, stating that such address is, in fact, his or her principal place of residence; and

5 (B) With respect to commercial vehicles, by registration to a place of
6 business out-of-District and declaration under penalty of perjury, signed by the buyer, that the vehicle
7 will be operated from that address.

8 (3) The sale of tangible personal property if the seller is obligated to furnish
9 the property for a fixed price pursuant to a contract entered into prior to the operative date of this
10 Article 14-A.

11 (4) A lease of tangible personal property which is a continuing sale of such
12 property, for any period of time for which the lessor is obligated to lease the property for an amount
13 fixed by the lease prior to the operative date of this Article 14-A.

14 (5) For the purposes of subsections (b)(3) and (b)(4) of this Section 1440, the
15 sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract
16 or lease for any period of time for which any party to the contract or lease has the unconditional right
17 to terminate the contract or lease upon notice, whether or not such right is exercised.

18 (c) There are exempted from the use tax imposed by this Article 14-A, the storage,
19 use, or other consumption in this District of tangible personal property:

20 (1) The gross receipts from the sale of which have been subject to a
21 transactions tax under any state-administered transactions and use tax.

22 (2) Other than fuel or petroleum products purchased by operators of aircraft
23 and used or consumed by such operators directly and exclusively in the use of such aircraft as common
24 carriers of persons or property for hire or compensation under a certificate of public convenience and
25 necessity issued pursuant to the laws of this State, the United States, or any foreign government. This

1 exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and
2 Taxation Code.

3 (3) If the purchaser is obligated to purchase the property for a fixed price
4 pursuant to a contract entered into prior to the operative date of this Article 14-A.

5 (4) If the possession of, or the exercise of any right or power over, the
6 tangible personal property arises under a lease which is a continuing purchase of such property for
7 any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease
8 prior to the operative date of this Article 14-A.

9 (5) For the purposes of subsections (c)(3) and (c)(4) of this section, storage,
10 use, or other consumption, or possession of, or exercise of any right or power over, tangible personal
11 property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for
12 which any party to the contract or lease has the unconditional right to terminate the contract or lease
13 upon notice, whether or not such right is exercised.

14 (6) Except as provided in subsection (c)(7), a retailer engaged in business in
15 the District shall not be required to collect use tax from the purchaser of tangible personal property,
16 unless the retailer ships or delivers the property into the District or participates within the District in
17 making the sale of the property, including, but not limited to, soliciting or receiving the order, either
18 directly or indirectly, at a place of business of the retailer in the district or through any representative,
19 agent, canvasser, solicitor, subsidiary, or person in the District under the authority of the retailer.

20 (7) "A retailer engaged in business in the District" shall also include any
21 retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing
22 with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section
23 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5
24 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax
25

1 from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the
 2 District.

3 (d) Any person subject to use tax under this Article 14-A may credit against that tax
 4 any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable
 5 for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect
 6 to the sale to the person of the property the storage, use, or other consumption of which is subject to the
 7 use tax.

8

9 **SEC. 1441. AMENDMENTS.**

10 All amendments subsequent to the effective date of this Article 14-A to Part 1 of Division 2 of
 11 the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part
 12 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and
 13 Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this
 14 Article 14-A, provided however, that no such amendment shall operate so as to affect the rate of tax
 15 imposed by this Article 14-A.

16

17 **SEC. 1442. ENJOINING COLLECTION FORBIDDEN.**

18 No injunction or writ of mandate or other legal or equitable process shall issue in any suit,
 19 action, or proceeding in any court against the State or the Authority, or against any officer of the State
 20 or the Authority, to prevent or enjoin the collection under this Article 14-A, or Part 1.6 of Division 2 of
 21 the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

22

23 //

24 //

25

1 **SEC. 1443. ADOPTION AND ADMINISTRATION OF SAN FRANCISCO TRANSPORTATION**
 2 **EXPENDITURE PLAN; EXPENDITURE OF PROCEEDS.**

3 *The Authority shall administer the San Francisco Transportation Expenditure Plan, as defined*
 4 *in Section 1447 of this Article 14-A, in accordance with Division 12.5 of the California Public Utilities*
 5 *Code and other applicable law. Proceeds of the tax imposed by this Article 14-A shall be spent only to*
 6 *implement the project components set forth in the Expenditure Plan, or as required or permitted by*
 7 *law.*

8
 9 **SEC. 1444. AUTHORIZATION TO ISSUE BONDS.**

10 *The Authority is hereby authorized to issue bonds as may be provided for in the adopted*
 11 *Expenditure Plan and in compliance with applicable law (“Limited Tax Bonds” or “Bonds”). The*
 12 *total outstanding aggregate amount of Bonds shall not exceed \$2,000,000,000, and shall be payable*
 13 *solely from the proceeds of the tax imposed under this Article 14-A.*

14
 15 **SEC. 1445. SEVERABILITY.**

16 *If any provision of this Article 14-A or the application thereof to any person or circumstance is*
 17 *held invalid, the remainder of the Article 14-A and the application of such provision to other persons or*
 18 *circumstances shall not be affected thereby.*

19
 20 **SEC. 1446. TERMINATION DATE.**

21 *The authority to levy the tax imposed by this Article 14-A shall expire 25 years from the*
 22 *Operative Date.*

23
 24 Section 3. Pursuant to Public Utilities Code § 131108, the Board of Supervisors hereby
 25 directs the Department of Elections to include in the sample ballot mailed to the voters the full

1 proposition, as set forth in this ordinance, and to include in the voter information handbook the
 2 entire adopted San Francisco Transportation Expenditure Plan, set forth in this Section 3 of
 3 this ordinance.

4

5 SAN FRANCISCO TRANSPORTATION EXPENDITURE PLAN

6 Recommended [MONTH DAY, YEAR]

7 San Francisco County Transportation Authority

8 1. INTRODUCTION

9 A. SUMMARY

10 The San Francisco Transportation Expenditure Plan (SFTEP or Expenditure Plan)
 11 identifies transportation improvements to be funded from a new half-cent transportation sales
 12 tax. The projects and programs included in the Expenditure Plan are designed to be
 13 implemented over the next 25 years. Provisions are also made for amendments to the
 14 SFTEP. The SFTEP includes investments in six major categories: Transit Service and
 15 Affordability; Muni Fleet, Facilities and Infrastructure Repair and Improvement; Transit
 16 Optimization and Expansion; Regional Transit and Smart System Management; Vision Zero
 17 Safer and Complete Streets; and Street Resurfacing.

18 B. CONTEXT

19 In May 2016, the San Francisco Board of Supervisors (BOS) asked the San Francisco
 20 County Transportation Authority (SFCTA) working in partnership with the Mayor's Office and
 21 the San Francisco Municipal Transportation Agency (SFMTA), which is administering the
 22 Transportation 2030 program, to lead development of a SFTEP to specify the use of revenues
 23 from a potential new half-cent sales tax for transportation for potential consideration for the
 24 November 2016 ballot. Further, the BOS called for the SFTEP to build and expand on the
 25 recommendations of the San Francisco Transportation Plan (SFTP, also known as the

1 Countywide Transportation Plan) and the Transportation 2030 (T2030) Report, including
2 priorities that emerged after T2030, including strategies to support equity, service
3 improvements and traffic safety.

4 In 2013, the SFCTA adopted the most recent update of the Countywide Transportation
5 Plan, which establishes the 30-year vision for San Francisco's transportation system. As
6 documented in the SFTP, San Francisco's needs for transportation funding far exceed
7 expected revenue from federal, state, regional and local sources. The SFTP, through its
8 investment scenarios and policy recommendations proposed ways to invest the dollars we
9 expect to have to most effectively make progress towards San Francisco's goals, but analysis
10 showed that this progress is limited unless new revenues are identified. Therefore, the SFTP
11 recommended a two-pronged revenue strategy: positioning San Francisco to compete well for
12 new regional, state and federal sources, and seeking new locally-controlled sources.

13 Building on the SFTP analysis and recommendations, the Mayor's T2030 Task Force
14 investigated what San Francisco could do to fix the transportation network and prepare it for
15 the future; confirming that anticipated revenues were inadequate to meet those needs. The
16 T2030 Report recommended a series of local funding sources (including two general
17 obligation bonds, a sales tax, and a vehicle license fee) that, if approved by voters, would
18 provide about \$3 billion to complete a suite of critical transportation infrastructure projects by
19 2030. San Francisco voters approved the first of the T2030 recommended measures in
20 November 2014 by approving \$500 million general obligation bond, which will fund a range of
21 projects that will reduce Muni travel time, make Muni less crowded and more reliable, and
22 enhance safety on San Francisco's streets. At the same election, San Francisco voters
23 approved Proposition B, which requires the city to adjust funding for transportation each year
24 based on population growth, and these funds are helping to improve transit and make our
25 streets safer for all.

1 While San Francisco is making real improvements in transit reliability, building safer
2 streets, and improving the pavement condition of the street network, the transportation system
3 is still in a need of significant investment to bring it into a state of good repair and to sustain it
4 at such a level, and there is an urgent need to invest in near and long-term projects that
5 relieve severe overcrowding on our local and regional transit systems such as Muni, BART
6 and Caltrain to better serve current residents, employees and visitors, as well as an urgent
7 need for the resources to efficiently expand service to fully utilize these capital resources and
8 to ensure equitable provision of transit service and infrastructure investment to our
9 community. These investments can be complemented with efforts and improvements to
10 promote equitable transit-oriented development. Lastly, there remains a need for stable
11 augmentation of funding to continue to invest in street resurfacing, safety improvements, and
12 the pedestrian and bicycle networks.

13 The SFTEP for the use of Prop TBD funds was developed by the SFCTA in close
14 coordination with the SFMTA, with technical assistance and input from other city agencies,
15 regional transit operators serving San Francisco, the Metropolitan Transportation
16 Commission, and others serving on the SFCTA Technical Working Group. The Expenditure
17 Plan was recommended by the SFCTA Board on [MONTH DAY, YEAR].

18 By providing the required local match, Prop TBD is anticipated to leverage about \$10-
19 15 billion in federal, state, regional and other local funding for transportation projects in San
20 Francisco.

21 The SFTEP is a list of transportation projects and programs that will be given priority
22 for Prop TBD funding. As such the SFTEP shall be amended into the Capital Improvement
23 Program of the Congestion Management Program, developed pursuant to section 65089 of
24 the California Government Code. These projects and programs are intended to help
25

1 implement the long-range vision for the development and improvement of San Francisco's
2 transportation system, as articulated in the SFTP and its updates.

3 The SFTP, San Francisco's Countywide Transportation Plan is a living document,
4 updated on a regular basis with input from San Francisco agencies, regional transit operators,
5 and regional and state transportation agencies, the public and other interested stakeholders to
6 identify and address changing needs and regional trends, and align them with available
7 funding.

8 C. GOALS

9 The purpose of the SFTEP is to implement the priorities of the Countywide
10 Transportation Plan and the Transportation 2030 Report through investment in a set of
11 projects and programs that include planning, maintenance and rehabilitation of, and
12 improvements to the city's multi-modal transportation system. Goals of the plan include:

- 13 • Maintain existing assets in a state-of-good repair;
- 14 • Improve travel time and reliability;
- 15 • Reduce costs and geographic and socio-economic disparities;
- 16 • Serve planned growth; and
- 17 • Improve safety and accessibility of the system.

18

19 In addition to the above goals, development of the SFTEP was guided by the following
20 four SFTEP Principles and two Funding Principles.

21

22 **SFTEP Principles**

- 23 • Build on the SFTP (2013) and the T2030 Report.
- 24 • Embrace City and agency initiatives passed since T2030, including strategies to
25 support equity, affordability and traffic safety.

- 1 • Address progress and changes to project/program information.
- 2 • Increase focus on core capacity, system resiliency and equity given rapid growth
- 3 and affordability pressures.

4

5 **Funding Principles**

- 6 • Provide a bridge between 2017 and future revenue measures
 - 7 ○ Updated and extended Prop K Expenditure Plan, as early as November
 - 8 2023
 - 9 ○ Vehicle License Fee (recommended by T2030, as early as 2018)
 - 10 ○ 2024 General Obligation Bond (recommend by T2030)
 - 11 ○ New bridge toll (Regional Measure 3, estimated as early as 2018)
- 12 • Consider funding eligibility, particularly for those projects and programs that are
- 13 not eligible for other key funding sources (e.g. Muni light rail vehicles and BART
- 14 cars are not eligible to be funded by general obligation bonds.

15

16 D. STRUCTURE

17 The SFTEP is organized into six sections. Section 1: Introduction provides background

18 on the Plan's purpose and goals. Section 2: Plan Summary provides the Plan's investment

19 detail by category. Section 3: General Provisions provides further context on the Plan's

20 policies and administration. Section 4: Description of Programs contains detailed descriptions

21 of the programs and the types of items that are eligible for funding under each of them.

22 Section 5: Implementation Provisions describes the process for prioritizing and allocating

23 funds following adoption of the Plan. Section 6: Amendment Process, deals with the

24 mechanisms for amending the Expenditure Plan.

25

1 2. PLAN SUMMARY

2 Table 1 summarizes the half-cent sales tax revenue allocations by program in constant
3 2016 dollars. The SFTEP is fiscally constrained to the total funding expected to be available
4 for each category. If revenues are higher or lower, the amount of funding available to each
5 category shall be consistent with the program percentages over the life of the Expenditure
6 Plan period.

7 Adoption of an ordinance to establish an additional one-half of one-percent sales tax is
8 necessary in order to fund the programs listed in Table 1. The tax shall be continued for the
9 period of implementation of the SFTEP, but not to exceed 25 years.

10

11 **Table 1: San Francisco Transportation Expenditure Plan Summary 2016 \$Millions**

Program	Total Expected Funding ¹ (\$ millions)	Total Prop TBD Funding ^{2,3} (\$ millions)	% of Prop TBD Funding ³
1. Transit Service and Affordability	TBD	\$250	10%
2. Muni Fleet, Facilities and Infrastructure Repair and Maintenance	TBD	\$500	20%
3. Transit Optimization and Expansion	TBD	\$250	10%
4. Regional Transit and Smart System Management	TBD	\$375	15%
5. Vision Zero Safer and Complete Streets	TBD	\$250	10%

25

1	6. Street Resurfacing²	TBD	\$875	35%
2				
3	TOTAL	TBD	\$2,500	100%

4 **Notes:**

5 1. Total Expected Funding represents project costs or implementable phases of
6 multi-phase projects and programs based on a forecast of expected revenues from existing
7 federal, state and local sources, plus \$2.5 billion (2016 \$'s) in new sales tax revenues over
8 the 25 year life of the SFTEP. The amounts in this column are provided in fulfillment of
9 Sections 131051 (a)(1), (b) and (c) of the California Public Utilities Code.

10 2. The "Total Prop TBD" fulfills the requirements in Section 13105 (d) of the
11 California Public Utilities Code. [TO BE UPDATED WITH INFORMATION PENDING FROM
12 THE REGION'S PLAN BAY AREA UPDATE.]

13 3. Street resurfacing revenues are assumed at \$35 million (2016 \$'s) annually at
14 the inception of the Expenditure Plan period to help ensure that the city reaches and
15 maintains a Pavement Condition Index score of 70, meaning that a majority of city streets will
16 be in good condition. There are several new revenue measures that could be established in
17 the short- to mid-term that could provide dedicated funds for street resurfacing including, but
18 not limited to: a San Francisco Vehicle License Fee recommended by the Mayor's
19 Transportation 2030 Report (could be approved as soon as 2018), an increased toll on Bay
20 Area state-owned toll bridges (Regional Measure 3, anticipated as soon as 2018), the
21 amendment of the Prop K Transportation Expenditure Plan for the one-half of one-percent
22 sales tax authorized in 2003 (Expenditure Plan can be amended as soon as 2023), and
23 various options under consideration at the state level. If any of these or other local, regional
24 or state revenues measures are put into place with dedicated funds for street resurfacing
25 during the SFTEP period, each fiscal year the amount of funds provided to the Street

1 Resurfacing program will be decreased by the amount of new dedicated local revenues
 2 available for street resurfacing, de-escalated to 2016 \$'s, subject to a minimum floor of 11% of
 3 Total Prop TBD Funding or \$280 million (2016 \$'s) in Prop TBD revenue. The increment of
 4 freed up Street Resurfacing funds will be distributed to the remaining Prop TBD categories as
 5 follows:

6		
7	Transit Service and Affordability	42%
8	Muni Fleet, Facilities and Infrastructure Repair and Improvements	4%
9	Transit Optimization and Expansion	33%
10	Regional Transit and Smart System Management	0%
11	Vision Zero Safer and Complete Streets	21%
12	<u>Street Resurfacing</u>	<u>0%</u>
13	Total	100%

14

15 3. DESCRIPTION OF PROGRAMS

16 This section contains detailed descriptions of the programs in the SFTEP, and the
 17 types of items that are eligible for funding under each of them.

18 A. PERCENTAGE DISTRIBUTION OF PROP TBD REVENUES TO PROGRAMS

19 The percentage distribution of Prop K TBD funds and estimated Total Prop TBD (2016
 20 \$s) for each program corresponds to those amounts shown in Section 2, Table 1. See
 21 Section 3.B. below for language related to a changed distribution of funds which would be
 22 triggered if new dedicated funds for Street Resurfacing are secured. The program
 23 descriptions would not change. This language is also included as note 3 to Table 1.

24
 25

1 **1. Transit Service and Affordability.....10% (\$250M)**

2 Expenditures in this program could be used to ensure SFMTA’s ability to continue to
 3 support Free Muni for Low Income Youth, Senior and Disabled Riders Programs; to help
 4 implement recommendations from the Muni Equity Strategy (updated on a two-year basis); to
 5 fund late night transportation services for night and swing shift workers; and to provide transit
 6 service for at-risk populations such as paratransit, mobility management and lifeline programs.
 7 Expenditures in this program could also help supplement SFMTA’s Rainy Day Reserve to
 8 provide protections against service cuts in future years.

9 **2. Muni Fleet, Facilities and Infrastructure Repair and Improvements.....20%**
 10 **(\$500M)**

11 Expenditures in this program shall prioritize measures to mitigate identified deficiencies
 12 in transit service to low-income and transit-dependent communities. Expenditures in this
 13 program will leverage federal and state funds to help keep Muni’s fleet of buses, historic street
 14 cars, trains, and paratransit vehicles in a state-of-good repair through timely vehicle
 15 replacement and rehabilitation to ensure that the transit system is reliable, and to expand the
 16 fleet through additional vehicles and larger vehicles to reduce crowding on the most popular
 17 routes and meet future demand.

18 Expenditures in this program also will be used for SFMTA facilities, including stations
 19 and associated escalators and elevators, which are critical to support the SFMTA’s ability to:
 20 provide reliable transit service and safe, comfortable and coordinated access to transit;
 21 maintain street infrastructure; and store, protect, and maintain its diverse transit fleet.

22 Further, expenditures in this program will improve reliability and safety on Muni through
 23 the replacement and rehabilitation of rails, overhead wires and associated fixed guideway
 24 infrastructure for light rail, trolley coaches, historic streetcars, and cable cars.

25

1 In any fiscal year in which the SFMTA would otherwise be required to adopt service
2 reductions as part of its budget, the SFMTA may transfer up to 25% of the annual percentage
3 allocation of funds that would otherwise go to this program to the Transit Service and
4 Affordability program to offset those service reductions, in an amount not to exceed the cost of
5 maintaining the services.

6 **3. Transit Optimization and Expansion.....10% (\$250M)**

7 Expenditures in this program will include smaller capital investments to improve the
8 efficiency and enhance the service of the existing transit system as well as large transit
9 expansion projects needed to meet current demand and accommodate future growth.
10 Expenditures in this program would help plan, design and deliver enhancement and
11 expansion projects. Expenditures in this program may also include planning, design and
12 capital funding for supportive transportation infrastructure for transit-oriented development.

13 Examples of eligible projects include but are not limited to: Muni Forward, bus rapid
14 transit projects on major corridors (e.g. Geary and Geneva), Better Market Street, rail capacity
15 improvements such as those recommended by the SFMTA Rail Capacity Strategy and the
16 region’s Core Capacity Transit Study, major regional projects (e.g. Caltrain electrification,
17 second Transbay crossing and Downtown Extension), ferry infrastructure and vessels and
18 future subway projects (e.g. T-Third rail extension to Fisherman’s Wharf, Geneva Avenue rail
19 service, Geary Avenue Light Rail Transit, Upper Market to Mission Bay/SOMA Light Rail
20 Transit, under-grounding existing rail lines) prioritized by the Long Range Transportation
21 Planning Program, the SFTP and its updates, all of which will be developed in collaboration
22 with local and regional agencies

23 **4. Regional Transit and Smart System Management..... 15% (\$375M)**

24 To improve reliability and reduce overcrowding, as well as to encourage continued use
25 of transit by new residents and employees, regional transit capacity and system resiliency

1 must grow. The priority for expenditures in this program will be to fund San Francisco's
 2 contribution to BART expansion vehicles (provided comparable matching funds are provided
 3 by Alameda and Contra Costa Counties, and subject to BART commitment of \$100 million in
 4 San Francisco station and access improvements) and to support the electrification of Caltrain.
 5 If partners don't provide match for the BART expansion vehicles by 2024 or if less local funds
 6 are needed, expenditures in this program could also fund long-range regional network
 7 planning and design studies and/or capital improvements such as crossover tracks, passing
 8 tracks, turnbacks and station modernization improvements that increase core system
 9 reliability and capacity.

10 Expenditures in this program will also enable Smart System Management by funding
 11 technology-enabled system corridor management strategies for US 101, I-280 and I-80 (and
 12 associated surface arterial approach/distribution streets) to increase reliability for buses and
 13 high-occupancy vehicles through carpool/managed lanes and traveler information systems;
 14 and by funding a broad countywide toolkit of demand management strategies designed to
 15 promote sustainable travel choices such as carpooling, ride-sharing, transit/HOV use and
 16 active transportation modes through education campaigns, traveler incentives and fare/pricing
 17 strategies, policies and capital investments.

18 **5. Vision Zero Safer and Complete Streets.....10% (\$250M)**

19 Expenditures in this program will fund improvements primarily on the high-injury
 20 network that advance safety and enhance street users' experience, including implementation
 21 of the bike strategy, upgraded traffic signals with pedestrian countdown signals, and audible
 22 signals to improve accessibility and safety, and improve pedestrian safety through data-driven
 23 improvements. Safety upgrades may be paired with streetscape enhancements, such as
 24 landscaping on curb extensions at bus stops. Examples of work eligible in this program range
 25 from corridor-wide improvements, to stand-alone pedestrian improvements at individual high-

1 injury intersections and/or freeway ramp/local street connections. Expenditures in this
2 program may also fund Vision Zero public education and evaluation.

3 Expenditures in this program also will optimize movement on San Francisco streets by
4 keeping traffic infrastructure and signals in a state of good repair through replacement and
5 upgrade of deteriorated or obsolete signal hardware; by bringing advanced technology to the
6 traffic signal system with tools that allow real-time traffic management, transit and emergency
7 vehicle signal priority, and expedite maintenance; and by adding pedestrian countdown and
8 audible signals as part of signal upgrades.

9 **6. Street Resurfacing..... 35% (\$875M)**

10 Expenditures in this program will help ensure the city reaches and maintains a
11 Pavement Condition Index (PCI) score of 70, meaning that the majority of city streets will be in
12 good condition. Keeping street surfaces in good repair has safety and financial benefits for
13 people traveling by all modes of transportation citywide. Conversely, deteriorated roadways
14 have a negative impact on all users and the more roads deteriorate, the more costly they
15 become to repair.

16 **Total.....100% (\$2500M)**

17
18 **B. TRIGGER FOR A REVISED PERCENTAGE DISTRIBUTION OF PROP TBD**
19 **REVENUES TO PROGRAMS**

20 Street resurfacing revenues are assumed at \$35 million (2016 \$'s) annually at the
21 inception of the Expenditure Plan period to help ensure that the city reaches and maintains a
22 Pavement Condition Index score of 70, meaning that a majority of city streets will be in good
23 condition. There are several new revenue measures that could be established in the short- to
24 mid-term that could provide dedicated funds for street resurfacing including, but not limited to:
25 a San Francisco Vehicle License Fee recommended by the Mayor’s T2030 Report (could be

1 approved as soon as 2018), an increased toll on Bay Area state-owned toll bridges (Regional
 2 Measure 3, anticipated as soon as 2018), the amendment of the Prop K Transportation
 3 Expenditure Plan for the one-half of one-percent sales tax authorized in 2003 (Expenditure
 4 Plan can be amended as soon as 2023), and various options under consideration at the state
 5 level. If any of these or other local, regional or state revenues measures are put into place
 6 with dedicated funds for street resurfacing during the SFTEP period, each fiscal year the
 7 amount of funds provided to the Street Resurfacing program will be decreased by the amount
 8 of new dedicated local revenues available for street resurfacing, de-escalated to 2016 \$'s,
 9 subject to a minimum floor of 11% of Total Prop TBD Funding or \$280 million (2016 \$'s) in
 10 Prop TBD funds. The increment of freed up Street Resurfacing funds will be distributed to the
 11 remaining Prop TBD categories as follows:

12		
13	Transit Service and Affordability	42%
14	Muni Fleet, Facilities and Infrastructure Repair and Improvements	4%
15	Transit Optimization and Expansion	33%
16	Regional Transit and Smart System Management	0%
17	Vision Zero Safer and Complete Streets	21%
18	<u>Street Resurfacing</u>	<u>0%</u>
19	Total	100%
20		

21 4. GENERAL PROVISIONS

22 A. SALES TAX REVENUES

23 The operative date of the SFTEP shall be established pursuant to Section 131105 of
 24 the California Public Utilities Code. The one-half percent local sales tax dedicated to
 25

1 transportation improvements (approved in November 2016 as Proposition TBD) shall be
2 continued for the duration of the SFTEP, but not to exceed 25 years.

3 Revenues are estimated over the 25-year period of the SFTEP. The conservative
4 projection puts the total revenue level at \$2.5 billion (2016 dollars) and assumes a modest
5 growth rate. This projection builds in recessions and recoveries based on historical trends
6 and economic conditions as well as tax policy.

7 B. RESTRICTION OF FUNDS

8 Sales tax revenues shall be used solely for the projects and purposes set forth in the
9 SFTEP and its amendments and for the administration thereof. Sales tax revenues shall be
10 spent on capital projects rather than to fund operations and maintenance of existing
11 transportation services, unless otherwise expressly specified in the Plan Description. In
12 accordance with enabling legislation and adopted principles, sales tax revenues generated
13 pursuant to this plan shall be subject to the following restrictions:

14 i. NO SUBSTITUTION

15 a. In accordance with the legislative intent expressed in California Public
16 Utilities Code Section 131100 sales tax proceeds shall not replace funds previously provided
17 by property tax revenues for public transportation. As a condition for allocation of funds by the
18 SFCTA, the recipient department or agency shall certify to the SFCTA that the funds will not
19 be substituted for property tax funds which are currently utilized to fund existing local
20 transportation programs.

21 b. Proceeds from the sale or liquidation of capital assets funded with sales
22 tax revenues shall be returned to the SFCTA in proportion to the contribution of sales tax
23 revenues to the total original cost of the asset, for re-allocation to eligible expenses within the
24 categories from which funds were expended for the original investment.

25

1 ii. NO EXPENDITURES OUTSIDE SAN FRANCISCO

2 No sales tax funds shall be spent outside the limits of the City and County of San
3 Francisco, except for cases that satisfy all of the following conditions, and subject to a
4 possible need for amendment of state law:

5 a. Quantifiable Benefit: The project, service, or programmatic category is
6 included in the Expenditure Plan, and planning or other studies, developed in order to enable
7 its implementation, demonstrate that there will be a quantifiable benefit to the City and
8 County's transportation program from the expenditure of funds outside the City and County. A
9 quantifiable benefit is defined as a measurable increase in the cost effectiveness of a project
10 or group of transportation projects and or services at least partially funded with sales tax
11 funds, located along the corridor or in the immediate geographic area of the City and County
12 where the project in question is proposed to occur.

13 b. Expenses Matched By Other Counties: The proposed expense is
14 matched by funding from the county where the expenditure of sales tax funds is proposed to
15 be made.

16 Should transportation projects or services contemplated in the plan require the
17 participation of other counties for any phase of project planning or implementation, the SFCTA
18 shall work cooperatively with the Mayor's Office and affected county or counties to ensure
19 coordination and successful project implementation.

20 C. BONDING AUTHORITY

21 The SFCTA shall be authorized to issue, from time to time, limited tax bonds pursuant
22 to the provisions of California Public Utilities Code Sections 131109 et seq. in a total
23 outstanding aggregate amount not to exceed \$2.00 billion, payable from the sales tax
24 revenues generated by the local sales and use tax adopted by Prop TBD. The SFCTA's
25

1 bonding capacity shall be separate and distinct from that of the City and County of San
2 Francisco.

3 D. ADMINISTRATION BY THE SAN FRANCISCO COUNTY TRANSPORTATION
4 AUTHORITY

5 The SFCTA shall allocate, administer and oversee the expenditure of the Prop TBD
6 sales tax funds.

7 E. ELIGIBLE RECIPIENTS OF FUNDS

8 Only public agencies are eligible to receive allocation of sales tax funds.

9 F. SUPPORT OF ADJACENT COUNTIES

10 It is deemed unnecessary to seek the support of adjacent counties by requesting them
11 to develop their own Transportation Expenditure Plans because San Mateo, Alameda, Contra
12 Costa and Marin Counties have already adopted Transportation Expenditure Plans.

13 G. ENVIRONMENTAL REVIEW

14 Environmental reporting, review and approval procedures as provided for under the
15 National Environmental Policy Act (NEPA), and/or the California Environmental Quality Act
16 (CEQA), and other applicable laws shall be carried out as a prerequisite to the implementation
17 of any project to be funded partially or entirely with sales tax funds.

18 H. ACCOUNTABILITY AND TRANSPARENCY

19 i. FINANCIAL AUDITS: The SFCTA shall ensure a post audit of its financial
20 transactions and records at least annually by an independent certified public accountant.

21 ii. ANNUAL REPORT: Pursuant to California Public Utilities Code Section 131303,
22 the SFCTA shall prepare and adopt an annual report by January 1 of each year on the
23 progress to achieve the objectives of completion of the projects in the SFTP. The public
24 annual report shall summarize revenues collected; expenditures by program, costs related to
25

1 financing, if applicable; administrative costs; and accomplishments and benefits realized by
2 the program.

3 iii. REQUIREMENTS FOR FUND RECIPIENTS: All recipients of sales tax funds
4 allocated to Expenditure Plan programs will be required to complete certain requirements as
5 established by the SFCTA including reporting, completing audits, and complying with
6 attribution requirements.

7 iv. CITIZENS OVERSIGHT COMMITTEE: The SFCTA's Citizens Advisory
8 Committee shall serve as the Citizens Oversight Committee and will provide independent and
9 public oversight of all expenditures of Prop TBD sales tax funds by SFCTA or recipient
10 agencies. The committee shall assist with defining criteria and priorities for implementing the
11 Expenditure Plan consistent with the intention of Prop TBD; review the allocation of sales tax
12 funds; monitor the SFCTA's programs; and review annual audits.

13

14 5. IMPLEMENTATION PROVISIONS

15 A. STRATEGIC PLAN

16 This Expenditure Plan identifies eligible expenditures for each of the six programs
17 listed in Table 1 in Section 3. Prior to allocation of any sales tax funds, the SFCTA shall
18 prepare, in close coordination with all other affected planning and/or implementation agencies,
19 a Strategic Plan for the use of the sales tax revenues, for review and adoption by the SFCTA
20 Board. The Strategic Plan shall include a 5-year prioritized program of projects (see sub-
21 section C of Section 5) for each of the following programs: Muni Fleet, Facilities and
22 Infrastructure Repair and Improvement; Transit Optimization and Expansion; Regional Transit
23 and Smart System Management; and Vision Zero Safer and Complete Streets.

24 As part of the Strategic Plan development process, the SFCTA shall adopt, issue and
25 update detailed guidelines for the development of prioritized programs of projects.

1 B. CATEGORIES EXEMPT FROM PRIORITIZATION PROCESS

2 The Transit Service and Affordability and Street Resurfacing categories are exempt
 3 from the 5-year prioritization process. In the Strategic Plan, funds shall be programmed to
 4 these categories annually based on the percentage share of annual program revenues shown
 5 in sub-section A of Section 3 or as modified by sub-section B of Section 3. Funds will be
 6 allocated annually as a lump sum to the San Francisco Municipal Transportation Agency
 7 (SFMTA) (or its successor) for the first of the aforementioned programs and to San Francisco
 8 Department of Public Works (SFDPW) (or its successor) for the last program. Allocations
 9 shall be accompanied by a list of projects that the recipient agency intends to fund with the
 10 sales tax revenues. After the first year's allocation, all subsequent fiscal year allocations also
 11 must be accompanied by an annual report of expenditures prepared by the recipient agency
 12 to be presented to the SFCTA Citizens Advisory Committee and relevant Board committee.

13 Funds not expended within five years of allocation by the SFCTA Board will
 14 automatically be de-obligated by the SFCTA and reprogrammed to the same program in a
 15 future year. Failure to comply with reporting and auditing requirements may result in the
 16 SFCTA withholding annual allocations until such time as the recipient conforms to this
 17 requirement.

18 For programs exempt from the 5-year prioritization process, if SFMTA or SFDPW wish
 19 to advance funds for programming and allocation more quickly than on a pay-go basis, the
 20 agency must develop a 5-year prioritized program of projects for review and adoption by the
 21 SFCTA Board as described in sub-section C below and a corresponding Strategic Plan
 22 amendment to support the advancement of funds.

23 C. PRIORITIZATION PROCESS

24 For programs where more than one agency or department may be an eligible recipient
 25 of Prop TBD funds, the SFCTA Board shall designate a lead agency to coordinate

1 development of the 5-year prioritized programs of projects and prior to each of their
2 subsequent updates, for each program.

3 Prior to allocation of any sales tax funds, the lead agency shall prepare, in close
4 consultation with all other affected planning and implementation agencies, the SFCTA's
5 Technical Working Group, and the SFCTA, a 5-year prioritized program of projects including
6 budget, scope and schedule; consistent with the Strategic Plan for use of the Prop TBD funds,
7 for review and adoption by the SFCTA Board. Program goals shall be consistent with the
8 current SFTP and with the City's General Plan. Prior to adoption by the SFCTA Board, the
9 lead agency and SFCTA staff will present the draft 5-year prioritized programs of project to
10 the City's Capital Planning Committee for review and input.

11 The program of projects shall at a minimum address, the following factors:

12 i. Project readiness, including schedule for completion of environmental and
13 design phases; well-documented preliminary cost estimates, and documented community
14 support as appropriate;

15 ii. Compatibility with existing and planned land uses, and with adopted standards
16 for urban design and for the provision of pedestrian amenities; and supportiveness of planned
17 growth in transit-friendly housing, employment and services.

18 iii. A prioritization mechanism to rank projects within the program, addressing, for
19 each proposed project:

20 a. Relative level of need or urgency

21 b. Cost Effectiveness

22 c. A fair geographic distribution that takes into account the various needs of San
23 Francisco's neighborhoods.

24

25

1 iv. Funding plan, including sources other than Prop TBD.

2 The lead agency shall conduct appropriate public outreach to ensure an inclusive
3 planning process for the development of the program of projects, as well as general plan
4 referral or referral to any City Department or Commission as required.

5 The lead agency shall also identify appropriate performance measures to ensure that
6 progress is made in meeting the goals and objectives of the program. These performance
7 measures shall be developed in collaboration with the SFCTA and shall be consistent with the
8 SFCTA's Congestion Management Program.

9 The lead agency shall be eligible for planning funds from this category for the purpose
10 of completing the development of the program of projects.

11 Lead agencies will also be encouraged to explore alternative and non-traditional
12 methods for project and service delivery where they offer opportunities for increased cost-
13 effectiveness, desirable allocations of risk, and/or shortened project delivery timelines.

14 6. AMENDMENT PROCESS

15 The SFCTA Board may, by a 2/3 vote, recommend adoption of an amended
16 Expenditure Plan any time after fifteen years after the effective date of adoption of the SFTEP.
17 The SFCTA Board shall appoint an Expenditure Plan Advisory Committee to provide input on
18 an amended Expenditure Plan. The amendment process shall follow the provisions of
19 Division 12.5 of the California Public Utilities Code, except that the Expenditure Plan shall
20 require the approval by the Mayor of the City and County of San Francisco.

21

22 Section 4. Pursuant to Article XIII C of the Constitution of the State of California and
23 Section 7285 of the California Revenue and Taxation Code, this ordinance shall be submitted
24 to the qualified electors of the City and County of San Francisco at the November 8, 2016
25 general municipal election.

1 Section 5. This ordinance shall be effective at the close of the polls of the November
2 8, 2016 general election.

3

4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: _____
7 Carole F. Ruwart
8 Deputy City Attorney

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5/12/16

FILE NO. 160486

RESOLUTION NO.

1 [Development of a Transportation Sales Tax Expenditure Plan]

2

3 **Resolution urging the San Francisco County Transportation Authority, in partnership**
4 **with the Mayor's Office and the San Francisco Municipal Transportation Agency, to**
5 **develop a San Francisco Transportation Expenditure Plan to specify the use of**
6 **revenues from a potential new half-cent sales tax for transportation for potential**
7 **consideration for the November 2016 ballot.**

8

9 WHEREAS, The San Francisco County Transportation Authority (SFCTA) adopted the
10 most recent update of the countywide transportation plan (the San Francisco Transportation
11 Plan or SFTP) in 2013, which establishes the 30-year vision for San Francisco's
12 transportation system; and

13 WHEREAS, As documented in the SFTP, San Francisco's needs for transportation
14 funding far exceed expected revenue from federal, state, regional and local sources; and

15 WHEREAS, The SFTP, through its investment scenarios and policy recommendations,
16 proposes ways to invest the dollars we expect to have to most effectively make progress
17 towards our goals, but analysis shows that this progress is limited unless new revenues are
18 identified; and therefore, the SFTP recommends a two-pronged revenue strategy: positioning
19 San Francisco to compete well for new regional, state, and federal sources, and seeking new
20 locally-controlled sources; and

21 WHEREAS, Building on the SFTP analysis and recommendations, the Mayor's
22 Transportation 2030 Task Force investigated what San Francisco needs to do to fix the
23 transportation network and prepare it for the future; confirming that anticipated revenues were
24 inadequate to meet those needs; and

25

1 WHEREAS, The Task Force recommended a series of local funding sources (including
2 general obligation bonds, a sales tax, and a vehicle license fee) that, if approved by voters,
3 would provide about \$3 billion to complete a suite of critical transportation infrastructure
4 projects by 2030; and

5 WHEREAS, San Francisco voters approved the first of the Task Force's recommended
6 measures in November 2014 by approving Proposition A, the Transportation and Road
7 Improvement Bond, which will invest \$500 million to complete a range of projects that will
8 reduce Muni travel times, make Muni less crowded and more reliable, and enhance safety on
9 San Francisco's streets; and

10 WHEREAS, At the same election, San Francisco voters approved Proposition B, which
11 requires the City to adjust funding for transportation each year based on population growth;
12 and these funds are helping to improve transit and make our streets safer for all; and

13 WHEREAS, Over the last two years the MTA has adopted a Free MUNI for Youth
14 program, a Free MUNI for Seniors and Disabled program, and a MUNI Service Equity
15 Strategy to guide needed service performance improvements for low-income, transit-
16 dependent communities; and

17 WHEREAS, Since the adoption of the Transportation 2030 recommendations, the City
18 committed to Vision Zero, a policy to build safety into our transportation system to end all
19 severe and fatal traffic injuries by 2024, through accelerated investment in safe streets that
20 prevent severe and deadly crashes on our streets and support safer behavior on the roads;
21 and

22 WHEREAS, While we are making real improvements in transit reliability, building and
23 providing smoother, safer streets, and improving the pavement condition of our street
24 network, our transportation system is still in need of significant investment to bring it into a
25 state of good repair and to sustain it at such a level, and we have an urgent need to invest

1 more in near and long-term projects that relieve severe overcrowding on our local and
 2 regional transit systems such as Muni, BART, and Caltrain to better serve current residents,
 3 employees, and visitors and provide for planned growth, as well as an urgent need for the
 4 resources to efficiently expand service to fully utilize these capital resources and to ensure we
 5 can equitably provide transit service and infrastructure investments to our community; and

6 WHEREAS, Such transportation investments can also be complemented with efforts
 7 and improvements to promote equitable transit-oriented development; and

8 WHEREAS, We need a stable source of funding to continue to invest in street
 9 resurfacing, safety improvements, and the pedestrian and bicycle networks ~~to advance Vision~~
 10 ~~Zero~~; now, therefore, be it

11 RESOLVED, That the San Francisco Board of Supervisors asks the SFCTA working in
 12 partnership with the Mayor's Office and the San Francisco Municipal Transportation Agency
 13 (SFMTA), which is administering the Transportation 2030 program, to lead development of a
 14 San Francisco Transportation Expenditure Plan to specify the use of revenues from a
 15 potential new half-cent sales tax for transportation for potential consideration for the
 16 November 2016 ballot; and, be it, further;

17 RESOLVED, That the San Francisco Transportation Expenditure Plan shall build and
 18 expand on the recommendations of the SFTP and the Transportation 2030 Task Force,
 19 including priorities that emerged after the Task Force convened, including strategies to
 20 support equity, service improvements and traffic safety; and, be it, further

21 RESOLVED, That the SFCTA and the SFMTA shall ensure that representatives of city
 22 agencies, regional transit agencies serving San Francisco, the Metropolitan Transportation
 23 Commission, members of the public, and other key interested stakeholders shall be able to
 24 provide input into the San Francisco Transportation Expenditure Plan development, providing

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1 at least three publicly noticed meetings in May and June 2016 and developing a
2 complementary public engagement strategy.

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Attachment 4.

Public Engagement Schedule and Key Approval Dates for a New Local Transportation Revenue Measure*

Date	Meeting**	Description
05/17/16	BOS	Approved resolution calling for development of an Expenditure Plan
05/24/16	SFCTA Board	Information/Input
05/25/16	SFCTA CAC	Information/Input
06/07/16	BOS	Introduced initial draft sales tax ordinance and Expenditure Plan (sits 30 days before committee)
06/15/16	SFCTA CAC - Special Meeting	Information/Input
06/21/16	SFCTA Plans & Programs Committee	Information/Input
06/22/16	SFCTA CAC	Information/Input
06/28/16	SFCTA Board	Information/Public hearing on Expenditure Plan
06/29/16	Telephone Town Hall	6-7:00 p.m. (sign up at www.vekeo.com/sfcta or call 415.522.4800)
11/8/2016	Election	

Charter Amendment Only

06/30/16	BOS Rules Committee	11 a.m. City Hall, Room 263
07/07/16	BOS Rules Committee	11 a.m., City Hall, Room 263 (if amended on 06/30/16)
07/12/16	BOS	First appearance. Information item
07/19/16	BOS	Action

Transportation Sales Tax Only ('back-up' measure)

07/08/16	MTC - Planning Committee	Action to recommend approval of the Expenditure Plan
		10:00 a.m., City Hall, Room 250
07/12/16	SFCTA Board - Special Meeting	Approve Expenditure Plan and ask BOS to place sales tax ordinance on November 2016 ballot
07/13/16	BOS Budget & Finance	Hearing on sales tax ordinance and Expenditure Plan, introduce any amendments (triggers need for another hearing)
07/20/16	BOS Budget & Finance	Recommend placing sales tax ordinance and Expenditure Plan on the November 2016 ballot (last committee date)
07/26/16	BOS	First vote on sales tax ordinance and Expenditure Plan
07/27/16	MTC - Full Commission	Approve Expenditure Plan
08/02/16	BOS	Second vote on sales tax ordinance and Expenditure Plan
08/05/16	BOS/Mayor	Deadline for Mayor to sign and BOS to submit ordinance to the Director of Elections

*Updated 06/23/16. Dates are subject to change. The most up to date information on public engagement and SFCTA meetings is available on SFCTA's website at www.sfcta.org. For most up to date information on BOS meetings visit www.sfbos.org.

**Acronyms include:

BOS – San Francisco Board of Supervisors

MTC – Metropolitan Transportation Commission

SFCTA – San Francisco County Transportation Authority

SFCTA CAC – Citizens Advisory Committee