



RESOLUTION ADOPTING THE 2019 PROP K STRATEGIC PLAN BASELINE

WHEREAS, In November 2003, San Francisco voters approved Prop K, extending the existing half-cent local transportation sales tax and adopting a new 30-year Expenditure Plan; and

WHEREAS, The Prop K Expenditure Plan describes the types of projects that are eligible for funds, including both specific projects and programmatic (i.e. non-project specific) categories, establishes limits on sales tax funding by Expenditure Plan line item, and sets expectations for leveraging of sales tax funds, but does not detail specific projects for funding in programmatic categories, nor does it specify in which years of the 30-year program projects will receive funds; and

WHEREAS, The Expenditure Plan requires development of a Strategic Plan to guide the implementation of the program, and for each of the 21 programmatic categories, development of a 5-Year Prioritization Program (5YPP) as a prerequisite for allocation of funds; and

WHEREAS, The Prop K Strategic Plan is the financial tool that reconciles the timing of expected Prop K revenues with the schedule for when project sponsors need those revenues to deliver projects, and sets policy for the administration of the program to ensure prudent stewardship of funds; and

WHEREAS, The Transportation Authority Board adopted the first Prop K Strategic Plan and 5YPPs in 2005 and adopted updates of these documents in 2010 and 2015; and

WHEREAS, In April 2018, the Transportation Authority Board adopted the approach and schedule for the 2019 Prop K Strategic Plan and 5YPP update; and

WHEREAS, The 2019 Prop K Strategic Plan Baseline (Baseline) includes non-substantive revisions to the Strategic Plan policies (Attachment 1), which provide guidance to Transportation Authority staff and project sponsors to support efficient, day-to-day administration of the program; and



WHEREAS, The Baseline updates actual sales tax revenues received to date as well as the revenue forecast through the end of the 30-year Expenditure Plan period in Fiscal Year 2033/34 (Attachment 4); and

WHEREAS, The Baseline also incorporates actual expenditures, including financing costs, updated Strategic Plan model assumptions such as interest costs related to debt issuance, capital reserve needs, and expected project cash flows (reimbursement schedules) for allocations with large remaining unexpended balances; and

WHEREAS, The Baseline incorporates any programming and cash flow changes for paratransit operations and the Prop K major capital projects - Central Subway, Caltrain Modernization Program, Presidio Parkway (formerly known as the Doyle Drive Replacement Project) and the Caltrain Downtown Extension to a Rebuilt Transbay Terminal (renamed the Salesforce Transit Center), which have no 5YPP requirement; and

WHEREAS, The Baseline proposes an increase in the annual amount of funds in the Paratransit category to continue recent funding levels of about \$10.2 million through Fiscal Year 2024/25, and an additional \$650,000 spread out over three years for the San Francisco Municipal Transportation Agency's (SFMTA's) Shopper Shuttle and Ramp Taxi Incentive programs, which are part of the Transportation Authority's Lifeline Transportation Program Cycle 5 recommendations; and

WHEREAS, The Baseline includes project updates for the major capital projects in Attachment 7; and

WHEREAS, The only major capital project with funds remaining to be allocated is the Caltrain Downtown Extension, which per Board-adopted policy currently has the remaining funds held in reserve for construction; and

WHEREAS, Given the recent completion/near completion of several studies such as the



Tunnel Options Study and the fact that the City is moving toward consensus on how to proceed with the Downtown Extension, Transportation Authority and Transbay Joint Powers Authority staff are coordinating on a proposal to request amendment of the Strategic Plan Baseline this summer to provide funds for advancing design of the Downtown Extension toward 30%, conducting value engineering and enabling associated project delivery oversight and support; and

WHEREAS, Attachments 6, 8 and 9 show the total funds available for each category over the 30-year life of the Expenditure Plan, remaining planned allocations, expected cash flow (reimbursement) schedules, and for categories where the sponsors have requested advancement of funds, associated financing costs through Fiscal Year 2033/34; and

WHEREAS, For the programmatic categories, adoption of the Strategic Plan Baseline supports development of the 2019 5YPP updates by establishing the amount of funds available for programming in the various Expenditure Plan categories; and

WHEREAS, Staff anticipates bringing the 2019 5YPPs and the final 2019 Strategic Plan to the Board for approval in late Fall 2018; and

WHEREAS, At its April 24, 2018 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 May 8, 2018 meeting, the Board reviewed the subject request and unanimously recommended approval of the staff recommendation on its first reading; now, therefore be it

RESOLVED, That the Transportation Authority hereby adopts the 2019 Prop K Strategic Plan Baseline.



Enclosure 1:

Attachment 1 – Draft 2019 Prop K Strategic Plan Policies

Attachment 2 – Prop K Expenditure Plan Summary

Attachment 3 – Prop K Expenditure Plan Line Items

Attachment 4 – Prop K Sales Tax Revenue Forecast

Attachment 5 – Available Funds and Priority 1 Funding Level Comparison (2003 \$\$)

Attachment 6 – Available Funds by Expenditure Plan Line Item (YOE \$\$)

Attachment 7 – Major Capital Projects Update

Attachment 8 – Planned Allocations and Financing Costs by Expenditure Plan Line Item (YOE \$\$)


Attachment 9 – Planned Cash Flow and Financing Costs by Expenditure Plan Line Item (YOE \$\$)



The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 22nd day of May 2018, by the following votes:

Ayes: Commissioners Breed, Fewer, Kim, Peskin, Ronen, Safai, Stefani, Tang and Yee (9)

Absent: Commissioner Cohen and Sheehy (2)

 5/22/18
Aaron Peskin Date
Chair

ATTEST:  5/31/18
Tilly Chang Date
Executive Director