



RESOLUTION ADOPTING THE 2019 PROP K STRATEGIC PLAN

WHEREAS, In November 2003, the voters of the City and County of San Francisco approved an extension to the half-cent sales tax for transportation and a new 30-year Expenditure Plan specifying the use of those funds; and

WHEREAS, The Expenditure Plan describes the types of projects that are eligible for funds, including both specific projects and programmatic categories, establishes limits on sales tax funding by Expenditure Plan line item, and sets expectation for leveraging of sales tax funds to fully fund the Expenditure Plan programs and projects; and

WHEREAS, The Expenditure Plan establishes a number of requirements including development of a Strategic Plan, the financial tool that guides the timing of allocation of Prop K revenues, establishes policies for administration of the program, provides guidance for long-term debt needs, and gives project sponsors a sense of certainty about when they can expect Prop K revenues to be available for their projects; and

WHEREAS, The Transportation Authority Board adopted the first Prop K Strategic Plan and 5-Year Prioritization Program (5YPP) for each of the Prop K programmatic categories in 2005 and updates to these documents in 2009 and 2014; and

WHEREAS, In May 2018, the Transportation Authority Board adopted the 2019 Prop K Strategic Plan Baseline (Resolution 18-57), which included non-substantive revisions to the Strategic Plan policies, updated the sales tax revenue forecast, incorporated actual expenditures and financing costs, and updated Strategic Plan model assumptions such as interest costs related to debt issuance and capital reserve needs; and

WHEREAS, The baseline also incorporated 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, which have no 5YPP requirement; and

WHEREAS, The Transportation Authority Board adopted the 2019 Prop K 5YPPs for the 21 programmatic categories requiring a 5YPP in two groups in October and November 2018 by Resolutions 19-15 and 19-XX; and

WHEREAS, The 2019 Strategic Plan tiers off of the 2019 Strategic Plan Baseline and incorporates programming and cash flow information for the programmatic categories based on the adopted 2019 Prop K 5YPPs as shown in Attachments 2 and 3; and

WHEREAS, The 2019 Strategic Plan includes \$2.540.3 billion in total funds available for projects over the 30-year Expenditure Plan period, \$10.7 million higher than what was adopted in the 2014 Strategic Plan, and the plan conservatively estimates a total long-term debt need of \$718 million, resulting in a 1% increase in financing costs as a percentage of total funds available when compared to the 2014 Strategic Plan (up from \$296 million to \$322 million)(Attachment 1); and

WHEREAS, This modest uptick in projected financing is primarily the result of advancing funds from the outyears to support the potential for accelerated delivery of the San Francisco Municipal Transportation Agency's light rail vehicles and to support \$20 million in fund exchanges to reduce the Transportation Authority's longstanding commitment of Regional Improvement Program funds and help meet the cash flow needs for the Central Subway; and

WHEREAS, At its October 24, 2018 meeting, the Citizens Advisory Committee reviewed and unanimously adopted a motion of support for the adoption of the 2019 Strategic Plan; and

WHEREAS, At its November 13, 2018 meeting the Board was briefed on the 2019 Prop K



Strategic Plan and 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; and be it further

RESOLVED, That the Executive Director shall publish the 2019 Prop K Strategic Plan and make it available on the agencies website for Prop K project sponsors and any other interested parties.

Attachments:

1. 2019 Strategic Plan Presentation
2. Planned Allocations and Financing Costs by Expenditure Plan Line Item (YOE \$s)
3. Planned Cash Flow and Financing Costs by Expenditure Plan Line Item (YOE \$s)

Adopt the 2019 Prop K Strategic Plan

Attachment 1: Presentation to the
Transportation Authority Board



SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

November 13, 2018

2019 Strategic Plan/5YPP Update

Why is it important? Why now?



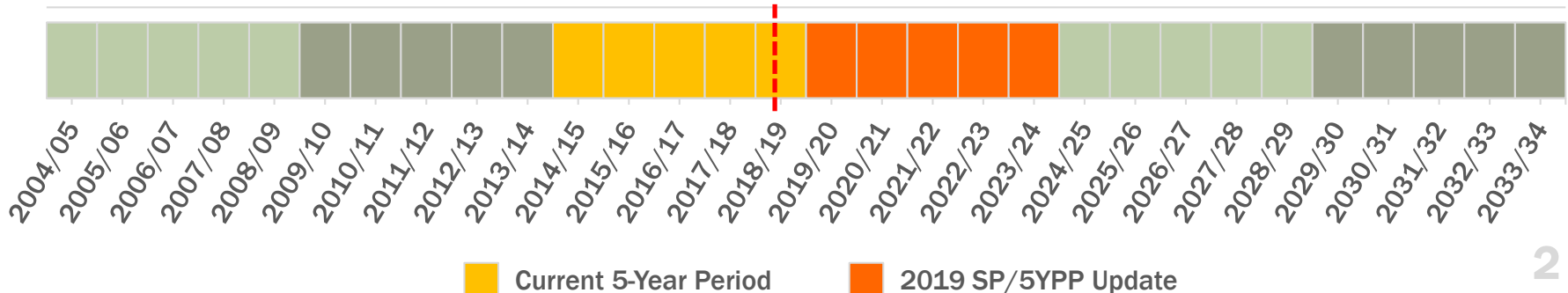
- ▶ **Determines which projects will receive funding over next five years**
 - ▶ 5-year period starting July 1, 2019
- ▶ **Respond to current context**
 - ▶ Board interests, agency priorities, changing funding landscape
- ▶ **Helps ensure funds are available to support project delivery**
- ▶ **Support transparency and accountability**
 - ▶ Board, sponsor, public engagement

30-Year Prop K
Expenditure Plan

2009 SP/5YPP
Update

2014 SP/5YPP
Update

2019 SP/5YPP
Update

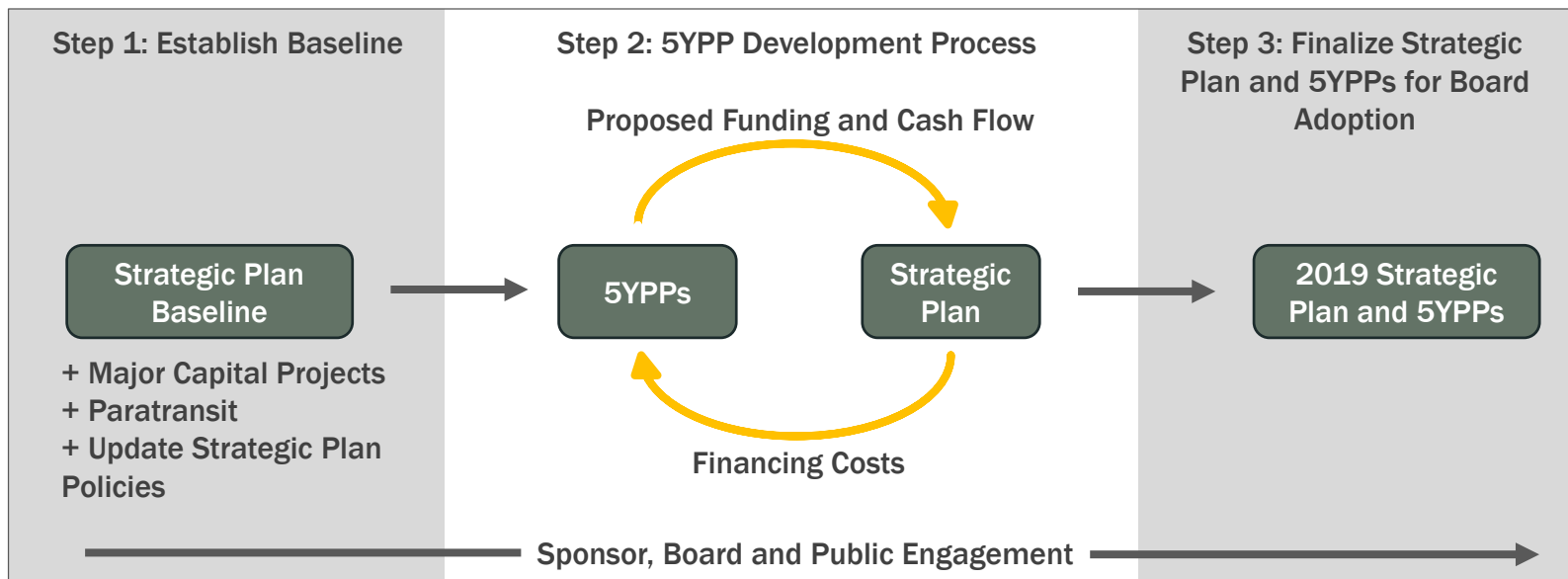


2019 Strategic Plan/5YPP Update

What is the process?



- ▶ Iterative process requiring extensive communication between SFCTA and project sponsors
- ▶ Strategic Plan and 5YPPs evolve in parallel and are closely coordinated



2019 Strategic Plan/5YPP Update

Step 3: Adopt Strategic Plan



The Strategic Plan guides implementation of the Prop K Expenditure Plan, determining how much Prop K funds are available by fiscal year through 2034.

Step 3: Finalize Strategic Plan and 5YPPs for Board Adoption

2019 Strategic Plan and 5YPPs



- ▶ **Incorporates programming and cashflow for programmatic categories and major capital projects**
- ▶ **Updates debt assumptions and financing costs**
- ▶ **Guides implementation of the Prop K Expenditure Plan through FY2023/24**

Components of the Strategic Plan



POLICIES

REVENUES

EXPENDITURES

Sales Tax

Investment Income

Operating Expenditures

Capital Reserve

Project Costs

Financing Costs

2019 Prop K Strategic Plan

Prop K Policies



- ▶ Provides guidance to both Transportation Authority staff and project sponsors for program administration
- ▶ Adopted in May 2018: Minor updates for clarity purposes

Strategic Plan Guiding Principles:

1. Optimize leveraging of sales tax funds
2. Support timely and cost-effective project delivery
3. Maximize cost effectiveness of financing

Components of the Strategic Plan



POLICIES

REVENUES

EXPENDITURES

Sales Tax

Operating Expenditures

Capital Reserve

Project Costs

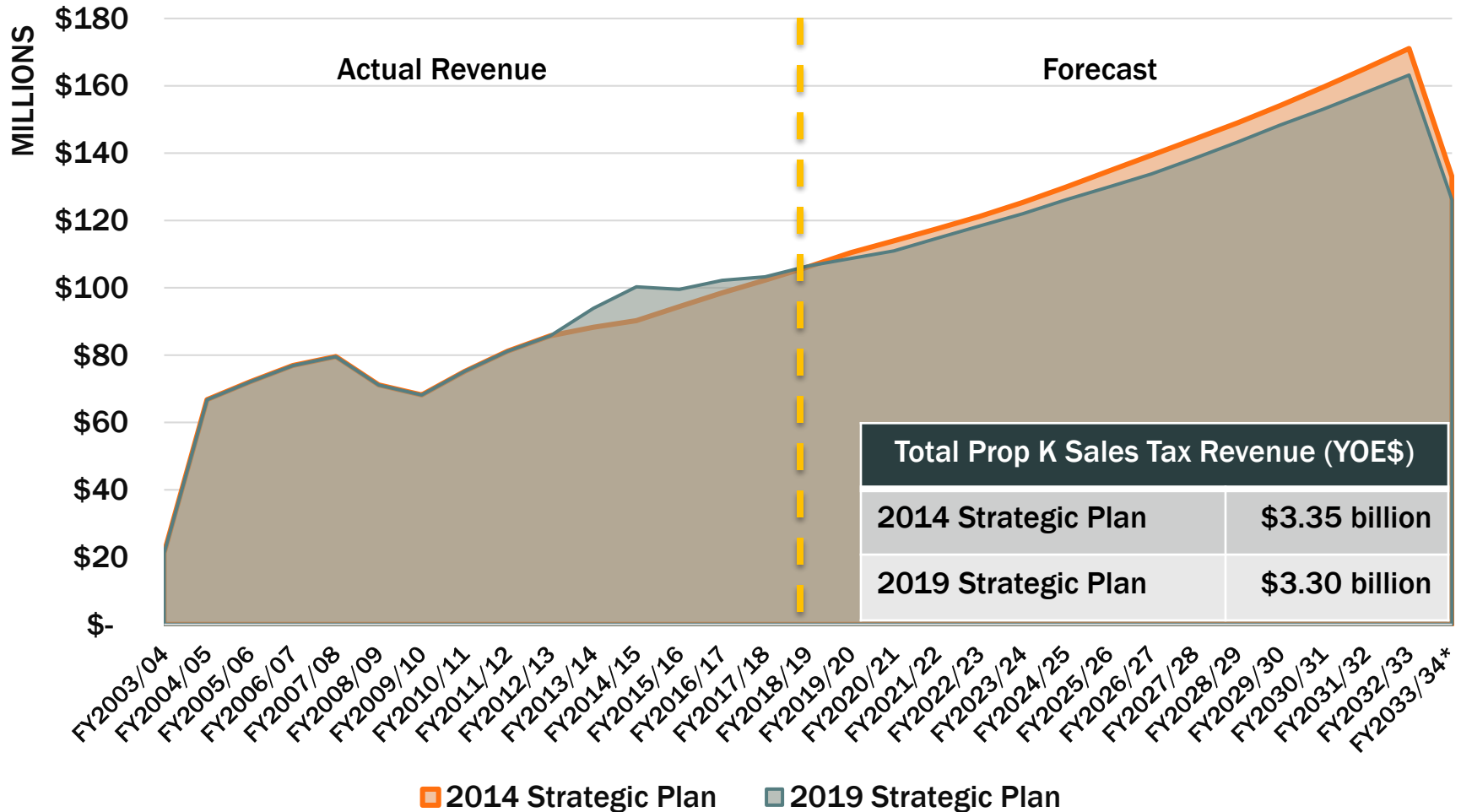
Investment Income

Financing Costs

2019 Strategic Plan Revenues



Prop K Sales Tax Revenue (YOE\$)



* FY2033/34 represents 3/4 of projected sales tax revenue in FY2033/34

Components of the Strategic Plan



POLICIES

REVENUES

EXPENDITURES

Sales Tax

Operating Expenditures

Capital Reserve

Project Costs

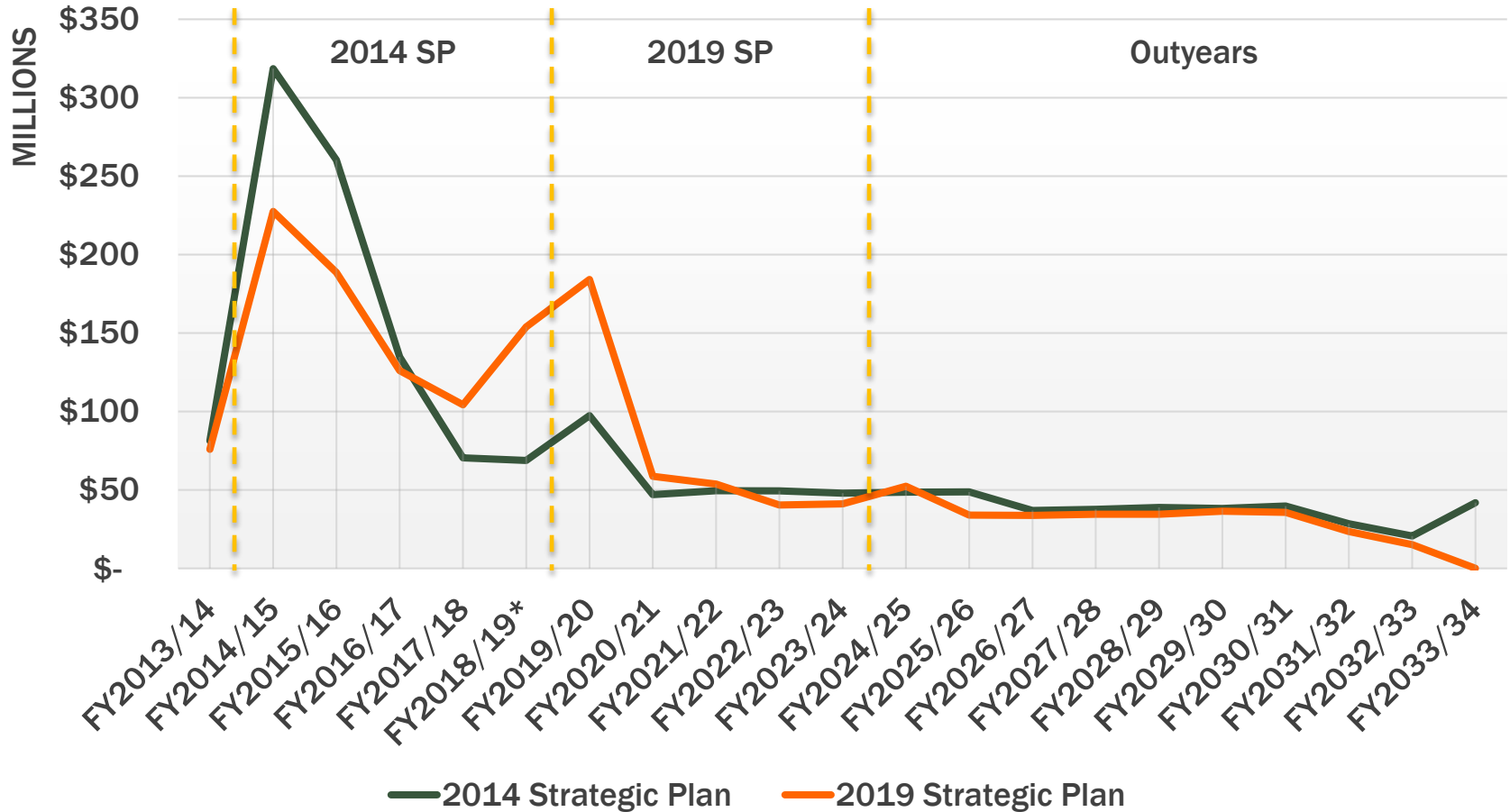
Interest Income

Financing Costs

2019 Strategic Plan Project Programming and Allocations



Programming and Allocations (YOE\$)

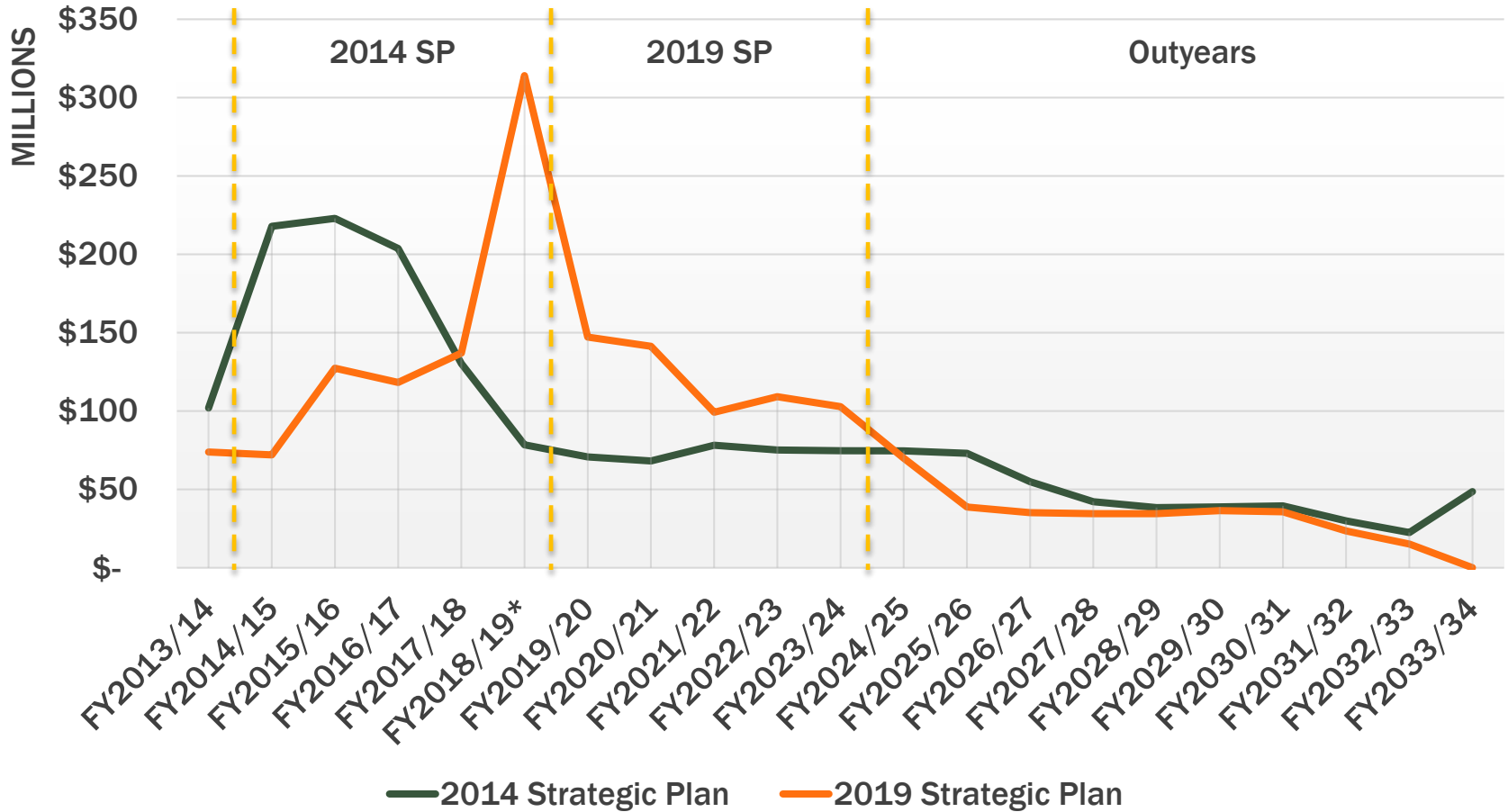


* Includes allocations as of October 24, 2018 Board Meeting, and FY2018/19 programming

2019 Strategic Plan Project Expenditures and Cashflow



Expenditures and Cashflow (YOE\$)



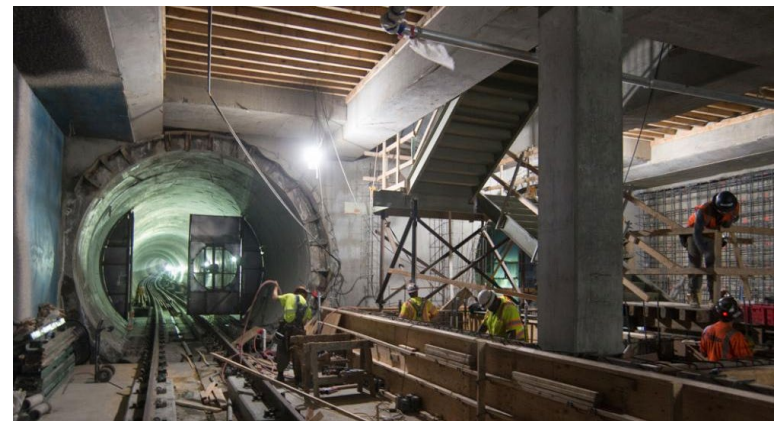
* Expenditures for FY2018/19 and on are projections

2019 Strategic Plan

Are we meeting our goals?



- ✓ **Leveraging other local, state, and federal funds**
- ✓ **Supporting project delivery**
 - ▶ **Major capital projects all complete or under construction, except Downtown Extension**
 - ▶ **Replacing entire Muni rubber tire and LRV fleet**
 - ▶ **Supporting Vision Zero**
 - ▶ **Neighborhood Transportation Improvement Program**



2019 Prop K Strategic Plan

Debt assumptions over time (in millions)



✓ Maximizing cost effectiveness of financing

Categories	2005 SP Update	2009 SP Update	2014 SP Update	2019 SP Update
Total long-term debt needs	\$1,025	\$843	\$676	\$719*
Total financing costs	\$758	\$859	\$296	\$322
Bond issuance years	FY05/06- FY28/29	FY09/10 FY12/13 FY15/16 FY18/19 FY21/22 FY24/25	FY15/16 FY18/19 FY21/22 FY24/25	FY17/18* FY18/19 FY22/23

* Includes FY17/18 sales tax revenue bond for \$248 million

2019 Strategic Plan Revenues and Expenditures Comparison



Revenues (in millions of YOES\$)	2019 Strategic Plan	2014 Strategic Plan	Δ
Sales Tax Revenue	\$ 3,298.7	\$ 3,346.4	(47.7)
Investment Income	\$ 45.7	\$ 80.7	(35.0)
Loans	\$ 19.6	\$ 19.6	0.0
Long Term Bond Proceeds	\$ 718.6	\$ 676.2	42.4
TOTAL	\$ 4,082.6	\$ 4,122.9	(40.3)

Expenditures (in millions of YOES\$)	2019 Strategic Plan	2014 Strategic Plan	Δ
Program Administration	\$ 194.4	\$ 196.0	(1.6)
Loans	\$ 19.0	\$ 19.0	0.0
Funds Available for Projects	\$ 2,540.3	\$ 2,529.6	10.7
Financing Costs	\$ 322.2	\$ 295.7	26.6
Capital Reserve	\$ 288.0	\$ 406.4	(118.4)
Long Term Bond Debt Service	\$ 718.6	\$ 676.2	42.4
TOTAL	\$ 4,082.6	\$ 4,122.9	(40.3)

Questions?



SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Draft 2019 Prop K Strategic Plan
Attachment 2. Programming and Finance Costs By Expenditure Plan Line Item (YOE \$'s)

EP No.	EP Line Item	Total Available Funds	Percent of Available Funds Spent on Financing	Total Programming & Finance Costs	FY2003/04	FY2004/05	FY2005/06	FY2006/07	FY2007/08	FY2008/09	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18
TRANSIT																			
1	Bus Rapid Transit/Muni Metro Network	\$ 118,671,405	13.92%	Programming \$ 101,488,214 Finance Costs \$ 16,521,896 Total \$ 118,010,109	\$ 600,000	\$ 381,904	\$ 848,211	\$ 3,419,882	\$ 1,899,739	\$ 919,031	\$ -	\$ 5,526,515	\$ 42,179	\$ 2,206,868	\$ 16,123,598	\$ 2,467,139	\$ 8,770,336	\$ 22,306,288	\$ -
2	Third Street Light Rail (Phase 1)	\$ 96,852,085	0.00%	Programming \$ 96,152,085 Finance Costs \$ - Total \$ 96,152,085	\$ -	\$ 74,849,985	\$ 10,610,708	\$ 5,071,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,029,582	\$ -	\$ -
3	Central Subway (Third Street Light Rail Phase 2)	\$ 126,000,000	0.00%	Programming \$ 126,000,000 Finance Costs \$ - Total \$ 126,000,000	\$ 4,142,132	\$ -	\$ -	\$ -	\$ -	\$ 863,000	\$ 27,886,088	\$ 15,479,025	\$ 57,059,618	\$ 19,605,169	\$ -	\$ -	\$ -	\$ -	\$ -
4	Geary Light Rail	\$ -		Programming \$ - Finance Costs \$ - Total \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Downtown Extension to a Rebuilt Transbay Terminal	\$ 284,356,784	12.01%	Programming \$ 206,490,018 Finance Costs \$ 34,140,815 Total \$ 240,630,833	\$ -	\$ 20,350,000	\$ 12,875,000	\$ 14,829,000	\$ 54,402,133	\$ 8,084,850	\$ 18,200,000	\$ (2,501,334)	\$ -	\$ -	\$ 7,950,000	\$ 40,065,950	\$ 11,100,831	\$ 5,225,103	\$ 5,629,859
6	Electrification	\$ 24,523,829	30.86%	Programming \$ 20,900,000 Finance Costs \$ 7,568,062 Total \$ 28,468,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 6,390,000	\$ 7,470,000	\$ -	\$ 4,040,000
7	Capital Improvement Program	\$ 23,806,058	15.29%	Programming \$ 20,100,423 Finance Costs \$ 3,638,984 Total \$ 23,739,408	\$ -	\$ 797,683	\$ 1,193,685	\$ 1,052,092	\$ 1,184,361	\$ 1,901,300	\$ 1,730,000	\$ 340,000	\$ 149,799	\$ 149,998	\$ 1,014,868	\$ 844,931	\$ 1,437,571	\$ 1,095,729	\$ 1,795,947
8	BART Station Access, Safety and Capacity	\$ 11,005,816	12.37%	Programming \$ 9,641,379 Finance Costs \$ 1,361,390 Total \$ 11,002,769	\$ -	\$ 564,417	\$ 2,015,047	\$ -	\$ -	\$ -	\$ -	\$ 306,953	\$ -	\$ -	\$ 528,300	\$ 2,030,000	\$ -	\$ 653,092	\$ -
9	Ferry	\$ 5,263,651	8.23%	Programming \$ 4,828,683 Finance Costs \$ 433,322 Total \$ 5,262,005	\$ -	\$ 8,647	\$ 27,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ -	\$ 1,100,000
10	Extension of Trolleybus Lines/Motor Coach Conversion	\$ 9,299,375	0.00%	Programming \$ 9,294,740 Finance Costs \$ - Total \$ 9,294,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ (6,000)	\$ -
11	F-Line Extension to Fort Mason	\$ 4,894,408	0.00%	Programming \$ 4,892,873 Finance Costs \$ - Total \$ 4,892,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ (2,000)	\$ -
12	Purchase/Rehab Historic Street Cars	\$ 1,370,434	3.96%	Programming \$ 1,316,007 Finance Costs \$ 54,215 Total \$ 1,370,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Balboa Park BART/MUNI Station Access	\$ 9,514,729	7.25%	Programming \$ 8,823,354 Finance Costs \$ 689,431 Total \$ 9,512,785	\$ -	\$ -	\$ 535,031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 615,819	\$ 82,094	\$ 99,000	\$ 2,523,993	\$ (28,938)	\$ 110,000	\$ -
14	Relocation of Paul St to Oakdale-Caltrain Station	\$ 7,762,531	0.00%	Programming \$ 7,762,044 Finance Costs \$ - Total \$ 7,762,044	\$ -	\$ -	\$ 40,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,000	\$ 402,027	\$ 123,972	\$ 89,000	\$ 2,006,350	\$ -	\$ -
15	Purchase Additional Light Rail Vehicles	\$ 5,677,513	14.84%	Programming \$ 4,694,972 Finance Costs \$ 842,582 Total \$ 5,537,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 4,592,490	\$ (4,179)	\$ -
16	Other Transit Enhancements	\$ 12,921,237	9.96%	Programming \$ 11,247,658 Finance Costs \$ 1,287,200 Total \$ 12,534,858	\$ -	\$ 13,077	\$ 201,354	\$ -	\$ 192,000	\$ (184)	\$ -	\$ 3,090,000	\$ -	\$ 171,000	\$ 380,000	\$ -	\$ (2,253,474)	\$ 2,514,001	\$ -
	Total Transit Enhancements (10-16)	\$ 51,440,226	5.59%	Programming \$ 48,031,649 Finance Costs \$ 2,873,428 Total \$ 50,905,077	\$ -	\$ 13,077	\$ 776,725	\$ -	\$ 192,000	\$ (184)	\$ -	\$ 3,090,000	\$ 689,819	\$ 673,121	\$ 602,972	\$ 7,205,483	\$ (288,241)	\$ 2,624,001	\$ -
17B	New and Renovated Vehicles-BART	\$ 12,119,042	0.00%	Programming \$ 12,113,003 Finance Costs \$ - Total \$ 12,113,003	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ (5,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Draft 2019 Prop K Strategic Plan
Attachment 2. Programming and Finance Costs By Expenditure Plan Line Item (YOE \$'s)

EP No.	EP Line Item	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
36	Embarcadero Roadway Incremental O&M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Pedestrian and Bicycle Facility Maintenance	\$ 736,957	\$ 702,659	\$ 784,632	\$ 812,238	\$ 837,680	\$ 813,143	\$ 665,388	\$ 769,061	\$ 797,785	\$ 831,150	\$ 866,340	\$ 957,958	\$ 913,975	\$ 869,255	\$ 664,756	\$ -
		\$ 5,834	\$ 8,771	\$ 11,611	\$ 16,155	\$ 21,045	\$ 33,864	\$ 31,487	\$ 31,331	\$ 31,590	\$ 32,274	\$ 33,627	\$ 37,043	\$ 35,677	\$ 34,930	\$ -	\$ -
		\$ 742,791	\$ 711,430	\$ 796,243	\$ 828,393	\$ 858,725	\$ 847,007	\$ 696,874	\$ 800,392	\$ 829,376	\$ 863,424	\$ 899,967	\$ 995,000	\$ 949,652	\$ 904,186	\$ 664,756	\$ -
38	Traffic Calming	\$ 4,246,174	\$ 19,358,450	\$ 6,412,499	\$ 5,510,000	\$ 3,130,000	\$ 3,130,000	\$ -	\$ 1,670,266	\$ 1,755,045	\$ 776,427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ 41,995	\$ 312,511	\$ 577,838	\$ 865,314	\$ 808,933	\$ 790,340	\$ 780,782	\$ 728,259	\$ 638,379	\$ 549,812	\$ 425,809	\$ 310,392	\$ -	\$ -
		\$ 4,246,174	\$ 19,358,450	\$ 6,454,494	\$ 5,822,511	\$ 3,707,838	\$ 3,995,314	\$ 808,933	\$ 2,460,606	\$ 2,535,827	\$ 1,504,686	\$ 638,379	\$ 549,812	\$ 425,809	\$ 310,392	\$ -	\$ -
39	Bicycle Circulation and Safety	\$ 3,693,704	\$ 4,829,758	\$ 2,779,758	\$ 4,660,758	\$ 1,299,758	\$ 1,189,758	\$ -	\$ 69,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ 49,765	\$ 176,735	\$ 287,996	\$ 333,413	\$ 469,776	\$ 444,656	\$ 407,507	\$ 368,614	\$ 328,914	\$ 287,960	\$ 247,461	\$ 190,774	\$ 137,076	\$ -	\$ -
		\$ 3,693,704	\$ 4,879,523	\$ 2,956,493	\$ 4,948,754	\$ 1,633,171	\$ 1,659,534	\$ 444,656	\$ 476,936	\$ 368,614	\$ 328,914	\$ 287,960	\$ 247,461	\$ 190,774	\$ 137,076	\$ -	\$ -
40	Pedestrian Circulation and Safety	\$ 1,971,828	\$ 2,625,000	\$ 1,650,963	\$ 1,791,000	\$ 1,000,000	\$ 1,000,000	\$ 334,080	\$ 873,919	\$ 911,409	\$ 952,678	\$ 980,228	\$ 279,987	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ 75,645	\$ 107,592	\$ 126,605	\$ 174,388	\$ 239,160	\$ 222,537	\$ 221,544	\$ 223,418	\$ 228,128	\$ 236,548	\$ 215,143	\$ 166,587	\$ 121,359	\$ -	\$ -
		\$ 1,971,828	\$ 2,700,645	\$ 1,758,555	\$ 1,917,605	\$ 1,174,388	\$ 1,239,160	\$ 556,618	\$ 1,095,464	\$ 1,134,827	\$ 1,180,807	\$ 1,216,776	\$ 495,130	\$ 166,587	\$ 121,359	\$ -	\$ -
41	Curb Ramps	\$ 994,383	\$ 1,183,090	\$ 1,189,076	\$ 1,228,022	\$ 1,263,517	\$ 1,299,429	\$ 1,773,544	\$ 561,603	\$ 1,125,023	\$ 1,170,518	\$ 1,218,306	\$ 1,348,359	\$ 1,421,093	\$ 1,472,516	\$ 1,480,409	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 994,383	\$ 1,183,090	\$ 1,189,076	\$ 1,228,022	\$ 1,263,517	\$ 1,299,429	\$ 1,773,544	\$ 561,603	\$ 1,125,023	\$ 1,170,518	\$ 1,218,306	\$ 1,348,359	\$ 1,421,093	\$ 1,472,516	\$ 1,480,409	\$ -
42	Tree Planting and Maintenance	\$ 1,192,519	\$ 1,408,424	\$ 1,438,936	\$ 1,493,064	\$ 1,542,397	\$ 1,592,306	\$ 1,914,560	\$ 1,490,017	\$ 1,542,782	\$ 1,602,913	\$ 1,670,583	\$ 1,851,860	\$ 1,954,864	\$ 2,018,115	\$ 1,626,895	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,343	\$ 19,251	\$ 19,349	\$ 19,558	\$ 20,214	\$ 22,248	\$ 25,153	\$ 35,524	\$ -	\$ -
		\$ 1,192,519	\$ 1,408,424	\$ 1,438,936	\$ 1,493,064	\$ 1,542,397	\$ 1,592,306	\$ 1,933,903	\$ 1,509,268	\$ 1,562,131	\$ 1,622,471	\$ 1,690,797	\$ 1,874,108	\$ 1,980,016	\$ 2,053,639	\$ 1,626,895	\$ -
TOTAL STREETS AND TRAFFIC SAFETY		\$ 21,527,455	\$ 47,122,470	\$ 25,464,395	\$ 27,609,060	\$ 17,982,370	\$ 16,824,004	\$ 16,695,838	\$ 17,491,101	\$ 18,123,718	\$ 18,763,071	\$ 18,722,322	\$ 19,927,841	\$ 19,446,424	\$ 15,302,488	\$ 12,475,318	\$ -
		\$ 1,541,990	\$ 2,532,473	\$ 2,436,446	\$ 2,689,832	\$ 2,882,403	\$ 3,656,516	\$ 3,364,679	\$ 3,159,820	\$ 2,949,697	\$ 2,705,463	\$ 2,423,892	\$ 2,123,668	\$ 1,852,868	\$ 1,464,969	\$ -	\$ -
		\$ 23,069,445	\$ 49,654,943	\$ 27,900,841	\$ 30,298,892	\$ 20,864,773	\$ 20,480,520	\$ 20,060,517	\$ 20,650,921	\$ 21,073,416	\$ 21,468,534	\$ 21,146,215	\$ 22,051,508	\$ 21,299,292	\$ 16,767,457	\$ 12,475,318	\$ -
TRANSPORTATION SYSTEMS MANAGEMENT/STR.																	
43	Transportation Demand Management / Parking Management	\$ 1,645,000	\$ 1,550,610	\$ 930,000	\$ 666,000	\$ 350,000	\$ 105,000	\$ 391,577	\$ 412,020	\$ 431,000	\$ 452,610	\$ 314,315	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ 61,212	\$ 88,884	\$ 96,210	\$ 97,340	\$ 130,655	\$ 121,488	\$ 120,901	\$ 121,914	\$ 124,558	\$ 121,744	\$ 104,838	\$ 81,169	\$ 59,111	\$ -	\$ -
		\$ 1,645,000	\$ 1,611,822	\$ 1,018,884	\$ 762,210	\$ 447,340	\$ 235,655	\$ 513,065	\$ 532,920	\$ 552,913	\$ 577,168	\$ 436,059	\$ 104,838	\$ 81,169	\$ 59,111	\$ -	\$ -
44	Transportation/Land Use Coordination	\$ 805,000	\$ 3,550,000	\$ 450,000	\$ 300,000	\$ 2,250,000	\$ 250,000	\$ 473,232	\$ 577,977	\$ 604,982	\$ 32,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 20,538	\$ 104,900	\$ 150,960	\$ 139,707	\$ 163,884	\$ 250,525	\$ 233,109	\$ 232,063	\$ 234,012	\$ 210,161	\$ 184,083	\$ 158,331	\$ 122,282	\$ 88,365	\$ -	\$ -
		\$ 825,538	\$ 3,654,900	\$ 600,960	\$ 439,707	\$ 2,413,884	\$ 500,525	\$ 706,341	\$ 810,040	\$ 838,995	\$ 242,316	\$ 184,083	\$ 158,331	\$ 122,282	\$ 88,365	\$ -	\$ -
TOTAL TRANSPORTATION SYSTEMS MANAGEMENT/STRATEGIC INITIATIVES		\$ 2,450,000	\$ 5,100,610	\$ 1,380,000	\$ 966,000	\$ 2,600,000	\$ 355,000	\$ 864,809	\$ 989,997	\$ 1,035,982	\$ 484,765	\$ 314,315	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 20,538	\$ 166,112	\$ 239,844	\$ 235,917	\$ 261,225	\$ 381,180	\$ 354,597	\$ 352,964	\$ 355,926	\$ 334,719	\$ 305,828	\$ 263,170	\$ 203,451	\$ 147,476	\$ -	\$ -
		\$ 2,470,538	\$ 5,266,722	\$ 1,619,844	\$ 1,201,917	\$ 2,861,225	\$ 736,180	\$ 1,219,406	\$ 1,342,960	\$ 1,391,908	\$ 819,484	\$ 620,143	\$ 263,170	\$ 203,451	\$ 147,476	\$ -	\$ -
TOTAL STRATEGIC PLAN		\$ 153,932,365	\$ 184,126,053	\$ 58,687,454	\$ 53,723,301	\$ 40,417,466	\$ 41,102,886	\$ 52,333,813	\$ 33,969,708	\$ 33,765,153	\$ 34,471,897	\$ 34,547,584	\$ 36,481,221	\$ 35,671,212	\$ 23,459,051	\$ 15,098,223	\$ -
		\$ 9,323,634	\$ 17,493,104	\$ 17,948,123	\$ 18,624,322	\$ 18,264,400	\$ 25,582,560	\$ 22,810,607	\$ 21,024,501	\$ 19,100,176	\$ 17,048,283	\$ 14,866,083	\$ 12,587,996	\$ 10,340,045	\$ 7,792,127	\$ 741,404	\$ 2,236,587
		\$ 163,255,999	\$ 201,619,157	\$ 76,635,577	\$ 72,347,623	\$ 58,681,866	\$ 66,685,446	\$ 75,144,419	\$ 54,994,210	\$ 52,865,329	\$ 51,520,180	\$ 49,413,667	\$ 49,069,217	\$ 46,011,257	\$ 31,251,178	\$ 15,839,627	\$ 2,236,587

Draft 2019 Prop K Strategic Plan
Attachment 3. Cash Flow and Finance Costs By Expenditure Plan Line Item (YOE \$'s)

EP No.	EP Line Item	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Pedestrian and Bicycle Facility Maintenance	\$ 1,364,630	\$ 627,659	\$ 759,632	\$ 812,238	\$ 837,680	\$ 838,143	\$ 740,388	\$ 769,061	\$ 797,785	\$ 831,150	\$ 866,340	\$ 957,958	\$ 913,975	\$ 869,255	\$ 664,756	\$ -
		\$ 5,834	\$ 8,771	\$ 11,611	\$ 16,155	\$ 21,045	\$ 33,864	\$ 31,487	\$ 31,331	\$ 31,590	\$ 32,274	\$ 33,627	\$ 37,043	\$ 35,677	\$ 34,930	\$ -	\$ -
		\$ 1,370,464	\$ 636,430	\$ 771,243	\$ 828,393	\$ 858,725	\$ 872,007	\$ 771,874	\$ 800,392	\$ 829,376	\$ 863,424	\$ 899,967	\$ 995,000	\$ 949,652	\$ 904,186	\$ 664,756	\$ -
38	Traffic Calming	\$ 8,019,802	\$ 7,267,652	\$ 8,363,180	\$ 9,513,167	\$ 9,256,101	\$ 3,995,501	\$ 1,975,000	\$ 1,670,266	\$ 1,755,045	\$ 776,427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ 41,995	\$ 312,511	\$ 577,838	\$ 865,314	\$ 808,933	\$ 790,340	\$ 780,782	\$ 728,259	\$ 638,379	\$ 549,812	\$ 425,809	\$ 310,392	\$ -	\$ -
		\$ 8,019,802	\$ 7,267,652	\$ 8,405,175	\$ 9,825,678	\$ 9,833,939	\$ 4,860,815	\$ 2,783,933	\$ 2,460,606	\$ 2,535,827	\$ 1,504,686	\$ 638,379	\$ 549,812	\$ 425,809	\$ 310,392	\$ -	\$ -
39	Bicycle Circulation and Safety	\$ 1,584,493	\$ 4,962,958	\$ 4,399,758	\$ 3,980,758	\$ 2,099,758	\$ 1,399,758	\$ 950,000	\$ 69,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ 49,765	\$ 176,735	\$ 287,996	\$ 333,413	\$ 469,776	\$ 444,656	\$ 407,507	\$ 368,614	\$ 328,914	\$ 287,960	\$ 247,461	\$ 190,774	\$ 137,076	\$ -	\$ -
		\$ 1,584,493	\$ 5,012,723	\$ 4,576,493	\$ 4,268,754	\$ 2,433,171	\$ 1,869,534	\$ 1,394,656	\$ 476,936	\$ 368,614	\$ 328,914	\$ 287,960	\$ 247,461	\$ 190,774	\$ 137,076	\$ -	\$ -
40	Pedestrian Circulation and Safety	\$ 3,047,253	\$ 2,636,637	\$ 1,894,077	\$ 1,426,000	\$ 2,140,963	\$ 1,000,000	\$ 834,080	\$ 873,919	\$ 911,409	\$ 952,678	\$ 980,228	\$ 279,987	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ 75,645	\$ 107,592	\$ 126,605	\$ 174,388	\$ 239,160	\$ 222,537	\$ 221,544	\$ 223,418	\$ 228,128	\$ 236,548	\$ 215,143	\$ 166,587	\$ 121,359	\$ -	\$ -
		\$ 3,047,253	\$ 2,712,282	\$ 2,001,669	\$ 1,552,605	\$ 2,315,351	\$ 1,239,160	\$ 1,056,618	\$ 1,095,464	\$ 1,134,827	\$ 1,180,807	\$ 1,216,776	\$ 495,130	\$ 166,587	\$ 121,359	\$ -	\$ -
41	Curb Ramps	\$ 1,380,561	\$ 775,000	\$ 994,383	\$ 1,183,090	\$ 1,189,076	\$ 1,228,022	\$ 3,012,061	\$ 1,086,032	\$ 1,125,023	\$ 1,170,518	\$ 1,218,306	\$ 1,348,359	\$ 1,421,093	\$ 1,472,516	\$ 1,480,409	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 1,380,561	\$ 775,000	\$ 994,383	\$ 1,183,090	\$ 1,189,076	\$ 1,228,022	\$ 3,012,061	\$ 1,086,032	\$ 1,125,023	\$ 1,170,518	\$ 1,218,306	\$ 1,348,359	\$ 1,421,093	\$ 1,472,516	\$ 1,480,409	\$ -
42	Tree Planting and Maintenance	\$ 2,336,179	\$ 1,408,424	\$ 1,438,936	\$ 1,493,064	\$ 1,542,397	\$ 1,592,306	\$ 1,914,560	\$ 1,490,017	\$ 1,542,782	\$ 1,602,913	\$ 1,670,583	\$ 1,851,860	\$ 1,954,864	\$ 2,018,115	\$ 1,626,895	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,343	\$ 19,251	\$ 19,349	\$ 19,558	\$ 20,214	\$ 22,248	\$ 25,153	\$ 35,524	\$ -	\$ -
		\$ 2,336,179	\$ 1,408,424	\$ 1,438,936	\$ 1,493,064	\$ 1,542,397	\$ 1,592,306	\$ 1,933,903	\$ 1,509,268	\$ 1,562,131	\$ 1,622,471	\$ 1,690,797	\$ 1,874,108	\$ 1,980,016	\$ 2,053,639	\$ 1,626,895	\$ -
TOTAL STREETS AND TRAFFIC SAFETY		\$ 70,378,632	\$ 30,347,246	\$ 31,237,385	\$ 30,959,309	\$ 28,480,223	\$ 19,001,709	\$ 25,722,475	\$ 18,765,530	\$ 18,873,718	\$ 18,763,071	\$ 18,722,322	\$ 19,927,841	\$ 19,446,424	\$ 15,302,488	\$ 12,475,318	\$ -
		\$ 1,541,990	\$ 2,532,473	\$ 2,436,446	\$ 2,689,832	\$ 2,882,403	\$ 3,656,516	\$ 3,364,679	\$ 3,159,820	\$ 2,949,697	\$ 2,705,463	\$ 2,423,892	\$ 2,123,668	\$ 1,852,868	\$ 1,464,969	\$ -	\$ -
		\$ 71,920,622	\$ 32,879,719	\$ 33,673,831	\$ 33,649,141	\$ 31,362,626	\$ 22,658,225	\$ 29,087,154	\$ 21,925,350	\$ 21,823,416	\$ 21,468,534	\$ 21,146,215	\$ 22,051,508	\$ 21,299,292	\$ 16,767,457	\$ 12,475,318	\$ -
TRANSPORTATION SYSTEMS MANAGEMENT/STRATEGIC INITIATIVES																	
43	Transportation Demand Management / Parking Management	\$ 1,780,913	\$ 1,933,610	\$ 1,285,000	\$ 636,000	\$ 430,000	\$ 430,000	\$ 391,577	\$ 412,020	\$ 431,000	\$ 452,610	\$ 314,315	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ 61,212	\$ 88,884	\$ 96,210	\$ 97,340	\$ 130,655	\$ 121,488	\$ 120,901	\$ 121,914	\$ 124,558	\$ 121,744	\$ 104,838	\$ 81,169	\$ 59,111	\$ -	\$ -
		\$ 1,780,913	\$ 1,994,822	\$ 1,373,884	\$ 732,210	\$ 527,340	\$ 560,655	\$ 513,065	\$ 532,920	\$ 552,913	\$ 577,168	\$ 436,059	\$ 104,838	\$ 81,169	\$ 59,111	\$ -	\$ -
44	Transportation/Land Use Coordination	\$ 3,271,855	\$ 2,233,115	\$ 2,080,000	\$ 375,000	\$ 1,250,000	\$ 1,250,000	\$ 548,232	\$ 577,977	\$ 604,982	\$ 32,155	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 20,538	\$ 104,900	\$ 150,960	\$ 139,707	\$ 163,884	\$ 250,525	\$ 233,109	\$ 232,063	\$ 234,012	\$ 210,161	\$ 184,083	\$ 158,331	\$ 122,282	\$ 88,365	\$ -	
		\$ 3,292,392	\$ 2,338,015	\$ 2,230,960	\$ 514,707	\$ 1,413,884	\$ 1,500,525	\$ 781,341	\$ 810,040	\$ 838,995	\$ 242,316	\$ 184,083	\$ 158,331	\$ 122,282	\$ 88,365	\$ -	
TOTAL TRANSPORTATION SYSTEMS MANAGEMENT/STRATEGIC INITIATIVES		\$ 5,052,768	\$ 4,166,725	\$ 3,365,000	\$ 1,011,000	\$ 1,680,000	\$ 1,680,000	\$ 939,809	\$ 989,997	\$ 1,035,982	\$ 484,765	\$ 314,315	\$ -	\$ -	\$ -	\$ -	
		\$ 20,538	\$ 166,112	\$ 239,844	\$ 235,917	\$ 261,225	\$ 381,180	\$ 354,597	\$ 352,964	\$ 355,926	\$ 334,719	\$ 305,828	\$ 263,170	\$ 203,451	\$ 147,476	\$ -	
		\$ 5,073,306	\$ 4,332,837	\$ 3,604,844	\$ 1,246,917	\$ 1,941,225	\$ 2,061,180	\$ 1,294,406	\$ 1,342,960	\$ 1,391,908	\$ 819,484	\$ 620,143	\$ 263,170	\$ 203,451	\$ 147,476	\$ -	
TOTAL STRATEGIC PLAN		\$ 314,089,653	\$ 147,248,329	\$ 141,346,218	\$ 99,247,557	\$ 109,173,541	\$ 102,832,446	\$ 69,915,904	\$ 38,740,823	\$ 35,115,153	\$ 34,471,897	\$ 34,547,584	\$ 36,481,221	\$ 35,671,212	\$ 23,459,051	\$ 15,098,223	\$ -
		\$ 9,323,634	\$ 17,493,104	\$ 17,948,123	\$ 18,624,322	\$ 18,264,400	\$ 25,582,566	\$ 22,810,607	\$ 21,024,501	\$ 19,100,176	\$ 17,048,283	\$ 14,866,083	\$ 12,587,996	\$ 10,340,045	\$ 7,792,127	\$ 741,404	\$ 2,236,587
		\$ 323,413,287	\$ 164,741,434	\$ 159,294,341	\$ 117,871,880	\$ 127,437,941	\$ 128,415,006	\$ 92,726,510	\$ 59,765,325	\$ 54,215,329	\$ 51,520,180	\$ 49,413,667	\$ 49,069,217	\$ 46,011,257	\$ 31,251,178	\$ 15,839,627	\$ 2,236,587

Memorandum

Date: October 31, 2018
To: Transportation Authority Board
From: Anna LaForte – Deputy Director for Policy and Programming
Subject: 11/13/18 Board Meeting: Adopt the 2019 Prop K Strategic Plan

RECOMMENDATION Information Action

- Adopt the 2019 Prop K Strategic Plan.

SUMMARY

At its May 22, 2018 meeting, the Transportation Authority Board adopted the 2019 Prop K Strategic Plan Baseline, which established how much Prop K is projected to be available by fiscal year for each Expenditure Plan category through the end of the 30-year Expenditure Plan period (March 2034). The baseline incorporated actual revenues and expenditures since the 2014 Strategic Plan, updated revenue projections, and made minor revisions to the Strategic Plan policies. It also included revising programming and cash flow assumptions for the major capital projects and the paratransit operations categories which do not have a 5-Year Prioritization Program (5YYP) requirement. On October 16, the Board approved the first ten 5YPPs for the programmatic (i.e., non-project specific) categories on their first read. This month, we are presenting the remaining eighteen 5YPPs for adoption as a separate item on this agenda. Assuming adoption of the remaining 5YPPs, we are seeking adoption of the 2019 Strategic Plan as the final step of the 2019 Strategic Plan and 5YPP update. We estimate \$2,540.3 million in total funds available for projects over the 30-year Expenditure Plan period, \$10.7 million higher than what was adopted in the 2014 Strategic Plan. This is the net result of lower than anticipated financing costs due to slower expenditures which offset a modest decrease (\$50 million) in revenues and the significant advancement of funds primarily to support fund exchanges for Central Subway and light rail vehicles, as described in the 5YPP item. In the 2019 Strategic Plan we estimate a total long-term debt need of \$718 million, resulting in a 1% increase in financing costs as a percentage of total funds available when compared to the 2014 Strategic Plan (up from \$296 million to \$322 million) and a 1.5% increase when compared to the 2019 Strategic Plan Baseline (up from \$277.7 million).

- Fund Allocation
 - Fund Programming
 - Policy/Legislation
 - Plan/Study
 - Capital Project Oversight/Delivery
 - Budget/Finance
 - Contract/Agreement
 - Other:
-

DISCUSSION

Background.

In November 2003, nearly 75% of San Francisco voters approved Prop K, extending the existing half-cent local transportation sales tax and adopting a new 30-year Expenditure Plan. The Prop K Expenditure Plan describes the types of projects that are eligible for funds, including both specific projects (e.g. Central Subway) and programmatic categories. It also establishes limits on sales tax funding by Expenditure Plan line item and sets expectations for leveraging of sales tax funds with other federal, state and local dollars to fully fund the Expenditure Plan programs and projects. The Expenditure Plan estimates that \$2.35 billion (in 2003 \$'s) in local transportation sales tax revenue will be made available to projects over the 30-year program; however, it does not specify how much sales tax funds any given project would receive by year. The Expenditure Plan requires that the Transportation Authority develop and adopt periodic updates to the Strategic Plan and 5YPPs to guide the implementation of the program while supporting transparency and accountability.

The Prop K Strategic Plan sets policy for administration of the program to ensure prudent stewardship of taxpayer funds. It also reconciles the timing of expected sales tax revenues with the schedule for when project sponsors need those revenues, and provides a solid financial basis for the issuance of debt needed to accelerate the delivery of projects and their associated benefits to the public. The 5YPPs identify the specific projects that will be funded with Prop K. We last updated the 5YPPs in 2014, which identified projects for funding from July 1, 2014 through June 30, 2019 (Fiscal Years 2014/15 through 2018/19).

In May 2018 the Transportation Authority Board adopted the 2019 Strategic Plan Baseline. The baseline updated the three components of the Strategic Plan: policies, revenues, and expenditures. The 2019 Strategic Plan policies included minor updates for clarity purposes and are structured around the Strategic Plan's guiding principles to optimize leveraging of sales tax funds, support timely and cost-effective project delivery, and maximize cost effectiveness of financing.

2019 Prop K Strategic Plan.

We are not proposing any changes to the policies or revenue projections that were adopted in the Strategic Plan Baseline. We are recommending changes to the proposed programming and reimbursement schedules for projects, consistent the 2019 5YPPs, which impacts the amount of financing assumed in the Strategic Plan. The attached presentation provides an overview of the 2019 Strategic Plan. Attachments 2 and 3 reflect the programming and reimbursement schedules from the 2019 5YPPs, and show the amount of Prop K funds available for each of the Expenditure Plan categories by fiscal year through the end of the 30-year Expenditure Plan in 2034.

Highlights of the 2019 Strategic Plan are also provided below.

Revenues: As presented in the baseline, Prop K sales tax revenue, when compared with the 2014 Strategic Plan, are estimated to be about 1% or \$47.7 million lower over the 30-year Expenditure Plan, for a total of \$3.30 billion versus the \$3.35 billion in the 2014 Strategic Plan.

Funds Available for Projects: Despite lower revenues, funds available to projects is about the same as in the 2014 Strategic Plan (\$2.54 billion vs. \$2.53 billion, about \$10 million), due to our lowering of the capital reserve as we move closer to the end of the 30-year expenditure plan period.

Financing Costs: In the 2019 Strategic Plan, we estimate a total long-term debt need of \$718 million, including the revenue bond we issued last year. Estimated financing costs for the entire Prop K Expenditure Plan period are \$322 million, slightly higher than the \$296 million that was anticipated in

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the 2014 Strategic Plan and an increase of about 1% of funds available to the capital program. This is a slight reversal in the long trend of financing costs dropping with each subsequent Strategic Plan update. This modest uptick in projected financing is primarily the result of advancing funds from the outyears to support the potential for accelerated delivery of Muni's light rail vehicles and to support \$20 million in fund exchanges to reduce our longstanding commitment of Regional Improvement Program funds and help meet the cash flow needs for the Central Subway. There is also more modest advancing of funds in the bicycle, pedestrian, and traffic calming projects over the next five years in support of Vision Zero.

It is important to note that the Strategic Plan uses conservative assumptions for financing cost to ensure we have sufficient funds to cover project needs and debt service costs. We fully expect actual financing costs to be significantly lower as allocations and reimbursements typically happen at a slower pace than project sponsors propose at the time of programming.

Projects: The 2019 Strategic Plan incorporates programming and reimbursement schedules as adopted or proposed in the 2019 5YPPs. Through this update we continue supporting the delivery of important transportation improvements such as the replacement of the entire Muni rubber and light rail vehicle (LRV) fleet. We have been able to provide the last \$5 million to fully fund San Francisco's \$80 million commitment to the Caltrain Electrification project, provide \$20 million to reduce our Regional Improvement Program commitment to Central Subway, fund pedestrian and bicycle safety improvements in support of Vision Zero, replenish funding for Cycle 2 of the Neighborhood Transportation Improvement Program, and continuing to support the city's street resurfacing program, among others.

Next Steps.

Following adoption of the 2019 Strategic Plan, we will publish the final Strategic Plan document, which along with the 2019 5YPPs, will guide allocations of Prop K funds for the next 5 years.

FINANCIAL IMPACT

The Prop K Strategic Plan is an important long-range financial planning tool for the Transportation Authority as it forecasts sales tax revenues and expenditures, and estimates financing needs to ensure that sufficient funds are available when needed to deliver projects. Adoption of the Strategic Plan and the 5YPPs programs funds to specific projects by fiscal year. There is no impact of the recommended action on the agency's adopted Fiscal Year 2018/19 budget since actual allocation of funds is subject to separate approval action by the Board.

CAC POSITION

The CAC unanimously adopted a motion of support for this item at its October 24, 2018 meeting.

SUPPLEMENTAL MATERIALS

Attachment 1 – 2019 Strategic Plan Presentation

Attachment 2 – Planned Allocations and Financing Costs by Expenditure Plan Line Item (YOE \$s)

Attachment 3 – Planned Cash Flow and Financing Costs by Expenditure Plan Line Item (YOE \$s)