



RESOLUTION APPROVING THE 2017 PROP AA STRATEGIC PLAN POLICIES AND SCREENING AND PRIORITIZATION CRITERIA

WHEREAS, In November 2010, San Francisco voters approved Proposition AA (Prop AA), authorizing the Transportation Authority to collect an additional \$10 annual vehicle registration fee on motor vehicles registered in San Francisco and to use the proceeds to fund transportation projects identified in the Expenditure Plan; and

WHEREAS, The Prop AA Expenditure Plan identifies eligible expenditures in three programmatic categories: Street Repair and Reconstruction, Pedestrian Safety, and Transit Reliability and Mobility Improvements, and mandates the percentage of revenues that shall be allocated to each category over the life of the Expenditure Plan; and

WHEREAS, The Prop AA Expenditure Plan requires development of a Strategic Plan to guide the implementation of the program, and specifies that the Strategic Plan include a detailed 5-year prioritized program of projects (5YPP) for each of the Expenditure Plan categories as a prerequisite for allocation of funds; and

WHEREAS, In December 2012, through Resolution 13-23, the Transportation Authority Board adopted the first Prop AA Strategic Plan, which among other elements, included the required 5YPPs covering Fiscal Years 2012/13 to 2016/17 and which programmed \$26.4 million in Prop AA funds to 19 projects; and

WHEREAS, Transportation Authority staff has begun preparations for the 2017 Strategic Plan update and development of the 2017 5YPPs which will cover Fiscal Years 2017/18 to 2021/22; and



WHEREAS, the 2017 Strategic Plan update will be guided by two key documents: the Prop AA Strategic Plan Policies (Attachment 1) which provide guidance to staff and project sponsors on the various aspects of managing the program, including the allocation and expenditure of funds, and the Prop AA Strategic Plan Screening and Prioritization Criteria (Attachment 2) which are the mechanism to evaluate and prioritize projects for funding within the three programmatic categories; and

WHEREAS, At its September 28, 2016 meeting, the Citizens Advisory Committee was briefed on the proposed minor revisions to the Prop AA Strategic Plan Policies and Screening and Prioritization Criteria and adopted a motion of support for the staff recommendation; and

WHEREAS, At its October 11, 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 approves revisions to the Prop AA Strategic Plan Policies, as shown in Attachment 1 and the Prop AA Strategic Plan Screening and Prioritization Criteria, as shown in Attachment 2.

Attachments (2):

1. Prop AA Strategic Plan Policies
2. Prop AA Strategic Plan Screening and Prioritization Criteria



The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 25th day of October, 2016, by the following votes:

**Ayes:** Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee (11)

**Nays:** (0)

**Absent:** (0)

Scott Wiener 10/31/16  
Scott Wiener Date  
Chair

ATTEST: Tilly Chang 11/7/16  
Tilly Chang Date  
Executive Director

## Attachment 1.

### Prop AA Vehicle Registration Fee Strategic Plan Policies (~~adopted 12.11.12 draft update 09.209.16~~)

The Strategic Plan policies and procedures provide guidance to both Transportation Authority staff and project sponsors on the various aspects of managing the Prop AA program. The Strategic Plan policies and procedures highlighted here address the allocation and expenditure of funds, in the policy context of the Transportation Authority's overall revenue structure, as well as clarifying the Transportation Authority's expectations of sponsors to deliver their projects. ~~As part of this first Prop AA Strategic Plan, w~~We have written the policies based on the experience of the Prop K program, but tailored to the smaller size of the program and to reflect the guiding principles that were used to develop the Expenditure Plan.

This Expenditure Plan identifies eligible expenditures for three programmatic categories: Street Repair and Reconstruction; Pedestrian Safety; and Transit Reliability and Mobility Improvements.

The Prop AA policies are detailed below.

#### Project Readiness

- Prop AA funds will be allocated to phases of a project based on demonstrated readiness to begin the work and ability to complete the product. Any impediments to completing the project phase will be taken into consideration, including, but not limited to, failure to provide evidence of necessary inter- and/or intra-agency coordination, or any pending or threatened litigation.
- Allocations of Prop AA funds for specific project phases will be contingent on the prerequisite milestones shown in Table 1 (found at the end of this attachment). Exceptions will be considered on a case-by-case basis. Allocation requests will be made prior to advertising for services or initiating procurements which will utilize Prop AA funds.
- Projects with complementary funds from other sources will be given priority for allocation if there are timely use of funds requirements outside of the Transportation Authority's jurisdiction applied to the other fund sources.
- The sponsor will provide certification at the time of an allocation request that all complementary fund sources are committed to the project. Funding is considered committed if it is included specifically in a programming document adopted by the governing board or council responsible for the administration of the funding and recognized by the Transportation Authority as available for the phase at the time the funds are needed.

#### Programming

- The Expenditure Plan assigns the percentage allocation of vehicle registration fee revenues over its 30-year life to each category as follows: Street Repair and Reconstruction – 50%, Pedestrian Safety– 25%, and Transit Reliability and Mobility Improvements – 25%. The Strategic Plan reserves the flexibility to assign annual Prop AA revenues across the three categories with considerations including project readiness and policy direction (e.g., focus on pedestrian safety). As a part of Strategic Plan updates, the amount programmed and allocated to each category will be reconciled to ensure the program is on-track to allocate funds in the proportions prescribed by the Expenditure Plan.
- Prop AA funds will be programmed and allocated to phases of projects emphasizing the leveraging of other fund sources.

## Attachment 1.

- In establishing priorities in the Strategic Plan updates, the Transportation Authority will take into consideration the need for Prop AA funds to be available for matching federal, state, or regional fund sources for the project or program requesting the allocation or for other projects in the Expenditure Plan.
- On the occasion of each Strategic Plan update or major amendment, envisioned no less frequently than every four years, the ability of sponsors to deliver their committed projects and programs and comply with timely-use-of-funds requirements will be taken into consideration when updating the programming of funds.

### Project Delivery and Timely Use of Funds Requirements

- To support timely and cost-effective project delivery, Prop AA funds will be allocated one project phase at a time, except for smaller, less complex projects, where the Transportation Authority may consider exceptions to approve multi-phase allocations. Phases eligible for an allocation:
  - Design Engineering (PS&E)<sup>1</sup>
  - ~~○ Procurement (e.g. accessible pedestrian signals)~~
  - Construction, including procurement (e.g. accessible pedestrian signals)
- ~~• Prop AA funds will be allocated for one project phase at a time, except for smaller, less complex projects, where the Transportation Authority may consider exceptions to approve multi-phase allocations.~~
- Project phases for which Prop AA funds will be allocated will be expected to result in a complete work product or deliverable. Table 2 located in the following section demonstrates the products expected to accompany allocations.
- Implementation of project phase must occur within 12 months of date of allocation. Implementation includes issuance of a purchase order to secure project components, award of a ~~consultant~~ contract, or encumbrance of staff labor charges by project sponsor. Any project that does not begin implementation within 12 months of the date of allocation may have its sponsor request a new timely-use-of-funds deadline with a new project schedule, subject to the approval of the Transportation Authority. If denied, the sponsor may request that the Transportation Authority Board determine if funds should be deobligated to be included in a competitive call for projects. Sponsors will have the opportunity to reapply for funds through these competitive calls, but will not be guaranteed any priority if other eligible, ready-to-go project applications are received.
- ~~At the end of the project, Prop AA final reimbursement requests and allocations for the construction, construction engineering and equipment purchase phases must be drawn down project closeout requests must be submitted within 12 months of the date of contract acceptance/project completion. Exceptions will be considered on a case-by-case basis.~~
- It is imperative to the success of the Prop AA program that project sponsors of Prop AA-funded projects work with Transportation Authority representatives in a cooperative

<sup>1</sup> As defined in the Code of Federal Regulations (23 CFR §636.103), final design means any design activities following preliminary design and expressly includes the preparation of final construction plans and detailed specifications for the performance of construction work, and other activities constituting final design include final plans, project site plan, final quantities, and final engineer's estimate for construction.

## Attachment 1.

process. It is the project sponsor's responsibility to keep the Transportation Authority apprised of significant issues affecting project delivery and costs. Ongoing communication resolves issues, facilitates compliance with Transportation Authority policies and contributes greatly toward ensuring that adequate funds will be available when they are needed.

- Timely-use-of-funds requirements will be applied to all Prop AA allocations to help avoid situations where Prop AA funds sit unused for prolonged periods of time given Prop AA's focus on delivering tangible benefits in the short term.<sup>2</sup> Any project programmed within the Prop AA Strategic Plan that does not request allocation of funds in the year of programming may, at the discretion of the Transportation Authority Board, have its funding deobligated and reprogrammed to other projects through a competitive calls for Prop AA projects. Sponsors will have the opportunity to reapply for funds through these competitive calls, but will not be guaranteed any priority if other eligible, ready-to-go project applications are received.

### Project Performance

- The Transportation Authority and project sponsors shall identify appropriate performance measures, milestone targets, and a timeline for achieving them, to ensure that progress is made in meeting the goals and objectives of the project or program. These performance measures shall be consistent with the Transportation Authority's Congestion Management Program requirements and shall be used to inform future Strategic Plan amendments and updates.
- Performance and project delivery reports of Prop AA-funded projects will be brought to the Transportation Authority Board on a regular basis to highlight the delivery of open projects.

### Administration

- Prior to allocation of any Prop AA funds to projects, projects must be programmed in the 5-Year Prioritization Program (5YPP)/Strategic Plan. To become programmed, projects may either be submitted by project sponsors for Transportation Authority review at the time of Strategic Plan adoption, periodic update, or through periodic competitive calls for projects that will be amended into the 5YPP/Strategic Plan.
- Within the Strategic Plan, 5YPPs shall establish a clear set of criteria for prioritizing or ranking projects, and include clearly defined budgets, scopes and schedules for individual projects within the program, consistent with the Strategic Plan ~~for use of Prop AA funds~~, for review and adoption by the Transportation Authority Board as provided for in the Expenditure Plan. Allocations may be made simultaneous to approval of the 5YPPs/Strategic Plan.
- Allocations of Prop AA funds will be based on an application package prepared and submitted by the lead agency for the project. The package will be in accordance with application guidelines and formats as outlined in the Transportation Authority's allocation request procedures, with the final application submittal to include sufficient detail and

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<sup>2</sup> One of the six guiding principles in the Prop AA Expenditure Plan calls for the Prop AA program to focus on smaller, high-impact projects that provide tangible benefits in the short-term.

## Attachment 1.

supporting documentation to facilitate a determination that the applicable conditions of these policies have been satisfied.

- Under the approved Transportation Authority Fiscal Policy, Cash Flow Distribution Schedules are adopted simultaneous to the allocation action. The allocation resolution will spell out the maximum reimbursement level per year, and only the reimbursement amount authorized in the year of allocation will count against the Capital Expenditures line item for that budget year. The Capital Expenditures line item for subsequent year annual budgets will 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.
- Prop AA funds will be spent down at a rate proportional to the Prop AA share of the total funds programmed to that project phase or program. The Transportation Authority will consider exceptions on a case-by-case basis (e.g. another fund source is not immediately available or cannot be used to cover certain expenses). Project sponsors should notify the Transportation Authority of the desire for an exception to this policy when requesting allocation of funds.
- Unexpended portions of allocated amounts remaining after final reimbursement for that phase will be returned to the project's programmed balance if the project is not yet completed and has future funds programmed in the Strategic Plan~~(e.g. future phases remain)~~.
- Upon completion of the project, including any expected work product shown in Table 2, the Transportation Authority will deem that any remaining programmed balance for the project is available for programming with first priority to another project within the same category as listed in the Expenditure Plan or second priority, to any other ready-to-go Prop AA projects. Final project selection will be determined through a competitive call for projects.
- Retroactive expenses are ineligible. No expenses will be reimbursed that are incurred prior to Board approval of the ~~vehicle~~ allocation for a particular project or program. The Transportation Authority will not reimburse expenses incurred prior to fully executing a Standard Grant Agreement (SGA).
- Indirect expenses are ineligible. Reimbursable expenses will include only those expenses directly attributable to the delivery of the products for that phase of the project or program receiving a Prop AA allocation.
- Projects shall be consistent with the Regional Transportation Plan (RTP).

**Attachment 1.**

**Table 1**

**Prerequisite Milestones for Allocation**

Allocations of Prop AA funds for specific project phases will be contingent on the prerequisite milestones shown in the table below. Exceptions will be considered on a case-by-case basis. Allocation requests will be made prior to advertising for services which will utilize Prop AA funds.

Phase	Prerequisite Milestone(s) for Allocation
Design Engineering (PS&E)	<ul style="list-style-type: none"> <li>● Inclusion in 5YPP/Strategic Plan</li> <li>● Conceptual Engineering Report, <u>if applicable</u></li> <li>● Approved environmental document</li> <li>● Capital construction funding in adopted plan, including RTP <del>and Countywide Transportation Plan</del></li> </ul>
Construction, <u>including procurement (e.g. accessible pedestrian signals)</u>	<ul style="list-style-type: none"> <li>● Inclusion in 5YPP /Strategic Plan</li> <li>● Approved environmental document</li> <li>● Right of way certification (if appropriate)</li> <li>● <del>100% PS&amp;E</del></li> <li>● <u>All applicable permits</u></li> </ul>
<del>Procurement (e.g. accessible pedestrian signals)</del>	<ul style="list-style-type: none"> <li>● <del>Inclusion in 5YPP /Strategic Plan</del></li> <li>● <del>Approved environmental document</del></li> <li>● <del>Right of Way Certification (if appropriate)</del></li> <li>● <del>100% PS&amp;E</del></li> </ul>



## Attachment 1.

Table 2

### Expected Work Products/Deliverables by Phase

The phase for which Prop AA funds are allocated ~~shall be~~ ~~reasonably~~ expected to result in a complete work product or deliverable. The expected work product for each phase is described in the table below. Upon approval of a request for allocation, the Transportation Authority on a case-by-case basis may approve a work product/deliverable other than that shown in the table below (e.g. for Transportation Demand Management projects).

~~Requests for allocations that are expected to result in a work product/deliverable other than that shown in the table below for a specific phase shall include a description of the expected work product/deliverable. Prior to approval of a request for allocation that is expected to result in a work product/deliverable other than that shown in the table below for the specific phase, the Transportation Authority shall make a determination that the expected work product is consistent with a cost effective approach to delivering the project or program as required in the Expenditure Plan.~~

Phase	Expected Work Product/Deliverable <sup>1</sup>
Design Engineering (PS&E)	Final design package including contract documents
Construction, <u>including procurement</u>	Constructed improvement or minimum operating segment, <u>or equipment in service</u>
<del>Procurement (e.g. rolling stock)</del>	<del>Equipment in service</del>

<sup>1</sup>The Transportation Authority will specify required deliverables for an allocation in the Allocation Request Form, typically requiring evidence of completion of the above work products/deliverables such as a copy of the signed certifications page as evidence of completion of PS&E or digital photos of a completed construction project.

## Attachment 2

### Prop AA Vehicle Registration Fee

#### Strategic Plan Screening and Prioritization Criteria (~~adopted 12.11.12~~ draft update 09.209.16)

The Prop AA Expenditure Plan requires that the Strategic Plan include a prioritization mechanism to rank projects within each of the three programmatic categories. The intent of this requirement is to provide the Transportation Authority Board, the public, and Prop AA project sponsors with a clear understanding of how projects are prioritized for funding within program. Having a transparent and well-documented prioritization methodology in place allows for an open, inclusive and predictable project development process, intended to result in a steady stream of projects that are ready to compete for Prop AA, Prop K, and other discretionary (i.e., competitive) fund sources for implementation. In addition, a robust prioritization methodology helps to ensure that projects programmed for Prop AA funds can deliver near-term, tangible benefits to the public as intended by the Expenditure Plan. Finally, it allows project sponsors to better take advantage of coordination opportunities with other transportation projects funded by Prop AA and other funding sources that should result in efficiencies and minimize disruption caused by construction activities.

#### I. SCREENING

Projects must meet all screening criteria in order to be considered further for Prop AA funding. The screening criteria focus on meeting the eligibility requirements for Prop AA funds and include, but are not limited to, the following factors:

- Project sponsor is an eligible administering agency per the Prop AA Expenditure Plan guidelines.
- Project is eligible for funding from one or more of Prop AA's three programmatic categories.
- Project is seeking Prop AA funds for design; or construction ~~and/or procurement~~ phases only.
- Project is consistent with the regional transportation plan.
- Project is consistent with ~~citywide board~~ agency adopted plans; existing and planned land uses; and adopted standards for urban design and for the provision of pedestrian amenities; and supportiveness of planned growth in transit friendly housing, employment and services.

#### II. GENERAL PRIORITIZATION

Projects that meet all of the Prop AA screening criteria will be prioritized for Prop AA funding based on, but not limited to the factors listed below. Neither the general prioritization criteria listed below nor category-specific criteria listed in Section III are in any particular order nor are they weighted. In general, the more criteria a project satisfies and the better it meets them, the higher a project will be ranked.

- **Project Readiness:** Priority shall be given to projects that can implement the funded phase(s) within twelve months of allocation. Implementation includes issuance of a purchase order to secure project components, ~~date of awarding~~ a ~~consultant~~ contract, or encumbrance of staff labor charges by project sponsor.
- ~~Relative Level of Need or Urgency~~ **Time Sensitivity:** ~~Priority shall be given to projects that address known safety issues.~~ Priority shall be given to projects that are

## Attachment 2

trying to take advantage of time sensitive construction coordination opportunities and whether the project would leverage other funding sources with timely use of funds requirements.

- **Community Engagement/Support:** Priority shall be given to projects with clear and diverse community support and/or developed out of a community-based planning process (e.g., community based transportation plan, the #Neighborhood #Transportation Improvement Program-plan, corridor improvement study, campus master plan, station area plans, etc.).
- **Fund Leveraging:** Priority shall be given to projects that can demonstrate leveraging of Prop AA funds, or that can justify why they are ineligible, have very limited eligibility, or compete poorly to receive Prop K or other discretionary funds.
- **Geographic Equity:** Prop AA programming will reflect fair geographic distribution that takes into account the various needs of San Francisco's neighborhoods. This factor will be applied program-wide and to individual projects, as appropriate.
- **Project Sponsor Priority:** For project sponsors that submit multiple Prop AA applications, the Transportation Authority will consider the project sponsor's relative priority for its applications.
- **Project Delivery Track Record:** The Transportation Authority will consider the project sponsor(s)' past project delivery track record of prior Prop AA and other Transportation Authority-programmed funds when prioritizing potential Prop AA projects. For sponsors that have not previously received Transportation Authority-funds, the Transportation Authority will consider the sponsors' project delivery track record for capital projects funded by other means.

### III. PROGRAMMATIC CATEGORY PRIORITIZATION

In addition to the general prioritization criteria detailed in Section II, listed below are prioritization criteria specific to each programmatic category.

#### Street Repair and Reconstruction

- Priority will be given to projects based on an industry-standard pavement management system designed to inform cost effective roadway maintenance.
- Priority will be given to streets located on San Francisco's bicycle and transit networks.
- Priority will be given to projects that include complete streets elements. Specifically, priority will be given to projects that include at least a minimal level of enhancement over previous conditions and that directly benefit multiple system users regardless of fund source (e.g. Street Repair and Reconstruction category, other Prop AA category or non-Prop AA fund source). Enhancements include complete streets elements for pedestrians, cyclists, or transit passengers that are improvements above and beyond those triggered by the street repair and reconstruction work (i.e., e.g. ADA compliant curb ramps required because of the street repair and reconstruction work).

#### Pedestrian Safety

- Priority will be given to projects that shorten crossing distances, minimize conflicts with

## Attachment 2

other modes, and reduce pedestrian hazards.

- Priority will be given to projects on corridors that are identified through or are consistent with ~~the~~WalkFirst, ~~effort~~Vision Zero, or successor efforts (e.g.; pedestrian master plan).
- Priority will be given to infrastructure projects that improve access to transit and/or schools.

### Transit Reliability and Mobility Improvements

- Priority will be given to projects that support existing or proposed rapid transit, including projects identified in transit performance plans or programs such as the San Francisco Municipal Transportation Agency's ~~Transit Effectiveness~~Muni Forward ~~p~~Program and Rapid Network initiative.
- Priority will be given to projects that increase transit accessibility, ~~and~~reliability, and connectivity (e.g. stop improvements, transit stop consolidation and relocation, transit signal priority, traffic signal upgrades, travel information improvements, wayfinding signs, ~~and~~bicycle parking), ~~including~~and improved connections to regional transit ~~connections~~).
- Priority will be given to travel demand management projects that aim to reduce ~~auto~~ congestion and transit crowding and are aligned with San Francisco's citywide travel demand management goals.
- Priority will be given to projects that address documented safety issues.