



AGENDA

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY Meeting Notice

Date: Tuesday, December 11, 2018; 10:00 a.m.
Location: Legislative Chamber, Room 250, City Hall
Commissioners: Peskin (Chair), Tang (Vice Chair), Brown, Cohen, Fewer, Kim, Mandelman, Ronen, Safai, Stefani and Yee
Clerk: Alberto Quintanilla

	Page
1. Roll Call	
2. Chair’s Report – INFORMATION	
3. Executive Director’s Report – INFORMATION	

Consent Agenda

4. Approve the Minutes of the December 4, 2018 Meeting – ACTION*	5
5. [Final Approval] Reappoint Becky Hogue to the Citizens Advisory Committee – ACTION*	9
6. [Final Approval] Allocate \$25,847,913 in Prop K Sales Tax Funds, with Conditions for Eight Requests – ACTION*	17
Projects: (SFMTA) Central Subway (\$964,968), Presidio Bus Lifts (\$4,400,000), L-Taraval Transit Enhancements (Segment B) (\$11,240,331), 16 th Street Transit Enhancements Project (22 Fillmore Phase 2) (\$5,600,371) and Battery and Sansome Bicycle Connections [NTIP Capital] (\$200,000); (SFPW) Great Highway Terminus Narrowing (\$292,243), Taraval Street Pavement Renovation (West Portal to Sunset Blvd) (\$1,400,000) and Alemany Blvd Pavement Renovation (\$1,750,000)	
7. [Final Approval] Direct Staff to Advance the Proposed Scope of Work and Seek Additional Funding for a Congestion Pricing Study Update – ACTION*	29
8. [Final Approval] Approve San Francisco’s State Transit Assistance County Block Grant Framework for Fiscal Years 2018/19 and 2019/20 – ACTION*	37
9. [Final Approval] Adopt the District 10 Mobility Study [NTIP Planning] Final Report – ACTION*	47
10. [Final Approval] Approve the Revised Debt and Investment Policies – ACTION*	55

End of Consent Agenda

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| 11. | Appoint One Member to the Citizens Advisory Committee – ACTION* | 105 |
| 12. | Major Capital Project Update - Better Market Street - INFORMATION* | 113 |
| 13. | Update on the Transbay Transit Center Girder Fractures and the Study of Governance, Management, Oversight and Delivery of the Downtown Extension – INFORMATION* | 121 |

Items from the Personnel Committee

- | | | |
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| 14. | [Final Approval] Approve the Revised Job Classifications, Salary Structure and Updated Organization Chart – ACTION* | 125 |
| 15. | [Final Approval] [POTENTIAL CLOSED SESSION] Evaluation of Public Employee Performance and Approve the Executive Director’s Performance Objectives for 2019 – ACTION* | 135 |
| | The Transportation Authority may hold a closed session under California Government Code 54957 concerning the evaluation of the performance of the Executive Director. | |
| | OPEN SESSION: After the closed session, the Chair shall report the vote taken on motion(s) made in the closed session, if any. | |
| 16. | [Final Approval] Set Annual Compensation for the Executive Director for 2019 – ACTION* | 153 |

Other Items

- | | | |
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| 17. | Introduction of New Items – INFORMATION | |
| | During this segment of the meeting, Commissioners may make comments on items not specifically listed above, or introduce or request items for future consideration. | |
| 18. | Public Comment | |
| 19. | Adjournment | |

***Additional Materials**

Items considered for final approval by the Board shall be noticed as such with **[Final Approval]** preceding the item title.

The meeting proceedings can be viewed live or on demand after the meeting at www.sfgovtv.org. To know the exact cablecast times for weekend viewing, please call SFGovTV at (415) 554-4188 on Friday when the cablecast times have been determined.

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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 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, December 4, 2018

1. Roll Call

Chair Peskin called the meeting to order at 10:06 a.m.

Present at Roll Call: Commissioners Brown, Kim, Mandelman, Peskin, Ronen, and Stefani (6)

Absent at Roll Call: Commissioners Tang (entered during Item 2), Yee (entered during Item 2), Cohen (entered during Item 6), Fewer and Safai (5)

Commissioner Ronen moved to excuse Commissioner Safai, seconded by Commissioner Stefani. Commissioner Safai was excused without objection.

2. Citizens Advisory Committee Report – INFORMATION

Peter Tannen, District 8 CAC representative, reported that all of the action items before the Board were unanimously approved by CAC members. He elaborated on the discussion of Item 6, which raised the CAC's concerns about the need for the congestion pricing study to be updated, accounting for TNCs and vulnerable groups such as senior citizens. He said Transportation Authority staff responded that accommodations would be made for these groups. Mr. Tannen also spoke on Item 9, of which CAC members expressed support for in the agency's social responsibility goals in its investment policies, as well as the agency's high bond rating.

There was no public comment.

3. Approve the Minutes of the November 27, 2018 Meeting – ACTION*

Commissioner Stefani moved to approve the minutes, seconded by Commissioner Kim.

The minutes were approved without objection by the following vote:

Ayes: Commissioners Brown, Kim, Mandelman, Peskin, Ronen, Stefani, Tang and Yee (8)

Absent: Commissioners Cohen, Fewer and Safai (3)

There was no public comment.

4. Appoint Two Members to the Citizens Advisory Committee – ACTION

Oscar Quintanilla, Transportation Planner, presented the item per the staff memorandum.

Commissioner Kim read a statement prepared by Beck Hogue that expressed her interest in being reappointed to the CAC.

Commissioner Kim commented on Ms. Hogue's passion for and commitment to the CAC, noting that she would not have missed any meetings had it not been for her medical issues.

Commissioner Kim sought the Board's support in reappointing Ms. Hogue to her previous CAC position. She said that Ms. Hogue would be able to attend meetings again, once her medical issue was resolved.

Commissioner Kim moved to reappoint Becky Hogue to the CAC, seconded by Commissioner Yee.

The motion to reappoint Becky Hogue was approved without objection by the following vote:

Ayes: Commissioners Brown, Kim, Mandelman, Peskin, Ronen, Stefani, Tang and Yee (8)

Absent: Commissioners Cohen, Fewer and Safai (3)

Commissioner Mandelman moved to continue the remaining vacancy for a representative of District 10 to the December 11, 2018 Board meeting, seconded by Commissioner Yee.

The motion to continue the remaining vacancy was approved without objection by the following vote:

Ayes: Commissioners Brown, Kim, Mandelman, Peskin, Ronen, Stefani, Tang and Yee (8)

Absent: Commissioners Cohen, Fewer and Safai (3)

5. Allocate \$25,847,913 in Prop K Sales Tax Funds, With Conditions, for Eight Requests – ACTION – ACTION

Oscar Quintanilla, Transportation Planner, presented the item per the staff memorandum.

Chair Peskin informed the Board and public that the information presented, regarding the Central Subway schedule delay, was expected and not new news.

During public comment, Charles Deffarges, Senior Community Organizer at the San Francisco Bicycle Coalition, expressed the organization's support for the Battery and Sansome Bicycle Connections project, noting the need for safer alternatives to The Embarcadero, where pedicab driver Kevin Manning was a fatal collision victim. He thanked Chair Peskin for his support and commented that more work for safer streets was still needed throughout the city.

Danny Sauter commented on the need for greenhouse gas emissions reduction through increased bicycle and walking. He cited studies from Transport for London indicating the quality bike lanes can also contribute to improved economic vitality on a corridor. He also expressed support for enhancements to The Embarcadero and creating safe bike connections between North Beach and downtown areas.

Peter Tannen echoed the comments of previous speakers, supporting the connection of bicycle lanes with Broadway Street and extension to Market Street.

Commissioner Brown moved to approve the item, seconded by Commissioner Mandelman.

The item was approved without objection by the following vote:

Ayes: Commissioners Brown, Kim, Mandelman, Peskin, Ronen, Stefani, Tang and Yee (8)

Absent: Commissioners Cohen, Fewer and Safai (3)

6. Direct Staff to Advance the Proposed Scope of Work and Seek Additional Funding for a Congestion Pricing Study Update – ACTION

Colin Dentel-Post, Senior Transportation Planner, presented the item per the staff memorandum.

Commissioner Brown asked how members of the policy committee would be chosen.

Mr. Dentel-Post replied that staff hadn't yet worked out the details, but anticipated that there would be a need for diverse representation and that staff would seek input from Commissioners offices.

During public comment, Tom Radulovich, Executive Director at Livable City, expressed his support for congestion pricing implementation, noting that it was one of three key levers to help achieve needed mode shift. He described parking policy/management and making bold moves to reallocate space to sustainable modes as the other two key levers and urged the Board to advance all three in tandem.

Amandeep Jawa, Board Member of the San Francisco League of Conservation Voters, also expressed his support for congestion pricing noting that it addressed many of the city's long-standing policy goals, and stating that it was the right thing to do for the city and the planet.

Jodie Medeiros, Executive Director at Walk San Francisco, expressed her support for the congestion pricing study as a way to reduce car trips and collisions. She commented on the city's Vision Zero goal and how transit riders, who are also pedestrians at either end of their transit trip, would benefit significantly from congestion pricing.

Janice Li, Advocacy Director at the San Francisco Bicycle Coalition, expressed her support for the congestion pricing study, commenting on the need to fight for every source of revenue possible to improve the city's streets, as well the overdue need for the study to be updated given the many ways in which the city has changed.

Chair Peskin commented that District 3 would be most affected for the good.

Commissioner Kim moved to approve the item, seconded by Commissioner Brown.

The item was approved without objection by the following vote:

Ayes: Commissioners Brown, Cohen, Kim, Mandelman, Peskin, Ronen, Stefani, Tang and Yee (9)

Absent: Commissioners Fewer and Safai (2)

7. Approve San Francisco's State Transit Assistance County Block Grant Framework for Fiscal Years 2018/19 and 2019/20 – ACTION

Anna LaForte, Deputy Director for Policy and Programming, presented the item per the staff memorandum.

There was no public comment.

Commissioner Yee moved to approve the item, seconded by Commissioner Kim.

The item was approved without objection by the following vote:

Ayes: Commissioners Brown, Cohen, Kim, Mandelman, Peskin, Ronen, Stefani, Tang and Yee (9)

Absent: Commissioners Fewer and Safai (2)

8. Adopt the District 10 Mobility Management Study Final Report [NTIP Planning] – ACTION

Rachel Hiatt, Principal Planner, presented the item per the staff memorandum.

Commissioner Cohen thanked the agency staff, as well as her own staff, for the completion of the report.

There was no public comment.

Commissioner Cohen moved to approve the item, seconded by Commissioner Ronen.

The item was approved without objection by the following vote:

Ayes: Commissioners Brown, Cohen, Kim, Mandelman, Peskin, Ronen, Stefani, Tang and Yee (9)

Absent: Commissioners Fewer and Safai (2)

9. Approve the Revised Debt and Investment Policies – ACTION

Cynthia Fong, Deputy Director for Finance and Administration, presented the item per the staff memorandum.

Chair Peskin thanked Commissioner Cohen for her work as Retirement Board Member and as the President of the Board of Supervisors, as well as for initiating the request to staff to add the new social responsibility policy to the Investment Policy.

There was no public comment.

Commissioner Stefani moved to approve the item, seconded by Commissioner Ronen.

The item was approved without objection by the following vote:

Ayes: Commissioners Brown, Cohen, Kim, Mandelman, Peskin, Ronen, Stefani, Tang and Yee (9)

Absent: Commissioners Fewer and Safai (2)

Other Items

10. Introduction of New Items – INFORMATION

There were no new items introduced.

11. Public Comment

There was no public comment.

12. Adjournment

The meeting was adjourned at 10:54 a.m.



RESOLUTION REAPPOINTING BECKY HOGUE TO THE CITIZENS ADVISORY COMMITTEE OF THE SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

WHEREAS, Section 131265(d) of the California Public Utilities Code, as implemented by Section 5.2(a) of the Administrative Code of the San Francisco County Transportation Authority, requires the appointment of a Citizens Advisory Committee (CAC) consisting of eleven members; and

WHEREAS, There are two open seats on the CAC, one of which is the result of an automatic suspension of CAC member Becky Hogue due to excessive absences per the CAC's By-Laws; and

WHEREAS, Consistent with CAC By-laws, Ms. Hogue contacted her district supervisor to indicate her interest in seeking reappointment; and

WHEREAS, At its December 4, 2018 meeting, the Board reviewed and considered all applicants' qualifications and experience and recommended reappointing Becky Hogue to serve on the CAC for a period of two years, pending final approval at the December 11, 2018 meeting, and continued consideration of the other vacancy to allow additional time for candidate recruitment, be it

RESOLVED, That the Board hereby reappoints Becky Hogue to serve on the CAC of the San Francisco County Transportation Authority for a two-year term; and be it further

RESOLVED, That the Executive Director is authorized to communicate this information to all interested parties.



Memorandum

Date: November 28, 2018
To: Transportation Authority Board
From: Maria Lombardo – Chief Deputy Director
Subject: 12/4/18 Board Meeting: Appointment of Two Members to the Citizens Advisory Committee

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Neither staff nor CAC members make recommendations regarding CAC appointments.</p> <p>SUMMARY</p> <p>There are two open seats on the CAC requiring Board action. The vacancies are the result of the term expiration of Chris Waddling (District 10 resident), who is not seeking reappointment, and the automatic membership termination of Becky Hogue (District 6 resident), who is also seeking reappointment, due to missing four regularly scheduled CAC meetings in a 12-month period. There are currently 41 applicants for the two existing open seats.</p>	<p><input type="checkbox"/> Fund Allocation</p> <p><input type="checkbox"/> Fund Programming</p> <p><input type="checkbox"/> Policy/Legislation</p> <p><input type="checkbox"/> Plan/Study</p> <p><input type="checkbox"/> Capital Project Oversight/Delivery</p> <p><input type="checkbox"/> Budget/Finance</p> <p><input type="checkbox"/> Contract/Agreement</p> <p><input checked="" type="checkbox"/> Other: CAC Appointment</p>
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DISCUSSION

Background.

The Transportation Authority has an eleven-member CAC and members serve two-year terms. Per the Transportation Authority’s Administrative Code, the Board appoints individuals to fill open CAC seats. Neither staff nor the CAC make recommendations on CAC appointments, but we maintain a database of applications for CAC membership. Attachment 1 is a tabular summary of the current CAC composition, showing ethnicity, gender, neighborhood of residence, and affiliation. Attachment 2 provides similar information on current applicants, sorted by last name.

Procedures.

The selection of each member is approved at-large by the Board, however traditionally the Commissioner of the supervisorial district with an open seat has recommended the candidate for appointment. Per Section 5.2(a) of the Administrative Code, 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.”

An applicant must be a San Francisco resident to be considered eligible for appointment. Applicants are asked to provide residential location and areas of interest but provide ethnicity and gender

Agenda Item 5

information on a voluntary basis. CAC applications are distributed and accepted on a continuous basis. CAC applications were solicited through the Transportation Authority's website, Commissioners' offices, and email blasts 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. Applications can be submitted through the Transportation Authority's website at www.sfcta.org/cac.

All applicants have been advised that they need to appear in person before the Board in order to be appointed, unless they have previously appeared. If a candidate is unable to appear before the Board on the first appearance, they may appear at the following Board meeting in order to be eligible for appointment. An asterisk following the candidate's name in Attachment 2 indicates that the applicant has not previously appeared before the Committee.

FINANCIAL IMPACT

The requested action would not have an impact on the adopted Fiscal Year 2018/19 budget.

CAC POSITION

None. The CAC does not make recommendations on the appointment of CAC members.

SUPPLEMENTAL MATERIALS

Attachment 1 – Matrix of CAC Members
Attachment 2 – Matrix of CAC Applicants

Enclosure 1 – CAC Applications

Attachment 1 (Updated 11.30.18)

CITIZENS ADVISORY COMMITTEE ¹

Name	Gender	Ethnicity	District	Neighborhood	Affiliation	First Appointed	Term Expiration
Chris Waddling	M	NP	10	Silver Terrace	Neighborhood	Dec 12	Dec 18
Becky Hogue	F	C	6	Treasure Island	Disabled, Neighborhood	Dec 15	Dec 19
Myla Ablog	F	Filipina	5	Japantown/Western Addition	Disabled, Environmental, Neighborhood, Public Policy, Senior Citizen	Sep 13	Mar 19
Peter Sachs, Vice Chair	M	NP	4	Outer Sunset	Environmental, Labor, Public Policy	Jul 15	Jul 19
Kian Alavi	M	NP	9	Mission	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen	Dec 17	Dec 19
Peter Tannen	M	C	8	Inner Mission	Environmental, Neighborhood, Public Policy	Feb 08	Feb 20
John Larson, Chair	M	NP	7	Miraloma Park	Environment, Neighborhood, Public Policy	Mar 14	Mar 20
Rachel Zack	F	C	3	Union Square/Nob Hill	Environmental, Labor, Neighborhood, Public Policy	June 18	June 20
Robert Gower	M	C	11	Mission Terrace	Disabled, Environment, Neighborhood, Public Policy, Senior Citizen	Sept 18	Sept 20
David Klein	M	C	1	Outer Richmond	Environment, Labor, Neighborhood, Public Policy, Senior Citizens	Sept 18	Sept 20
Jerry Levine	M	C	2	Cow Hollow	Business, Neighborhood, Public Policy	Nov 18	Nov 20

A – Asian AA – African American AI – American Indian or Alaska Native C – Caucasian H/L – Hispanic or Latino

NH – Native Hawaiian or Other Pacific Islander NP – Not Provided (Voluntary Information)

¹ Shading denotes open seats on the CAC.

² Member was automatically suspended due to excessive absences per CAC by-laws as of October 31, 2018.

Attachment 2 (Updated 11.30.18)

APPLICANTS

Name	Gender	Ethnicity	District	Neighborhood	Affiliation/Interest
1 Max Barnes*	M	NH	9	Mission	Business, Disabled, Environment, Labor, Neighborhood, Public Policy
2 Joe Blubaugh*	NP	NP	9	Bernal Heights / Market Street	Environment, Neighborhood, Public Policy
3 Natalie Chyba*	F	C	5	Bernal Heights	NP
4 Raynee Chiang*	F	A	4	Central Sunset	Environment, Neighborhood, Public Policy
5 Chris Coghlan*	M	NP	7	Sunnyside	Business, Disabled, Environment, Neighborhood, Public Policy, Senior Citizen
6 Gordon Crespo*	M	NP	7	Midtown Terrace	Environment, Public Policy
7 Will Conkling*	M	C	9	Bernal Heights	Business, Environment, Neighborhood, Public Policy
8 Leticia Contreras*	F	H/L	4	Sunset District	Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
9 Nicholas Fohs*	M	C	9	Bernal Heights	Business, Environment, Labor, Neighborhood, Public Policy
10 Erin Handsfield*	F	NP	10	Potrero Hill	Business, Public Policy,
11 Becky Hogue	F	C	6	Treasure Island	Disabled, Neighborhood
12 KE Hones*	F	AI	9	Mission / Potrero Hill & Civic Center	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
13 Virginia Jaramillo*	F	NP	9	Bernal Heights	Business, Disabled, Neighborhood, Senior Citizen
14 Daniel Kassabian	M	NP	2	Russian Hill	Neighborhood
15 Jeremy Kazzaz*	M	NP	9	Mission	Business, Environment, Labor, Neighborhood, Public Policy
16 John Hyung-Jun Kim*	M	A	9	Mission	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen

Name	Gender	Ethnicity	District	Neighborhood	Affiliation/Interest
17 Ronald Konopaski*	M	NP	1	Richmond	Business, Disabled, Environment, Neighborhood, Senior Citizen
18 Stephen Kubick*	M	C	10	Potrero Hill	Business, Neighborhood, Public Policy
19 Roger Kuo*	NP	NP	3	Financial District	Business, Disabled, Environment, Neighborhood, Public Policy, Senior Citizen
20 John Loeber*	NP	NP	3	Nob Hill	Business, Environment, Neighborhood, Public Policy,
21 Dale Low*	M	A	9	Bernal Heights	Environment, Neighborhood, Public Policy
22 Patrick Maley*	M	NP	1	Richmond	Environment, Labor, Neighborhood, Public Policy
23 Gail Mallimson*	F	C	9	Bernal Heights	Business, Environment, Neighborhood, Public Policy
24 Michael McDougall*	NP	NP	8	Glen Park	Disabled, Environment, Public Policy
25 Marlo McGriff*	M	AA	8	Mission/Dolores	Environment, Labor, Neighborhood, Public Policy, Senior Citizen
26 Maer Melo*	M	AA	9	Mission	Business, Disabled, Environment, Neighborhood, Public Policy
27 Laura Milvy*	NP	NP	9	Portola	Labor, Neighborhood
28 Meaghan Mitchell*	F	AA	10	Bayview	Business, Labor, Neighborhood, Public Policy
29 Antoinette Mobley*	NP	AA	10	Bayview	Business, Environment, Neighborhood
30 Vi Nguyen*	F	NP	9	Bernal Heights	Business, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
31 Wayne Norton*	M	AA	10	Bayview/Hunter's Point	Business, Environment, Neighborhood, Public Policy
32 Edward Parillon*	M	AA	8	Mission	Business, Environment, Labor, Neighborhood, Public Policy
33 Ian Poirier*	M	NP	10	Dogpatch	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
34 Jacqueline Sachs	F	C	2	Western Addition	Disabled, Neighborhood

Name	Gender	Ethnicity	District	Neighborhood	Affiliation/Interest
35 Jeff Silver*	M	C	8	Buena Vista Park / Financial District	Business, Neighborhood
36 Gregory Smith*	M	C	1	Mid Richmond	Environment, Labor, Senior Citizens
37 Abraham Snyder*	M	C	9	Mission / SOMA	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
38 Stephanie Soler*	F	H/L	9	Noe Valley	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
39 Bradley Tanzman	M	C	6	Treasure Island	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
40 Anne Widera*	F	NP	10	Potrero Hill	Business
41 Yan Zhu*	NP	NP	6	Western SOMA / SOMA	Disabled, Environment, Neighborhood, Public Policy, Senior Citizen

A – Asian

AA – African American

AI – American Indian or Alaska Native

C – Caucasian

H/L – Hispanic or Latino

NH – Native Hawaiian or Other Pacific Islander

NP – Not Provided (Voluntary Information)

*Applicant has not appeared before the Board.



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RESOLUTION ALLOCATING \$25,847,913 IN PROP K SALES TAX FUNDS, WITH CONDITIONS, FOR EIGHT REQUESTS

WHEREAS, The Transportation Authority received eight requests for a total of \$25,847,913 in Prop K local transportation sales tax funds, 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: Central Subway (3rd Street LRT Phase 2), Facilities – Muni, Guideways – Muni, Great Highway Erosion Repair, Street Resurfacing, and Bicycle Circulation/ Safety; and

WHEREAS, As required by the voter-approved Expenditure Plan, the Transportation Authority Board has adopted a Prop K 5-Year Prioritization Program (5YPP) for each of the five aforementioned programmatic categories; and

WHEREAS, All of the requests are consistent with the 2019 Prop K Strategic Plan and, as applicable, the relevant 5YPP(s); and

WHEREAS, After reviewing the requests, Transportation Authority staff recommended allocating a total of \$25,847,913 in Prop K funds, with conditions, for eight projects, 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 2018/19 budget to cover the proposed actions; and



WHEREAS, At its November 28, 2018 meeting, the Citizens Advisory Committee was briefed on the subject request and unanimously adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby allocates \$25,847,913 in Prop K funds, with conditions, 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, Strategic Plan, and 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 is hereby amended, as appropriate.

Attachments:

1. Summary of Applications Received
2. Project Descriptions
3. Staff Recommendations
4. Prop K Allocation Summaries – FY 2018/19

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(s)
							Expected Leveraging by EP Line ³	Actual Leveraging by Project Phase(s) ⁴	Expected Leveraging by EP Line ³		
Prop K	3	SFMTA	Central Subway	\$ 964,968		\$ 1,226,547,988	81%	92%		Construction	3, 6
Prop K	20M	SFMTA	Presidio Bus Lifts	\$ 4,400,000		\$ 5,236,000	90%	16%		Construction	2
Prop K	22M	SFMTA	L-Taraval Transit Enhancements (Segment B)	\$ 11,240,331		\$ 82,105,598	78%	86%		Construction	4, 7
Prop K	22M	SFMTA	16th Street Transit Enhancements (22 Fillmore Phase 2)	\$ 5,600,371		\$ 26,900,371	78%	79%		Construction	8, 9, 10
Prop K	26	SFPW	Great Highway Terminus Narrowing	\$ 292,243		\$ 292,243	86%	0% for design; overall project leveraging expected to be 88%		Design	7
Prop K	34	SFPW	Taraval Street Pavement Renovation (West Portal to Sunset Blvd)	\$ 1,400,000		\$ 1,700,000	79%	18%		Construction	4, 7
Prop K	34	SFPW	Alemany Blvd Pavement Renovation	\$ 1,750,000		\$ 3,500,000	79%	50%		Construction	8, 11
Prop K	39	SFMTA	Battery and Sansome Bicycle Connections [NITP Capital]	\$ 200,000		\$ 200,000	28%	0% for construction; overall project leveraging is 27%		Construction	3
			TOTAL	\$ 25,847,913	\$ -	\$ 1,346,482,200	80%	91%			

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 2017 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit).

² Acronyms: SFMTA (San Francisco Municipal Transportation Agency) and 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%.

Attachment 1: Summary of Applications Received

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 Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Project Description
3	SFMTA	Central Subway	\$964,968	<p>This request is to allocate de-obligated funds from prior fund exchanges in the Central Subway category that along with two fund exchanges (Board approval anticipated November 27, 2018) direct a total of \$21 million to help backfill the Transportation Authority's \$61.75 million commitment of Regional Improvement Program funds to the project. SFMTA is currently requesting an extension from the Federal Transit Administration to the revenue service date in the Central Subway's New Starts Full Funding Grant Agreement from December 26, 2018 to December 25, 2019, with a five month schedule risk contingency to May 7, 2020. The main cause of the schedule delay is the mining of the Chinatown Station which is on the critical path. According to SFMTA staff, the method of mining was difficult, and the contractor did not achieve the schedule as anticipated in the original contract due to various factors including condition of the soil and differing site conditions. The SFMTA is trying to accelerate other areas of the Central Subway Program to reduce the overall delay to the project, but it is having limited success in this regard. The project is expected to cost \$1.578 billion as approved in the baseline budget (2010).</p>
20M	SFMTA	Presidio Bus Lifts	\$4,400,000	<p>This project will replace six vehicle lifts as well as security doors and gates at the SFMTA's Presidio Maintenance Facility, which services and stores approximately 165 40-foot trolley coaches. The project will improve worker safety, improve security at the facility, increase the productivity of the maintenance crew, and improve fleet reliability. SFMTA expects the new lifts to be in service by December 2020.</p>
22M	SFMTA	L-Taraval Transit Enhancements (Segment B)	\$11,240,331	<p>Funds will be used to replace light rail track and overhead contact system components along the L-Taraval light rail line from West Portal Station to Sunset Blvd, along Ulloa Street, 15th Avenue and Taraval Street. This scope is part of a larger set of transit and street improvements including transit stop placement optimization, bus bulbs, pedestrian safety improvements, boarding islands, traffic signals, street resurfacing (see request below) and traffic and turn lane modification. SFMTA expects to start construction in Summer 2019, with the project open for use in Summer 2021.</p>

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Project Description
22M	SFMTA	16th Street Transit Enhancements (22 Fillmore Phase 2)	\$5,600,371	This request will fund the replacement of overhead contact system and transit communications infrastructure between Church and Utah Streets along the 22-Fillmore trolleybus line. The scope is part of a larger set of transit and Vision Zero pedestrian safety improvements along 16th Street including transit bulbs, transit boarding islands, new traffic signals, pedestrian bulbs, raised crosswalks and curb ramps, all of which will improve transit reliability, travel time, safety, and accessibility. SFMTA expects construction to start in Spring 2019 and the project to be open for use by October 2020.
26	SFPW	Great Highway Terminus Narrowing	\$292,243	Requested funds will fund the design phase of narrowing of the Great Highway roadway from 4 lanes to 2 lanes from where the SFPW Great Highway Restoration Project ends and the intersection of the Great Highway and Skyline Boulevard. This work will need to be completed to accommodate the South Ocean Beach Trail and parking lot project. SFPW expects design to be completed by December 2019 and the project to be open for use by December 2020.
34	SFPW	Taraval Street Pavement Renovation (West Portal to Sunset Blvd)	\$1,400,000	Funds will be used for pavement renovation of 26 blocks, including construction or reconstruction of 83 curb ramps, new sidewalks, and traffic control on Ulloa Street from Forest Side Avenue to 15th Avenue, on 15th Avenue from Ulloa to Taraval streets, on Taraval from 15th Avenue to Sunset Boulevard. This scope will be included in the same construction contract as the SFMTA-led Taraval Street Improvement East of Sunset (see request above) to minimize disruption to the public and maximize the construction coordination opportunity. SFPW expects construction of the paving scope to be complete by summer 2020.
34	SFPW	Alemany Blvd Pavement Renovation	\$1,750,000	Request will fund street resurfacing of 28 blocks on Alemany Boulevard, from Congdon Street to Seneca Avenue including construction or reconstruction of 44 curb ramps. Project is expected to be open for use by Spring 2020. Funds include \$1.75 million in Senate Bill 1 Local Partnership Program funds programmed by the Transportation Authority.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Project Description
39	SFMTA	Battery and Sansome Bicycle Connections [NTIP Capital]	\$200,000	This Neighborhood Transportation Improvement Program (NTIP) project will implement traffic safety improvements along the Battery and Sansome corridors between the Embarcadero and Broadway, and along Vallejo and Davis Streets south to Washington Street, including Class II bike lanes (buffered where possible), striping and signage upgrades, and traffic signal adjustments, and possible vehicle turn restrictions at The Embarcadero/Chestnut/ Sansome intersection. Project will result in a safe and attractive alternative to The Embarcadero for bicycling trips between the Financial District and the northeast waterfront, safer intersections along the Embarcadero, and a better pedestrian environment in the Jackson Square and lower Telegraph Hill neighborhoods. SFMTA expects the project to be open for use by summer 2019.
TOTAL			\$25,847,913	

¹ See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Recommended	Recommendations
3	SFMTA	Central Subway	\$ 964,968	Special Condition: Recommendation is conditioned upon SFMTA's continued compliance with the Ground Rules for Financial Management of the Central Subway Project and existing oversight protocols. See enclosed allocation request form for details.
20M	SFMTA	Presidio Bus Lifts	\$ 4,400,000	
22M	SFMTA	L-Taraval Transit Enhancements (Segment B)	\$ 11,240,331	Intended Future Action: Additional funds are programmed to the project in the Discretionary Guideways category as part of a dollar-for-dollar fund exchange whereby the L-Taraval project will receive an additional \$4,055,032 in Prop K funds freeing up an equivalent amount of Prop B General Fund or other non-Transportation Authority controlled funds that the SFMTA will make available for Central Subway construction, reducing the Transportation Authority's Regional Improvement Program commitment to the project. These funds will be subject to a separate allocation request anticipated in FY2019/20.
22M	SFMTA	16th Street Transit Enhancements (22 Fillmore Phase 2)	\$ 5,600,371	
26	SHPW	Great Highway Terminus Narrowing	\$ 292,243	
34	SHPW	Taraval Street Pavement Renovation (West Portal to Sunset Blvd)	\$ 1,400,000	
34	SHPW	Alemany Blvd Pavement Renovation	\$ 1,750,000	
39	SFMTA	Battery and Sansome Bicycle Connections [NTIP Capital]	\$ 200,000	
TOTAL			\$25,847,913	

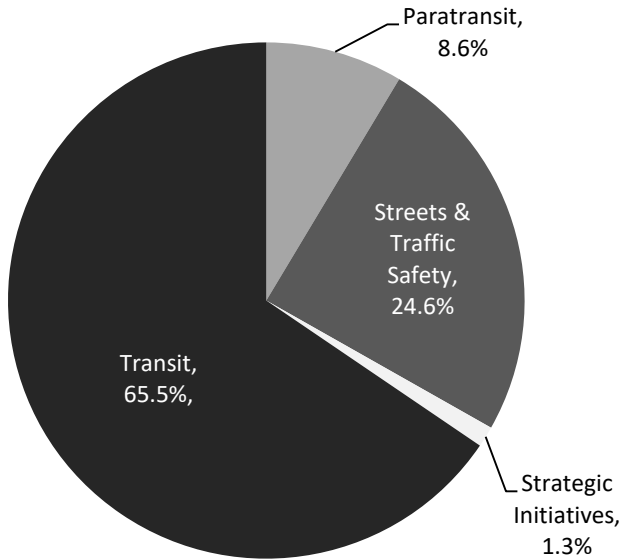
¹ See Attachment 1 for footnotes.

**Attachment 4.
Prop K Allocation Summary - FY 2018/19**

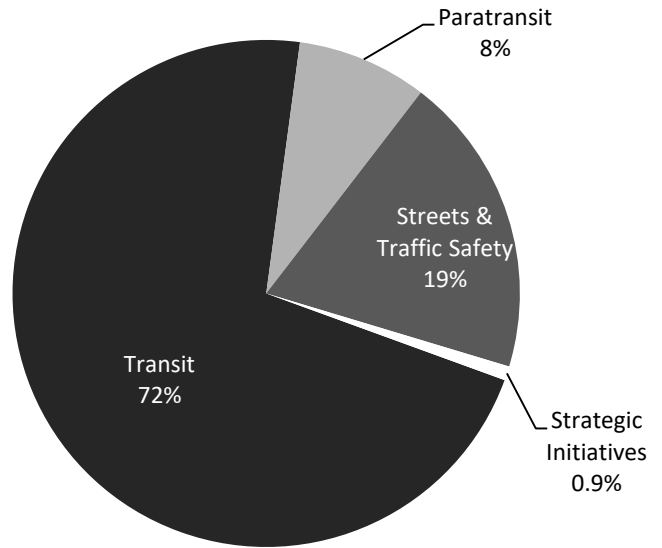
PROP K SALES TAX							
	Total	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Prior Allocations	\$ 51,336,598	\$ 38,291,857	\$ 11,712,739	\$ 1,156,268	\$ 175,734	\$ -	\$ -
Current Request(s)	\$ 25,847,913	\$ 1,861,089	\$ 6,266,122	\$ 14,870,331	\$ 2,281,308	\$ 569,063	\$ -
New Total Allocations	\$ 77,184,511	\$ 40,152,946	\$ 17,978,861	\$ 16,026,599	\$ 2,457,042	\$ 569,063	\$ -

The above table shows maximum annual cash flow for all FY 2018/19 allocations and appropriations approved to date, along with the current recommended allocation(s).

**Investment Commitments,
per Prop K Expenditure Plan**



Prop K Investments To Date





Memorandum

Date: November 19, 2018
To: Transportation Authority Board
From: Anna LaForte – Deputy Director for Policy and Programming
Subject: 12/04/2018 Board Meeting: Allocate \$25,847,913 in Prop K Sales Tax Funds, With Conditions, for Eight Requests

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <ul style="list-style-type: none"> ● Allocate \$22,405,670 in Prop K funds to the San Francisco Municipal Transportation Authority (SFMTA) for five requests: <ol style="list-style-type: none"> 1. Central Subway (\$964,968) 2. Presidio Bus Lifts (\$4,400,000) 3. L-Taraval Transit Enhancements (Segment B) (\$11,240,331) 4. 16th Street Transit Enhancements Project (22 Fillmore Phase 2) (\$5,600,371) 5. Battery and Sansome Bicycle Connections [NTIP Capital] (\$200,000) ● Allocate \$3,442,243 in Prop K funds to San Francisco Public Works (SFPW) for three requests: <ol style="list-style-type: none"> 6. Great Highway Terminus Narrowing (\$292,243) 7. Taraval Street Pavement Renovation (West Portal to Sunset Blvd) (\$1,400,000) 8. Alemany Blvd Pavement Renovation (\$1,750,000) <p>SUMMARY</p> <p>We are presenting eight requests totaling \$25,847,913 in Prop K funds to the Board for approval. Attachment 1 lists the requests, including requested phase(s) and supervisorial district(s) for each project. Attachment 2 provides a brief description of each project. Attachment 3 contains the staff recommendations.</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contracts <input type="checkbox"/> Other: _____
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DISCUSSION

Attachment 1 summarizes the subject allocation requests, including information on proposed leveraging (i.e. stretching Prop K sales tax dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop K Expenditure Plan. Attachment 2 includes a brief description of each project. Attachment 3 summarizes the staff recommendations for the requests, highlighting special conditions and other items of interest. An Allocation Request Form for each project is enclosed, with more detailed information on scope, schedule, budget and funding.

Central Subway

One of the SFMTA’s allocations request is for the last \$964,968 in Prop K funds in the Central Subway line item. We identified these funds through the 2019 Prop K Strategic Plan, scheduled for

final approval by the Board at its November 27 meeting. The enclosed allocation request form reflects the proposed Regional Improvement Program (RIP) backfill funding plan that we briefed the Citizens Advisory Committee and Board at the October 24 and November 13 meetings, respectively, as part of approval of the Prop K 5-Year Prioritization Programs. The RIP backfill plan includes a number of fund exchanges to enable funds to be directed to the Central Subway project. We are working with SFMTA and the Metropolitan Transportation Commission (MTC) to support an anticipated January 2019 approval of the MTC-related fund exchanges.

We also wanted to provide some updated schedule information on the Central Subway. The SFMTA has requested an extension from the Federal Transit Administration to the revenue service date in the Central Subway's New Starts Full Funding Grant Agreement from December 26, 2018 to December 25, 2019, with a five-month schedule risk contingency to May 7, 2020. The main cause of the schedule delay is the mining of the Chinatown Station which is on the critical path. According to SFMTA staff, the method of mining was difficult, and the contractor did not achieve the schedule as anticipated in the original contract due to various factors including condition of the soil and differing site conditions. The SFMTA is trying to accelerate other areas of the Central Subway Program to reduce the overall delay to the project, but it is having limited success in this regard.

The SFMTA has updated its budget forecast and confirms that it remains consistent with the \$1.578 billion baseline budget approved by the Board in March 2010. The SFMTA does not anticipate the need for any additional funds.

FINANCIAL IMPACT

The recommended action would allocate \$25,847,913 in Prop K funds. The allocations would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the enclosed Allocation Request Forms.

Attachment 4 shows the approved Fiscal Year (FY) 2018/19 allocations and appropriations to date, with associated annual cash flow commitments as well as the recommended allocations, appropriation and cash flow amounts that are the subject of this memorandum.

Sufficient funds are included in the adopted FY 2018/19 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.

CAC POSITION

The CAC unanimously adopted a motion of support for this item at its November 28, 2018 meeting.

SUPPLEMENTAL MATERIALS

- Attachment 1 – Summary of Applications Received
- Attachment 2 – Project Descriptions
- Attachment 3 – Staff Recommendations
- Attachment 4 – Prop K Allocation Summaries – FY 2018/19

Enclosure – Prop K/AA Allocation Request Forms (8)

RESOLUTION DIRECTING STAFF TO ADVANCE THE PROPOSED SCOPE OF WORK
AND SEEK ADDITIONAL FUNDING FOR A CONGESTION PRICING STUDY UPDATE

WHEREAS, In 2010, the Transportation Authority adopted the Mobility, Access, and Pricing Study (MAPS), which examined a variety of alternatives to implement congestion pricing in San Francisco and recommended piloting a “Northeast Cordon” design; and

WHEREAS, The MAPS found the proposal would substantially reduce congestion, vehicle trips, greenhouse gas emissions, and traffic collisions while increasing transit speeds and frequencies; and

WHEREAS, Based on the Board’s discussion at the October 23, 2018 meeting, Chair Peskin requested that staff propose a scope, schedule, and budget for taking the next steps on congestion pricing in San Francisco; and

WHEREAS, The attached proposed Outline Scope of Work and Proposed Schedule for a Congestion Pricing Study Update summarize the tasks to develop a new congestion pricing proposal for San Francisco, including conducting substantial community engagement, evaluating a revised set of scenarios, and developing updated recommendations; and

WHEREAS, At its November 28, 2018 meeting, the Citizens Advisory Committee was briefed on and unanimously adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby directs staff to advance the proposed scope of work and seek additional funding for a Congestion Pricing Study Update.

Attachments:

1. Congestion Pricing Study Update – Outline Scope of Work
2. Congestion Pricing Study Update – Proposed Schedule

Attachment 1: Proposed Outline Scope of Work

Congestion Pricing Study Update

1. Goals & Objectives, Purpose & Need, Outreach Plan

This task will define the project purpose, demonstrate the need for a congestion pricing and incentives program, and establish study goals. Study goal areas will include Effectiveness/Congestion, Equity, Economy, and Environment. The project team will also initiate the study's extensive interagency coordination and community engagement efforts, including developing a detailed outreach and communications plan, establishing a Technical Advisory Committee (TAC) with key agency partners, and forming a Policy Advisory Committee (PAC). The PAC will include key agency and other stakeholders representing transportation, neighborhood, equity, business, environmental, and other community organizations. The TAC and PAC will meet regularly to provide input on key deliverables throughout the study.

This task will also include the study's first major round of community outreach in mid-2019 to gather input on how to define the congestion problem, potential program elements, key issues, and how to define success.

2. Case Studies and Peer City Partnerships

The project team will identify project designs that others have used or studied, determine applicability for this study, and strengthen partnerships with other cities that are actively operating or studying congestion pricing.

3. Evaluation Framework and Methodology

The project team will develop a detailed set of metrics and methodology to evaluate each scenario according to the study goals and objectives. The methodology will include data needs, tools to be used, and which parts of evaluation should be done as part of this study phase or held until a future study phase. The evaluation will also consider whether scenario packages are likely to be effective with foreseeable future changes in the transportation sector.

4. Develop Scenarios

This task will define a range of program elements informed by input from Task 1 outreach, recent changes in the transportation sector, and the 2010 MAPS, then combine them into several scenarios to evaluate. Program elements will include potential congestion charging parameters, subsidies, discounts, incentives, and multimodal improvements to be funded with program revenues. Each scenario would identify complementary near-term congestion management strategies as appropriate.

5. Scenario Evaluation

Based on the evaluation framework defined in Task 3, the project team will evaluate each scenario to determine its performance according to the study goals and objectives. This evaluation will include estimates of program capital and operating costs as well as gross and net operating revenues.

This task will conclude in early 2020 with the study's second major round of outreach, which will provide an opportunity for stakeholders and the public to review analysis results and provide input on proposed scenarios and recommendations.

6. Preferred Scenario and Funding and Implementation Plans

The project team will identify one or more preferred scenarios, potentially including combining elements from multiple study scenarios. The implementation plan will include identification of major next steps and a potential timeline to implement the preferred scenario(s), either as an initial pilot or as a permanent system, such as environmental review, program design refinement, and funding. The project team will consider and recommend any possible strategies to shorten the amount of time to implementation for the recommended scenario(s) and to implement any complementary near-term congestion management strategies.

7. Draft and Final Memo and Presentation

The final memo and presentation will summarize the study scenarios; their costs, benefits, and other evaluation results; staff recommendations; and potential steps to implementation.

Attachment 2: Congestion Pricing Study Update – Proposed Schedule

Congestion Pricing Study Update - Schedule							
Tasks	Jan-Mar '19	Apr-Jun '19	Jul-Sep '19	Oct-Dec '19	Jan-Mar '20	Apr-Jun '20	
0 Startup and Consultant Procurement Goals & Objectives, Purpose & Need, ID Key Stakeholders, 1 Outreach Plan							
<i>Polling and Communications Development</i> <i>Major Outreach Round #1: Defining the problem and success; feedback on MAPS program elements</i>							
2 Case Studies & Initiate Peer City Partnerships							
3 Evaluation Framework and Methodology							
4 Develop Scenarios							
5 Evaluate Scenarios <i>Major Outreach Round #2: Feedback on scenarios and evaluation</i>							
6 Preferred Scenario and Funding and Implementation Plans							
7 Final Memo and Presentation							
Ongoing Activities							
Ongoing Project Management							
Ongoing General Outreach							
Technical Advisory Committee	*	*	*	*	*	*	*
Policy Advisory Committee	*	*	*	*	*	*	*
Peer City Partnerships Coordination	*	*	*	*	*	*	*



Memorandum

Date: November 16, 2018
To: Transportation Authority Board
From: Jeff Hobson – Deputy Director, Planning
Subject: 12/4/18 Board Meeting: Direct Staff to Advance the Proposed Scope of Work and Seek Additional Funding for a Congestion Pricing Study Update

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Direct staff to move forward with the proposed Scope of Work and Seek Additional Funding for a Congestion Pricing Study Update.</p> <p>SUMMARY</p> <p>Based on the Board’s discussion at the October 23, 2018 meeting, Chair Peskin requested that staff propose a scope, schedule, and budget for taking the next steps on congestion pricing in San Francisco. The proposed scope would include significant community engagement to inform development of alternative packages of congestion charges, subsidies, discounts, incentives, and multimodal improvements, based in part on information from the 2010 Mobility, Access, and Pricing Study (MAPS). The 18-month study would evaluate each alternative and conclude with new recommendations in spring 2020, including potential next steps toward implementation. The final report would allow the Board to proceed to environmental review and approval, request further study, or stop pursuing the concept. The final report would also identify complementary strategies for near-term implementation.</p>	<p><input type="checkbox"/> Fund Allocation</p> <p><input type="checkbox"/> Fund Programming</p> <p><input type="checkbox"/> Policy/Legislation</p> <p><input checked="" type="checkbox"/> Plan/Study</p> <p><input type="checkbox"/> Capital Project Oversight/Delivery</p> <p><input type="checkbox"/> Budget/Finance</p> <p><input type="checkbox"/> Contract/Agreement</p> <p><input type="checkbox"/> Other:</p> <p>_____</p>
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DISCUSSION

Background.

In 2010, the Transportation Authority adopted the MAPS, which examined a variety of alternatives to implement congestion pricing in San Francisco and recommended piloting a “Northeast Cordon” design. The recommended pilot design would have implemented a fee to drive during the afternoon peak out of a zone bounded generally by Laguna Street, 18th Street, and the San Francisco Bay. Program revenues were slated to fund faster, more frequent, and more reliable transit service and other multimodal upgrades such as street repaving, traffic calming, and pedestrian and bicycle improvements. The MAPS found the proposal would substantially reduce congestion, vehicle trips, greenhouse gas emissions, and traffic collisions while increasing transit speeds and frequencies.

In early 2018, State Senator Scott Wiener and Assemblymember Richard Bloom introduced legislation (AB3059) that would have authorized two “Go Zone” congestion pricing pilots in northern California

and an additional two in southern California. Although the bill did not move forward in the last legislative session, it may be reintroduced next year.

Proposed Scope of Work

The Proposed Outline Scope of Work (Attachment 1) for a Congestion Pricing Study Update summarizes the tasks to develop a new congestion pricing proposal for San Francisco, building upon the findings from the MAPS. The update would reexamine the MAPS scenarios and recommendations to identify which recommended program elements remain applicable based on the current and anticipated future conditions and needs. Based on that assessment, we would develop and evaluate a revised set of scenarios before developing updated recommendations.

Scenarios to be evaluated would each include a set of proposed congestion charging parameters, such as fee amounts, days and hours they would be in effect, and the geographic limits of a charging zone. The program design would also include proposed subsidies, discounts, and incentives to encourage the use of sustainable modes and ensure equitable distribution of benefits and impacts, particularly with respect to vulnerable populations. Each scenario would include recommendations of multimodal improvements that should be implemented in conjunction with any pricing program such as transit service increases, street repaving, streetscape improvements, and upgrades to transit, walking, and bicycling infrastructure, as well as near-term congestion management strategies as appropriate.

The study would evaluate each scenario based on the goals and objectives of the program, including examining how well each one would reduce congestion and vehicle miles-traveled (VMT) and their associated safety, health, and environmental impacts. It would also analyze the proposal's benefits, costs, and other effects on low-income travelers and communities of concern and recommended any needed mitigations.

Based on the scenario evaluation, we would develop preferred alternative(s) recommendations as well as funding and implementation plans. These would include potential next steps, a timeline, and financing strategies to insure all necessary program elements and multi-modal investments are implemented at program launch. The study will also consider near-term complementary congestion management strategies as appropriate.

This effort would include ongoing community outreach and coordination with partner agencies. A Technical Advisory Committee would include representatives from SFMTA and other relevant city agencies (e.g., SFE, SFDPH, Planning), regional transit providers, the Metropolitan Transportation Commission (MTC), Caltrans, and other partner agencies. We would also continue coordinating with peer cities that have implemented or are considering congestion pricing.

Community Engagement.

The study would be informed by substantial community engagement and would include:

- Convening a Policy Advisory Committee (PAC) with members representing a wide variety of stakeholders, including transportation, neighborhood, equity, business, environmental, and other community organizations. The PAC would meet regularly to provide in-depth involvement in every step of the process.
- Two major, multilingual outreach rounds using a variety of engagement methods to reach as wide an audience as possible. The initial outreach round in summer 2019 would ask for input

Agenda Item 7

on what designs, policies and issues this study should consider. The second round in early 2020 would provide an opportunity to review analysis results, including proposed scenarios and other recommendations.

- Other ongoing public engagement, including meetings with stakeholder groups to address their interests and concerns throughout the study process.

This study update would conclude with presentation of a summary of recommendations and potential next steps to the Transportation Authority Board.

Schedule and Next Steps

We would complete the proposed Congestion Pricing Study Update between January 2019 – June 2020 (see Attachment 2 – Proposed Schedule). Following completion of this study update and pending Board direction, next steps would include program design refinement, environmental clearance, legislative authority (similar to AB3059 proposed by Assemblymember Bloom last year), local approval and securing funding for design and implementation.

Budget and Funding

The estimated cost for this scope of work is \$1.6 million. We are considering the following potential funding sources:

Prop K: \$500,000 in Transportation Demand Management (TDM) funds is programmed for pricing and incentives work in Fiscal Year 2018/19. If the Board approves this study update scope of work, we will return with a request to appropriate these funds in early 2019.

Transit Center District Plan: This plan's TDM policies included the study and potential implementation of congestion pricing. The Interagency Plan Implementation Committee administers the plan, has programmed \$1 million in Fiscal Year 2019/20 for downtown congestion pricing studies and pilots, and will consider an expenditure plan in December 2018.

Other potential funding sources include regional, state, and private grants.

FINANCIAL IMPACT

The recommended action would not directly impact the adopted Fiscal Year 2018/19 budget. If the Board approves the recommended action, we will seek to secure other fund sources and return to request appropriation of Prop K funds early next calendar year.

CAC POSITION

The CAC unanimously adopted a motion of support for this item at its November 28, 2018 meeting.

SUPPLEMENTAL MATERIALS

Attachment 1 – Congestion Pricing Study Update – Outline Scope of Work

Attachment 2 – Congestion Pricing Study Update – Proposed Schedule



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RESOLUTION APPROVING SAN FRANCISCO'S STATE TRANSIT ASSISTANCE COUNTY
BLOCK GRANT FRAMEWORK FOR FISCAL YEARS 2018/19 AND 2019/20

WHEREAS, In February 2018, the Metropolitan Transportation Commission (MTC) established the State Transit Assistance (STA) County Block Grant Program to be administered by Congestion Management Agencies (CMAs); and

WHEREAS, MTC previously distributed these funds through a regional paratransit program, a regional Lifeline Transportation Program (LTP), and a northern counties/small transit operators program and the new STA County Block Grant program funds are distributed based on the amount counties would have received under the three former regional programs; and

WHEREAS, The new STA County Block Grant program allows counties to determine how to invest in paratransit, transit operating and capital needs, including, but not limited to providing a countywide LTP; and

WHEREAS, MTC now requires that CMAs submit a governing board-approved resolution listing the distribution policy for STA County Block Grant Program funds; and

WHEREAS, For Fiscal Years (FYs) 2018/19 and 2019/20, San Francisco's share of the STA Block Grant is estimated to be \$7.66 million and staff recommends distributing 40% to the San Francisco Municipal Transportation Agency's (SFMTA's) paratransit program and 60% to a new San Francisco Lifeline Transportation Program (SF LTP) Cycle 1, to be administered by the Transportation Authority; and

WHEREAS, Because the STA annual funding amounts are projections, the distribution between SFMTA's paratransit program and the SF LTP Cycle 1 are recommended as percentages as opposed to a specific dollar amount; and

WHEREAS, The SF LTP is modeled after the prior regional LTP and is intended to support



projects that improve mobility for low income populations by addressing transportation gaps or barriers identified through equity assessments and collaborative and inclusive community-based planned processes; and

WHEREAS, The proposed prioritization criteria for project selection, detailed in Attachment 1, are largely based on the prioritization criteria used for the last cycle of the regional LTP; and

WHEREAS, Contingent upon approval of the funding framework, Transportation Authority staff would issue a call for projects for the SF LTP Cycle 1 in early 2019 and bring recommended projects back to the Board for approval in spring 2019; and

WHEREAS, At its November 28, 2018 meeting, the Citizens Advisory Committee was briefed on the subject request and unanimously adopted a motion of support for the staff recommendation; now, therefore be it

RESOLVED, That the Transportation Authority hereby approves the attached STA County Block Grant Framework for FYs 2018/19 and 2019/20; and be it further

RESOLVED, That the Executive Director is hereby authorized to communicate this information to all relevant agencies and interested parties, including MTC.

Attachment 1 - STA County Block Grant Program Framework and Communities of Concern Map



Attachment 1.
Fiscal Year 2018/19 and 2019/20 State Transit Assistance
County Block Grant Program Framework

Each year, Congestion Management Agencies must notify the Metropolitan Transportation Commission how we intend to use State Transit Assistance (STA) County Block Grant funds. STA is a flexible transit funding program that can be used for a wide range of capital and operating purposes.

RECOMMENDED SPLIT BETWEEN PARATRANSIT AND OTHER STA ELIGIBLE USES

For the first two years of the STA County Block Grant, Fiscal Years (FYs) 2018/19 and 2019/20, we recommend distributing San Francisco's share of funds as follows:

- 40% to the SFMTA's paratransit program, and
- 60% to the San Francisco Lifeline Transportation Program (SF LTP) Cycle 1, to be administered by the Transportation Authority.

Because the STA annual funding amounts are projections, annual amounts may be higher or lower when confirmed at the end of each fiscal year following the state's reconciliation of revenues generated. Thus, our framework is based on a percentage of the revenue distribution between SFMTA's paratransit program and the SF LTP Cycle 1 as opposed to a specific dollar amount.

SF LTP CYCLE 1

The SF LTP Cycle 1 will support projects that improve mobility for low-income residents by addressing transportation gaps or barriers identified through equity assessments and collaborative and inclusive community-based planning processes.

Eligibility.

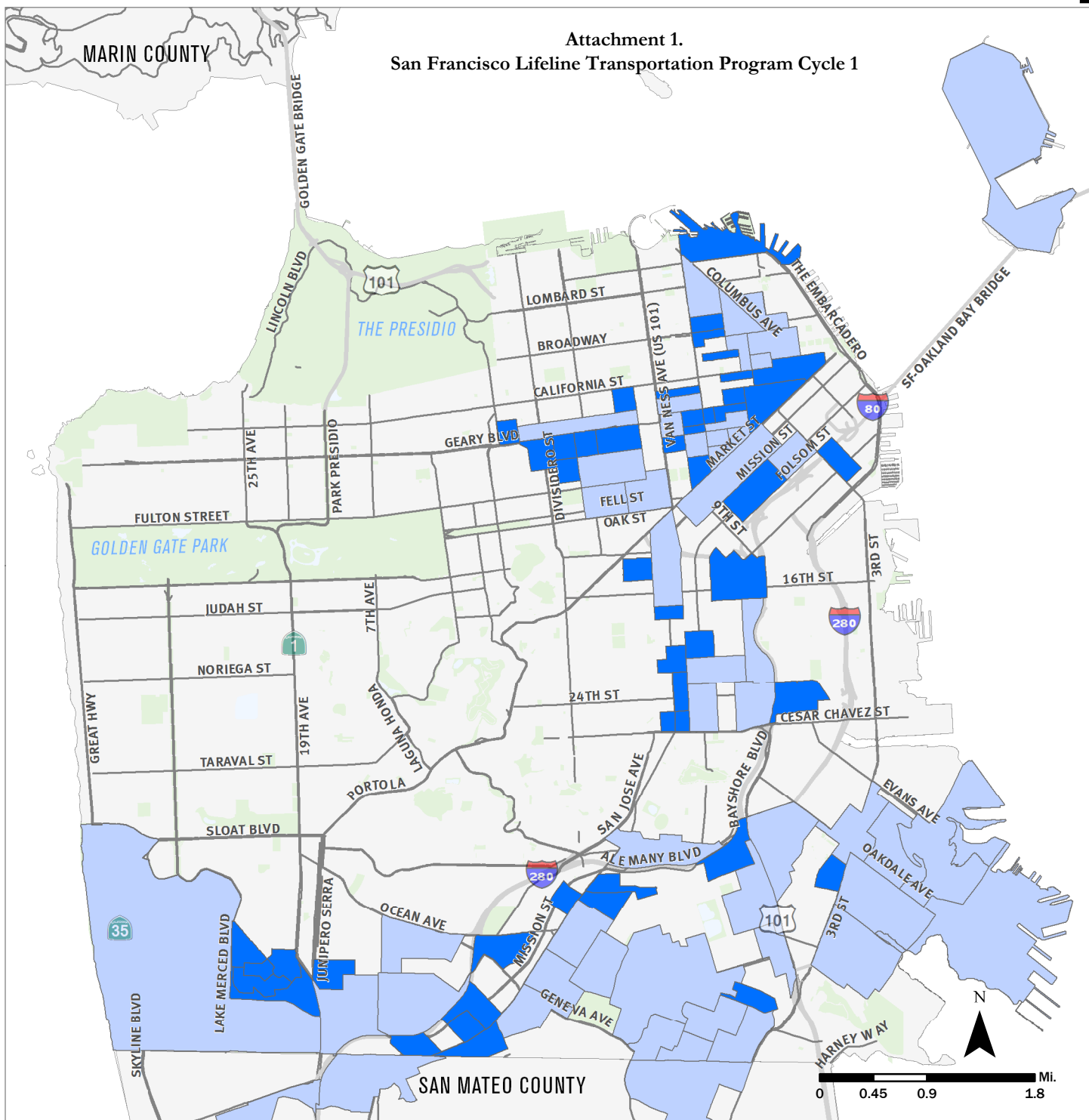
- Projects must be eligible per STA guidelines as established by the State. Examples of eligible projects include:
 - new, enhanced, or restored transit service, including late-night and weekend services;
 - transit stop or station area enhancements including pedestrian-scale lighting;
 - transit-related aspects of bicycling (e.g. adding bicycle racks to vehicles; providing secure bicycle parking at transit stations);
 - shuttle service;
 - purchase of vehicles or technologies; and
 - various elements of mobility management.
- Only transit operators are eligible recipients of STA funds.
- The SF LTP requires a local match of 10% of the total project cost.

Project Prioritization.

After projects are screened for eligibility, we will prioritize eligible projects based on the following criteria:

- **Transit Services Directly Benefitting Communities of Concern:** Highest priority will be given to Communities of Concern supportive transit services that directly increase mobility for low income persons (see attached map) since STA is one of the few sources that the Transportation Authority can use to fund transit service. In addition, transit service projects provide an opportunity for a broad geographic distribution of benefits to Communities of Concern.
- **Community-Identified Priority:** Priority will be given to projects that directly address transportation gaps and/or barriers identified through a Community-Based Transportation Plan, Muni Service Equity Strategy, or other substantive local planning effort involving focused, inclusive engagement with low-income populations.
- **Project Need:** Projects will be evaluated based on the significance of the unmet transportation need or gap that the proposed project seeks to address and on how well the project will address that need or gap.
- **Implementation Plan and Project Management Capacity:** Priority will be given to projects that are ready to be implemented in the timeframe that the funding is available and have no foreseeable implementation issues that may affect project delivery.
- **Project Budget and Sustainability:** Projects that have secured funding sources for long-term operations and/or maintenance beyond the grant period will be prioritized.
- **Cost-Effectiveness:** Priority will be given to projects where the applicant demonstrates that the project is the most appropriate and cost-effective way in which to address the identified transportation need.
- **Project Sponsor's Priority of Application:** For project sponsors that submit multiple applications, the project sponsor's relative priority for its applications will be taken into consideration.
- **Higher Local Match:** Priority will be given to projects that have identified matching funds that exceed the 10% requirement.
- **Geographic Diversity:** After projects are evaluated based on all of the above criteria, a geographic diversity consideration will be applied to the entire draft recommended list.

Attachment 1.
San Francisco Lifeline Transportation Program Cycle 1



San Francisco Communities of Concern 2017

- SFCTA 2017 supplemental Communities of Concern Boundaries
- MTC 2017 Communities of Concern (Modified)
- Parks and Open Space



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Memorandum

Date: November 19, 2018
To: Transportation Authority Board
From: Anna LaForte – Deputy Director for Policy and Programming
Subject: 12/04/18 Board Meeting: Approve San Francisco’s State Transit Assistance County Block Grant Framework for Fiscal Years 2018/19 and 2019/20

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <ul style="list-style-type: none"> Approve San Francisco’s State Transit Assistance (STA) County Block Grant Framework for Fiscal Years (FYs) 2018/19 and 2019/20 <p>SUMMARY In February 2018, the Metropolitan Transportation Commission (MTC) established the STA County Block Grant program to be administered by Congestion Management Agencies (CMAs). MTC used to distributed these funds via a regional paratransit program, a regional Lifeline Transportation Program (LTP), and a northern counties/small transit operators program. For the first two years of the new block grant program, San Francisco is expected to receive \$7,666,015. Our recommendation is to distribute 40% (\$3.1 million) to the SFMTA’s paratransit program consistent with what SFMTA would have received under the prior regional paratransit program. We propose to use the remaining 60% (\$4.6 million) for a new San Francisco LTP program (SF LTP) modelled of the former regional LTP. As such, the SF LTP would support projects that improve mobility for low-income residents by addressing transportation gaps or barriers identified through equity assessments and collaborative and inclusive community-based planning processes. We propose giving the highest priority to projects that fund transit service that directly increases mobility for low income persons since this is the only discretionary funding source we can use to fund transit service. Attachment 1 describes the prioritization criteria that we propose for SF LTP Cycle 1, which are largely based on the criteria we used in 2017 for the regional LTP. Only transit agencies are eligible to receive STA funds. We anticipate releasing the call for projects in early 2019.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input checked="" type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contracts <input type="checkbox"/> Procurement <input type="checkbox"/> Other: <hr/>
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DISCUSSION

Background.

STA funds are generated by the sales tax on diesel fuel. It is a flexible transit funding program that can be used for a wide range of transit-related capital and operating purposes. Starting in FY 2018/19,

Agenda Item 8

MTC is distributing a majority of the region's STA population-based funds to CMAs through a transit-focused STA County Block Grant program. This new program allows each county to determine how best to invest in paratransit, transit operating and capital needs, including providing lifeline transit services. Funds are distributed among the nine Bay Area counties based on the amount that each county would have received in FY 2018/19 under the former regional programs. MTC requires that by May 1 of each year, CMAs submit a governing board-approved resolution listing the distribution policy for STA population-based funds.

Estimated Available Funds and Proposed Split of Funds

San Francisco's share of the STA County Block Grant program is anticipated to be approximately \$7.6 million over FY 2018/19 and FY 2019/20 as shown below.

Table 1. Estimated STA Funds for San Francisco FY 2018/19 and 2019/20	
STA Revenues (FY 2018/19)	\$3,813,938
STA Revenues (FY 2019/20)*	\$3,852,077
Total Funds	\$7,666,015
40% - SFMTA Paratransit Program	\$3,066,406
60% - SF LTP Cycle 1	\$4,599,609

* Projected 1% growth rate for FY 2019/20 is based on annual trends from FY 2008/09 to FY 2017/18 in diesel fuel prices and diesel consumption in California, an average of 2.2% and -1.3% respectively.

For the first two years of the STA County Block Grant, we recommend distributing San Francisco's share of funds as shown in Table 1 above with 40% going to the SFMTA's paratransit program and 60% to the SF LTP Cycle 1, to be administered by the Transportation Authority. Because the STA annual funding amounts are projections, annual amounts may be higher or lower when confirmed at the end of each fiscal year following the state's reconciliation of revenues generated. Thus, our recommended action is to approve a percentage of the revenue distribution between SFMTA's paratransit program and the San Francisco SF LTP Cycle 1 program as opposed to a specific dollar amount.

SFMTA is supportive of the proposed split as this keeps the paratransit program funded at the same level as it would have under the prior regional paratransit program.

SF LTP Cycle 1.

The SF LTP is intended to fund projects that address transportation needs of low-income populations, many of whom are transit-dependent. Attachment 1 describes key elements of the new SF LTP, including eligibility and the proposed prioritization criteria for project selection. The latter are largely based on the prioritization criteria that we used for the last cycle of the regional LTP. See Attachment 2 for a list of San Francisco projects funded through the former regional LTP.

We are proposing to give the highest priority to Community of Concern supportive transit services that directly increase mobility for low income persons since STA is one of the few sources that the Transportation Authority can direct to transit operating projects. In addition, transit service projects provide an opportunity for a broad geographic distribution of benefits to Communities of Concern.

Agenda Item 8

We have included a map of San Francisco Communities of Concern which was most recently updated in 2017 to support the One Bay Area Call for projects.

The proposed prioritization criteria also give priority to projects that directly address transportation gaps and/or barriers identified through a Community-Based Transportation Plan, Muni Service Equity Strategy, or other substantive local planning effort involving focused, inclusive engagement to low-income populations. We will also give strong consideration to project readiness, cost-effectiveness, and geographic diversity. The SF LTP will require that projects secure a local match of 10% of the total project cost.

Next Steps.

Following Board approval of the STA County Block Grant Program Framework, we will provide the Board resolution designating the split of funds between SFMTA's paratransit program and the SF LTP to MTC. We anticipate releasing the SF LTP Cycle 1 call for projects in early 2019 and presenting project funding recommendations to the Board for approval in May 2019. Attachment 3 details the draft schedule.

FINANCIAL IMPACT

There are no impacts to the Transportation Authority's budget associated with the recommended action.

CAC POSITION

The CAC unanimously adopted a motion of support for this item at its November 28, 2018 meeting.

SUPPLEMENTAL MATERIALS

Attachment 1 - STA County Block Grant Program Framework and Communities of Concern Map

Attachment 2 - San Francisco Projects Funded Through the Regional LTP

Attachment 3 - San Francisco LTP Cycle 1 Draft Schedule

Attachment 2.
San Francisco Projects Funded Through Regional Lifeline Transportation Program

Last update: November 2018

Project Sponsor ¹	Project Name	LTP Funding	Total Project Cost	SFCTA Concurrence of Transit Operators' Prop 1B priorities
Cycle 1				
Completed				
SFMTA	Muni Route 29 Service	\$946,222	\$1,182,778	
BVHPF	Bayview Hunters Point Community Transport	\$924,879	\$1,156,879	
SFMTA	Muni Route 109/Treasure Island	\$525,000	\$874,094	
THC	Outreach Initiative for Lifeline Transit Access	\$137,741	\$227,870	
SFMTA	Lifeline Fast Pass Distribution Expansion	\$219,334	\$274,166	
	<i>Cycle 1 Total</i>	\$2,753,176	\$3,715,787	
Cycle 2				
Completed				
SFMTA	Bus Service Restoration Project	\$1,698,272	\$2,309,000	
SFMTA	Route 108 Treasure Island Enhanced Service	\$1,165,712	\$1,708,866	
SFMTA	Persia Triangle Transit Access Improvements Project	\$802,734	\$1,003,418	X
SFMTA	Route 29 Reliability Improvement Project	\$695,711	\$1,672,560	
MOH/SFMTA	Hunters View Revitalization Transit Stop Connection	\$510,160	\$708,176	X
SFMTA	Randolph/Farallones/ Orizaba Transit Access Project	\$480,000	\$599,600	X
Work Progressing				
BART	Balboa Park Station-Eastside Connections Project	\$1,906,050	\$2,801,050	X
SFMTA	Shopper Shuttle	\$1,560,000	\$1,872,000	
SFMTA	Balboa Park Station-Eastside Connections Project	\$1,083,277	\$1,354,096	X
	<i>Cycle 2 Total</i>	\$9,901,916	\$14,028,766	
Cycle 3				
Completed				
SFMTA	Continuation of Bus Restoration	\$2,158,562	\$6,922,000	
SFMTA	Eddy and Ellis Traffic Calming Improvement	\$1,175,104	\$1,691,823	
SFMTA	Route 108 Treasure Island Enhanced Service	\$800,000	\$1,075,677	
SFMTA	Route 29 Reliability Improvement Project	\$800,000	\$4,058,492	
SFMTA	Free Muni for Low Income Youth Pilot (funded through a fund exchange)	\$400,000	\$9,900,000	
Work Progressing				
BART	Station Wayfinding and Bicycle Parking Improvements	\$2,143,200	\$2,679,000	X
SFMTA	8X Customer First	\$5,285,000	\$11,637,000	X
SFMTA	14-Mission Customer First	\$5,056,891	\$10,440,000	X
SFMTA	Mission Bay Loop	\$1,482,049	\$6,100,000	X
	<i>Cycle 3 Total</i>	\$19,300,806	\$54,503,992	
Cycle 4				
Completed				
SFMTA	Expanding Late Night Transit Service to Communities in Need	\$4,767,860	\$5,947,861	
Work Progressing				
SFMTA	Van Ness Bus Rapid Transit	\$6,189,054	\$162,072,300	X
BART	Wayfinding Signage and Pit Stop Initiative	\$1,220,233	\$2,525,291	X
SFMTA	Potrero Hill Pedestrian Safety and Transit Stop Improvements	\$375,854	\$477,309	
	<i>Cycle 4 Total</i>	\$12,553,001	\$171,022,761	
Cycle 5				
Work Progressing				
SFMTA	Expanding Late Night Transit Service to Communities in Need	\$2,578,270	\$3,775,560	
	<i>Cycle 5 Total</i>	\$2,578,270	\$3,775,560	
	Grand Total	\$47,087,169	\$247,046,866	

¹Project sponsor acronyms include the Bay Area Rapid Transit District (BART), Bayview Hunters Point Foundation for Community Improvement (BVHPF), Mayor's Office of Housing (MOH), San Francisco Municipal Transportation Agency (SFMTA), and Tenderloin Housing Clinic (THC).



Attachment 3.

San Francisco Lifeline Transportation Program (SF LTP) Cycle 1 Draft Schedule

The schedule for the call for projects is shown below. It is based on anticipated release of the Fiscal Year 2019/20 State Transit Assistance estimates in January 2019. Transportation Authority Board and Citizens Advisory Committee meeting dates and materials are subject to change. Please visit <http://www.sfcta.org/meetings> for the most up to date information.

November 15, 2018	Transportation Authority Technical Working Group SF LTP Cycle 1 Framework
November 28, 2018	Transportation Authority Citizens Advisory Committee – ACTION SF LTP Cycle 1 Framework
December 4, 2018	Transportation Authority Board – PRELIMINARY ACTION SF LTP Cycle 1 Framework
December 11, 2018	Transportation Authority Board – FINAL ACTION SF LTP Cycle 1 Framework
By January 2019	Transportation Authority issues SF LTP Cycle 1 Call for Projects
February 2019	Transportation Authority Technical Working Group Workshop for potential applicants
March 2019	SF LTP Cycle 1 Applications due to the Transportation Authority
April 2019	Transportation Authority Technical Working Group Review draft SF LTP Cycle 1 staff recommendations
April 2019	Transportation Authority Citizens Advisory Committee – ACTION SF LTP Cycle 1 recommendations
May 2019	Transportation Authority Board – PRELIMINARY ACTION SF LTP Cycle 1 recommendations
May 2019	Transportation Authority Board – FINAL ACTION SF LTP Cycle 1 recommendations
May/June 2018	Metropolitan Transportation Commission approval of San Francisco projects

RESOLUTION ADOPTING THE DISTRICT 10 MOBILITY MANAGEMENT STUDY [NTIP PLANNING] FINAL REPORT

WHEREAS, Commissioner Cohen recommended the District 10 Mobility Management Study (Study) for Prop K sales tax funds from the Transportation Authority's Neighborhood Transportation Improvement Program (NTIP), which were used to match a Toyota Mobility Foundation grant and federal funds from the Metropolitan Transportation Commission's Community-Based Transportation Planning Program; and

WHEREAS, The Study was intended to engage stakeholders to identify a set of non-infrastructure strategies that could reduce vehicle miles of travel in the District through partnerships among community organizations, developers, public agencies, and emerging mobility service providers; and

WHEREAS, The planning effort was led by the Transportation Authority in partnership with Commissioner Cohen's office; and

WHEREAS, The Study recommendations focus on near-term, lower-cost, non-infrastructure concepts that address travel demand to, from, and within District 10; and

WHEREAS, The Study recommends a range of potential strategies in four categories: New Mobility, Mobility as a Service, Incentives and Rewards, and Partnerships; and

WHEREAS, The stakeholder involvement process supporting the Study included longtime and new residents; businesses and workers; developers; institutions; community-based organizations; emerging mobility service and technology providers; and public agencies, and each recommendation identifies the private and public roles in operating and overseeing the non-infrastructure solutions; and

WHEREAS, At its November 28, 2018 meeting, the Citizens Advisory Committee was briefed



on the Study's Final Report and adopted a motion of support for its adoption; now, therefore, be it

RESOLVED, That the Transportation Authority hereby adopts the enclosed District 10 Mobility Management Study [NTIP Planning] Final Report; and be it further

RESOLVED, That the Executive Director is hereby authorized to prepare the document for final publication and to distribute the document to all relevant agencies and interested parties.

Enclosure:

1. District 10 Mobility Management Study [NTIP Planning] Final Report



Memorandum

Date: November 28, 2018
To: Transportation Authority Board
From: Jeff Hobson – Deputy Director for Planning
Subject: 11/28/2018 Committee Meeting: Adopt the District 10 Mobility Management Study Final Report [NTIP Planning]

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Adopt the District 10 Mobility Management Study Final Report [NTIP Planning].</p> <p>SUMMARY</p> <p>The District 10 Mobility Management Study project was recommended by Commissioner Cohen for \$100,000 in Prop K sales tax funds from the Neighborhood Transportation Improvement Program (NTIP). Led by the Transportation Authority, the study’s goal is to engage stakeholders to identify a set of non-infrastructure strategies that could reduce vehicle miles of travel in the District through partnerships among community organizations, developers, public agencies and emerging mobility service providers. This study focuses on near-term, lower-cost, non-infrastructure concepts that address travel demand to, from, and within District 10. The project’s draft final report is included as an enclosure to this packet, with recommendations detailed in Chapter 5. We have also highlighted the recommendations in the memo below.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input checked="" type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Procurement <input type="checkbox"/> Other: <hr/>
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DISCUSSION

Background.

The NTIP is intended to strengthen project pipelines and advance the delivery of community-supported neighborhood-scale projects, especially in Communities of Concern and other underserved neighborhoods and areas with at-risk populations (e.g. seniors, children, and/or people with disabilities).

Vehicle traffic impacts health, safety, mobility, and affordability in District 10 today, yet the car often appears to be the travel mode of choice for the District’s residents, workers, and visitors. Residents seek alternatives and have made their mobility needs known during past outreach and planning studies.

In addition to today’s needs, additional transportation needs stem from the District’s status as one of two districts in which most of the City’s new development is planned. New developments will contribute to improving the area’s transportation system to meet the needs of new residents and employees, but they are not responsible for addressing pre-existing and area-wide transportation

Agenda Item 9

needs.

Agencies and communities, along with developers, may be able to use new non-infrastructure tools in the short-term, with modest resources, to respond both to existing and future transportation demands. At the same time, agencies, developers, communities, and private services can partner creatively to ensure that new transportation technologies do not compound historic differences in access for District 10 residents.

The public sector may have a useful role to play in helping to facilitate the adoption of the most promising of these emerging strategies among communities that to date either haven't widely adopted them or where emerging mobility companies haven't yet offered them. Another potential role for the public sector is to manage or influence these emerging strategies so they help meet emissions reduction and other goals or needs of District 10. Agencies can seek to ensure that the services are deployed in a way that does not compound historic mobility needs.

This study recommends pilot projects using new non-infrastructure concepts (TDM strategies and operational projects) to accomplish these goals.

Community Engagement.

This study brought District 10 stakeholders together to identify ways to leverage non-infrastructure services and technologies. These stakeholders included longtime and new residents, businesses and workers, developers, major employers, community-based organizations (CBOs), emerging mobility service and technology providers, and public agencies.

The public process that went into developing the study included multiple rounds of community engagement as described in Chapter 3. Most recently, we facilitated community feedback on the draft recommendations at a community co-design event on September 27, 2018.

Throughout the study process, we also interviewed private sector developers and emerging mobility service and technology providers to obtain their ideas for serving District 10.

Potential Strategies and Recommendations.

Chapter 4 of the draft final report describes potential strategies analyzed in this report, in four categories: New Mobility; Mobility as a Service; Incentives and Rewards; and Partnerships. Chapter 5 describes recommendations, sorted into near-term and long-term implementation opportunities. Each recommendation identifies the private and public institutional roles in operating and overseeing these non-infrastructure solutions. The following lists the characteristics of each category, needs documented by outreach, and the study's recommendations:

1. New Mobility

These transportation services use technology to automate routing; matching/sharing; and/or (un)locking, among other features. Many "new mobility services and technologies" make Mobility as a Service possible because they offer as-needed, on-demand transportation.

Outreach indicated unmet demand in District 10 for on-demand transportation services, including transit and vehicle sharing. This Study recommends piloting new shuttle/microtransit routes to connect to local transit hubs. These routes would need to comply with SFMTA's Private Transit Vehicle permit requirements and could be supported by funding partnerships between developers and

Agenda Item 9

microtransit service providers. Public funding contributions could subsidize access for Lifeline-eligible riders.

The Study also recommends an active campaign to establish additional moped-share and/or car share spaces in District 10 by funding off-street charging stations or a partnership between the City and vehicle share providers to locate spaces in public housing developments.

Outreach also indicated demand that could support long-term recommendations for strategies such as school carpool ridematching services, other shuttle/microtransit services, and expanded car-share in District 10.

2. Mobility as a Service

Mobility as a Service describes the use of technology to replace car ownership with a range of mobility services, often accessible on-demand through a unified user interface that integrates trip planning, hailing, navigation, and payment.

Outreach indicated an unmet demand for “transportation coordinator” services, accessible both digitally through a mobile device as well as physically, such as through kiosks or a call center. This Study recommends tools to ensure that Mobility as a Service is accessible: in languages other than English, for those without smartphones, and for the un- and under-banked.

This study also supports the continuation of recent experiments with community-relevant marketing and promotion of new mobility services, using community based organizations and “co-creation” techniques.

3. Incentives and Rewards

Incentive and reward programs can take several forms. Some are revenue-neutral programs that levy a fee on discouraged travel behavior and redistribute the resulting revenue to fund mobility services, targeted investments to improve transportation choices, or direct incentives to encourage more sustainable travel. Others are platforms that offer discount offers to travelers in exchange for travel data, with greater discounts offered for more sustainable tripmaking.

Outreach indicated interest in earning rewards for sustainable travel, both among residents and among employers for their employees. This study recommends a partnership between agencies and employers and/or Transportation Management Agencies (TMAs) to pilot a rewards platform that incentivizes non-single occupant vehicle travel among workers and/or residents.

4. Partnership Tools

Partnership tools and coordination strategies can reduce barriers across information, processes, and services for the traveler; they can also pool resources at a larger scale to improve the reach and efficiency of programs.

Outreach identified an unmet need among institutional stakeholders for partnership and coordination tools around non-infrastructure transportation. This study recommends that the City explore a TMA Membership Program to allow existing land uses to use the services of the mandatory transportation coordinators or TMAs established by new development in compliance with the City TDM Ordinance. This could be accomplished through a membership fee structure or via trip reduction credits in lieu

Agenda Item 9

of membership fees for qualifying land uses.

This Study also recommends that an agency convene a citywide TMA working group to develop and disseminate TMA best practices and resources and to promote coordination, information sharing, and continuing education.

As part of the new mobility recommendations on shuttle or microtransit services, this study recommends that the City consider a requirement that any such services provided by developers in compliance with the City's TDM Ordinance be open to the public.

Finally, the study also recommends pursuing long-term strategies including implementation of managed lanes, creation of a parking benefits district, and school carpool ridematching.

FINANCIAL IMPACT

The recommended action does not impact the adopted Fiscal Year 2018/19 budget.

CAC POSITION

The CAC unanimously adopted a motion of support for this item at its November 28, 2018 meeting.

SUPPLEMENTAL MATERIALS

Enclosure – District 10 Mobility Management Study Draft Report

RESOLUTION APPROVING THE REVISED DEBT AND INVESTMENT POLICIES

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

WHEREAS, The Investment Policy sets out policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.; and

WHEREAS, With assistance and guidance from the Transportation Authority's financial advisors and legal counsel, staff has proposed revisions to the aforementioned policies to conform to applicable law and keep consistent with state and local government codes; and

WHEREAS, At its November 28, 2018 meeting, the Citizens Advisory Committee considered the subject request and unanimously adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby adopts the Debt Policy as presented in Attachment 1; and be it further



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

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

Attachments (2):

1. Proposed Debt Policy
2. Proposed Investment Policy



ATTACHMENT 1: PROPOSED 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. SOURCE OF SECURITY FOR DEBT FINANCING

Beginning in April of 1990, the State of California Board of Equalization (BOE) started collecting the sales tax revenues for the Transportation Authority as set forth in the San Francisco County Transportation Expenditure Plan (Prop B Expenditure Plan) for a period not to exceed twenty years. In November 2003, San Francisco voters approved the Proposition K Sales Tax (Prop K) a new 30-year Expenditure Plan (Expenditure Plan) that superseded Prop B and continued the one-half of one percent sales tax. The Transportation Authority's current debt obligations are secured by the sales tax revenues generated from the Transportation Authority's one-half cent (0.5%) sales tax collections in the City and County of San Francisco. The sales tax is currently set to expire on March 31, 2034.

VI. STRATEGIC PLAN INTEGRATION

The Transportation Authority's multi-year Strategic Plan, which programs the 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.

VII. 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 or refinanced if the bonds are intended to be federally tax-exempt and the debt repayment period should not exceed the earliest of the following: (1) the sunset date of the current Expenditure Plan or (2) 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 rate), 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~~developed a standard procedure for archiving transcripts for any new debt. The Transportation Authority ~~will~~developed procedures and controls that will be reviewed periodically. The Transportation Authority has established 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, and his or her designee, to periodically undertake procedures to confirm compliance with such requirements and limitations. In furtherance thereof, the Executive Director, and his or her 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.

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.



VIII. 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, long-term 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 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 average principal amortization do not exceed 120% of the weighted average useful life of the project being financed or refinanced 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 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 existing or 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.

e)d) 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

Variable Rate

- a) *Variable Rate Demand Bonds (VRDBs)* are long-term bonds with a fixed principal 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 or replacement revolving credit facility, 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.



- 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~~The Transportation Authority ~~replaced its prior commercial paper program with~~presently has a \$140 million revolving credit facility. Amounts can be repaid and reborrowed under the revolving credit facility or another letter or line of credit without further Board action. The average amortization of amounts drawn under the revolving credit facility, letter or line of credit may not exceed 120% of the weighted average useful life of the project being financed or refinanced if the borrowing is intended to be federally tax-exempt and the borrowing must be fully 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 or other letter or line of credit 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 or other letter or line of credit, 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)c) *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 \$140 million revolving credit facility (to which the following requirements of variable rate debt do not apply)or any replacement facility, 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.

IX. 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 exceed 120% of the weighted average useful life of the project being financed or refinanced, 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 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, including as may be required by statute with respect to the deposit of original issue premium, 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, unless required by statute with respect to the deposit of original issue premium, 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, ~~Parity~~ and ~~Junior Liens~~ Subordinate Liens have been established under the Transportation Authority's Indenture governing the Transportation Authority's sales tax revenue bonds. ~~The Transportation Authority may utilize any of these lien levels 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 sales tax revenues ~~the revenue source~~ securing the bond.

D. Additional Bonds Test.

Any new money senior lien sales tax debt issuance must not cause the Transportation Authority's debt service, ~~net of any Federal subsidy or credit~~, to be expected to exceed the level at which the incoming sales tax revenues are less than one and ~~a half~~ three quarters times (1.75x) the maximum annual principal, interest, and debt service for the aggregate outstanding senior lien bonds including the debt service for the new issuance, calculated in accordance with the Indenture. This test shall not apply to refunding debt.

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 at par no later than ten and one-half (10.5) years from the date of delivery of tax-exempt bonds. In 2018, tax law was amended such that tax-exempt bonds can only be refunded on a tax-exempt basis 90 days before the call date and cannot be advance refunded with tax-exempt bond proceeds. The Transportation Authority may determine that ~~no call feature or a different shorter call or premium~~ feature is appropriate based on market dynamics and/or the desire for increased future optionality. 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.

X. 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.

XI. 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.

Except for commercial paper and loans under a line of credit (including the current revolving credit facility), the Transportation Authority generally will refund bonds without extending the maturity beyond that 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) (this is required only if SLGS are then available for purchase), 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 XI and of Section VIII.A.2 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 or under a prior facility, nor shall this Section XI or Section VIII.A.2 apply to long-term withdrawal refinancing of commercial paper or of loans under a revolving credit facility, subject to limitations otherwise contained in this policy.

XII. 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 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 of 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. For the existing \$140 million revolving credit facility or any replacement facility that is bank purchased, such requirements do not apply.

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.~~

XIII. 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. 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. Ad-hoc information requests and inquiries from investors that hold the Transportation Authority's bonds should be met to the extent the requested information is publicly available. The provision of any information to investors shall be discussed with the Deputy Director Finance and Administration prior to the release of any information.

B.C. 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.D. Continuing Disclosure.

~~After entering into a Continuing Disclosure undertaking (i.e., contract), the~~ The Transportation Authority shall comply with the terms of ~~such undertaking. Not only must all filings be made in a timely manner, if for any reason there is a failure to make a timely filing, such failure also must be disclosed (and its continuing disclosure undertakings. Material noncompliance with continuing disclosure undertakings must be disclosed in bond offering documents, which~~ could reflect negatively on the Transportation Authority). The Executive Director will take all reasonable steps to ensure that the Transportation Authority files timely annual reports and "listed event" (there are currently 15 such events) notices with the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access system ("EMMA"), and that all such filings are (i) complete and accurate under the law and (ii) clear, concise, and readable for the investing community. The Transportation Authority may also, from time to time, evaluate using the services of a dissemination agent, such as the Transportation Authority's Financial Adviser or Digital Assurance Certification, LLC, to assist with compliance.

From time to time, the Transportation Authority prepares disclosure documents. Disclosure documents include offering documents for Transportation Authority bonds (e.g., preliminary and final Official Statements), (b) annual continuing disclosure reports filed with EMMA, (c) event notices and any other filings with the EMMA, (d) the Transportation Authority's audited financial statements and (e) any other documents that are reasonably likely to reach investors or the securities markets, including but not limited to press releases, web site postings, and other communications required to be certified as representations of the City's financial condition to investors or the securities markets

To help ensure that the Transportation Authority ~~s~~ establishes and maintains a "culture of good disclosure" and Continuing Disclosure undertaking compliance disclosure documents comply with all applicable federal securities laws and promote best practices regarding the preparation and review of the disclosure documents, the Transportation Authority ~~will~~ promotes communication among its departments so that disclosure documents/filings are being reviewed by the staff persons who have the knowledge and ability to assess the accuracy and completeness of the document ~~and understand the importance of accurate records retention.~~ The Executive Director or the Deputy Director for Finance and Administration may develop additional disclosure procedures including record retention policies. ~~The Transportation Authority may also (i) select certain staff members to be the Transportation Authority's "disclosure team" that, with the~~



~~Executive Director, develops and employs disclosure practices and procedures that are effective, reasonable, and defensible and (ii) engage with an external disclosure counsel to provide additional guidance and training. The Transportation Authority may also, from time to time, evaluate using the services of a dissemination agent, such as the Transportation Authority's Financial Adviser or Digital Assurance Certification, LLC, to assist with compliance.~~

D.E. 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.F. 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.G. 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.

XIV. 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.

D. Disclosure Counsel

For Transportation Authority debt issued and sold through the use of an official statement or offering memorandum, the Transportation Authority ~~shall have the right to select separate, nationally-recognized~~ may retain disclosure counsel with ~~extensive~~ experience in public finance and securities law issues. Disclosure counsel will be selected by the Transportation Authority through its Request for Proposal (RFP) process.

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



- a) ~~Assisting the internal due diligence process by reviewing financial statements and other available information, including information on the issuer's website, management's responses to auditor's findings, litigation reports, and similar materials;~~
 - ~~b) Preparation and/or review of disclosure documents necessary for the sale and delivery of securities, including preliminary and final official statements (or offering memoranda) and continuing disclosure agreements, and deliver a negative assurance letter regarding the disclosure document; ;~~
 - ~~b)~~
 - c) Delivery of a negative assurance letter regarding the disclosure document; and
 - d) The Transportation Authority may also retain disclosure counsel with experience in public finance and securities law issues to provide advice and support between issuances of debt sold through the use of an official statement or offering memorandum, as determined by the Executive Director.
- i

~~Post issuance: coordination of required periodic filings and event notices preparation and their dissemination to and posting the MSRB's EMMA system;~~

~~Providing notice of, and counsel regarding, any changes to disclosure requirements and the regulatory environment that have or ay have an impact on the Transportation Authority and its issuances;~~

~~Review and discussion of the Transportation Authority's current disclosure policies and procedures, suggestions for any changes to them, and discussion of how the Transportation Authority can staff a disclosure team and how that team should operate; and~~

~~Customize and provide training annually to staff members (and as needed to new staff) related to disclosure counsel topics.~~

~~The Transportation Authority may also retain disclosure counsel with experience in public finance and securities law issues to provide advice and support between issuances of debt sold through the use of an official statement or offering memorandum, as determined by the Executive Director.~~

XV. UNDERWRITER SELECTION

A. Senior Manager Selection.

The Transportation Authority ~~shall~~ may ~~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, if any, 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~~Senior Manager will prepare syndicate policies for approval by the Executive Director that will describe the designation policies governing the upcoming sale. The Executive Director shall ensure that the Senior Manager receives 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. The maturity of an issue of bonds for which there are no principal payments prior to the final 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 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 ongoing disclosure provided by an issuer to comply with a continuing disclosure undertaking. Generally includes annual updates of operating and financial information, audited financial statements, and notice of events specifically identified in the undertaking.

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 how 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.



ATTACHMENT 2 - PROPOSED 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 (including proceeds of notes issued pursuant to bond documents) 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 (including proceeds of notes issued pursuant to bond documents) shall be invested in the securities permitted pursuant to the relevant bond documents, including any tax certificate, ~~approved by the Transportation Authority Board of Commissioners (Board)~~. 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 Transportation Authority Board of Commissioners (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. SOCIAL RESPONSIBILITY

Investment of funds should be guided by the following socially responsible investment goals when investing in corporate securities and depository institutions. Investments shall be made in compliance with the forgoing socially responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to investments permitted by state law.

1. Investments are encouraged in entities that support community well-being through safe and environmentally sound practices and fair labor practices. Investments are encouraged in entities that support equality of rights regardless of sex, race, age, disability or sexual orientation. Investments are discouraged in entities that manufacture tobacco products, firearms, or nuclear weapons. In addition, investments are encouraged in entities that offer banking products to serve all members of the local community, and investments are discouraged in entities that finance high-cost check-cashing, deferred deposit (payday lending) businesses and organizations involved in financing, either directly or indirectly, the Dakota Access Pipeline or, as determined by the Transportation Authority, similar pipeline projects. Prior to making investments, the Transportation Authority will verify an entity's support of the socially responsible goals listed above through direct contact or through the use of a third party such as the Investors Responsibility Research Center, or a similar ratings service. The entity will be evaluated at the time of purchase of the securities.
2. Investments are encouraged in entities that promote community economic development. Investments are encouraged in entities that have a demonstrated involvement in the development or rehabilitation of low income affordable housing and have a demonstrated commitment to reducing predatory mortgage lending and increasing the responsible servicing of mortgage loans. Securities investments are encouraged in financial institutions that have a Community Reinvestment Act (CRA) rating of either Satisfactory or



Outstanding, as well as financial institutions that are designated as a Community Development Financial Institution (CDFI) by the United States Treasury Department, or otherwise demonstrate commitment to community economic development.

4.3. All depository institutions are to be advised of applicable Transportation Authority contracting ordinances, and shall certify their compliance therewith, if required.

VII. 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.

VIII. INTERNAL CONTROLS

The Transportation Authority's ~~will establish~~ internal controls ~~to ensure~~ compliance with the Investment Policy and with the applicable requirements of the California Government Code. The Deputy Director for Finance and Administration is responsible for developing and managing internal control procedures. The monitoring of ongoing compliance shall be reviewed quarterly.

~~IX~~. 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 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 ~~(e)~~ 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 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.

XI. 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.

XII. 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.



XIII. 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.

XIV. 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.

XV. 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&Ls, 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.

NATIONALLY RECOGNIZED STATISCAL-RATING ORGANIZATION (NRSRO). A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

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.



Memorandum

Date: November 16, 2018
To: Transportation Authority Board
From: Cynthia Fong – Deputy Director for Finance and Administration
Subject: 12/04/2018 Board Meeting: Approval of the Revised Debt and Investment Policies

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Approve the revised policies:</p> <ul style="list-style-type: none"> • Debt • Investment <p>SUMMARY</p> <p>Annually, we review our Debt Policy to maintain prudent debt management principles and to maximize the Transportation Authority’s debt capacity. Similarly, we annually review our Investment Policy to ensure policy language remains consistent with our 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. Attached are summary tables of the proposed changes and the proposed revised policies with red-line changes. The only noteworthy revision is the proposed addition of a new social responsibility policy to our Investment Policy as requested by Commissioner Cohen earlier this year.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Procurement <input checked="" type="checkbox"/> Other: <u>Policies</u>
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DISCUSSION

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.

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, KNN Public Finance (KNN) and Nixon Peabody LLP (Nixon Peabody) reviewed the Debt Policy adopted on July 25, 2017 through Resolution 18-07. Based on that review, we are recommending changes as summarized in Attachment 1 and redlined in the proposed policy in Attachment 2.

Investment Policy.

The purpose of the Investment Policy is to set out policies and procedures that enhance opportunities

Agenda Item 10

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 July 25, 2017 through Resolution 18-07. Based on that review, we are recommending changes as summarized in Attachment 3 with the redlined policy shown in Attachment 4.

FINANCIAL IMPACT

The recommended action would not have an impact on the adopted Fiscal Year 2018/19 budget.

CAC POSITION

The CAC unanimously adopted a motion of support for this item at its November 28, 2018 meeting.

SUPPLEMENTAL MATERIALS

Attachment 1 – Proposed Debt Policy Matrix

Attachment 2 – Proposed Debt Policy

Attachment 3 – Proposed Investment Policy Matrix

Attachment 4 – Proposed Investment Policy

Attachment 1

DEBT POLICY MATRIX			
SECTION	REVISION	REASON	PAGE
<u>V.</u>	<u>V. SOURCE OF SECURITY FOR DEBT FINANCING</u> Beginning in April of 1990, the State of California Board of Equalization (BOE) started collecting the sales tax revenues for the Transportation Authority as set forth in the San Francisco County Transportation Expenditure Plan (Prop B Expenditure Plan) for a period not to exceed twenty years. In November 2003, San Francisco voters approved the Proposition K Sales Tax (Prop K) a new 30-year Expenditure Plan (Expenditure Plan) that superseded Prop B and continued the one-half of one percent sales tax. The Transportation Authority's current debt obligations are secured by the sales tax revenues generated from the Transportation Authority's one-half cent (0.5%) sales tax collections in the City and County of San Francisco. The sales tax is currently set to expire on <u>March 31, 2034.</u>	Better identifies the revenue source for the Authority's outstanding obligations governed by the Debt Policy.	2
VII. 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 <u>or refinanced</u> if the bonds are intended to be federally tax-exempt and the debt repayment period should not exceed the earliest of the following: (1) the sunset date of the current Expenditure Plan or (2) 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.	Clarification that projects may be financed or refinanced.	2

Attachment 1

DEBT POLICY MATRIX			
SECTION	REVISION	REASON	PAGE
VII.D Ongoing Debt Administration and Internal Controls	The Transportation Authority will developed a standard procedure for archiving transcripts for any new debt. The Transportation Authority will <u>developed procedures and controls that will be reviewed periodically.</u> The Transportation Authority has established internal controls to ensure compliance with the Debt Policy, all debt covenants and any applicable requirements of applicable law.	Update since these procedures and controls are now in place.	3
VIII.B.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 average principal amortization do not exceed 120% of the weighted average useful life of the project being financed <u>or refinanced</u> 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 Expenditure Plan or (b) forty (40) years from the date of issuance.	Clarification that projects may be financed or refinanced.	4
VIII.B.1 Long-Term Debt	<i>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 <u>existing or</u> 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.</i>	Clean up changes.	5

Attachment 1

DEBT POLICY MATRIX

SECTION	REVISION	REASON	PAGE
VIII B. 1. Long-Term Debt	<p>UNDER FIXED RATE ADD THE FOLLOWING:</p> <p>d) <u>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.</u></p>	<p>Moves type of financing from short-term section to long-term section as the TIFIA Loan is a long-term obligation.</p>	5
VIII.B.2 Short-Term Debt	<p>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 <u>or replacement revolving credit facility</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:</p>	<p>Clarify that this would also apply to a future revolving credit facility</p>	5
VIII B. 2. Short-Term Debt	<p>d) <i>Letters or Lines of Credit</i> shall be considered as an alternative to or credit support for other short-term borrowing options. In 2015, the The Transportation Authority replaced its prior commercial paper program with <u>presently has</u> a \$140 million revolving credit facility. Amounts can be repaid and reborrowed <u>under the revolving credit facility or another letter or line of credit</u> without further Board action. The average amortization of amounts drawn under the revolving credit facility, <u>letter or line of credit</u> may not exceed 120% of the weighted average useful life of the project being financed <u>or refinanced</u> if the borrowing is intended to be federally tax-exempt and the borrowing must be fully 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</p>	<p>Revised to remove history and simply state fact of RCA. Clarifying that these requirements apply to the RCA but also to other lines of credit or letters of credit.</p>	6

Attachment 1

DEBT POLICY MATRIX			
SECTION	REVISION	REASON	PAGE
	<p>repayment of loans under a revolving credit facility <u>or other letter or line of credit</u> 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 <u>or other letter or line of credit</u>, the amortization and the repayment of the long-term bonds must satisfy the limits set forth above.</p>		
VIII B. 2. Short-Term Debt	<p>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.</p>	Moved to Long-Term section per above note.	6
VII B. 3. Variable Rate Debt	<p><i>Variable Rate Debt Capacity.</i> Except for the existing \$140 million revolving credit facility (to which the following requirements of variable rate debt do not apply) <u>or any replacement facility</u>, 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 exposure, in addition to maintaining adequate safeguards against risk and managing the variable revenue stream both as described below.</p>	Clarify that this would also apply to any replacement facility.	6

Attachment 1

DEBT POLICY MATRIX

SECTION	REVISION	REASON	PAGE
IX.A	<p>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 exceed 120% of the weighted average useful life of the project being financed <u>or refinanced</u>, 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 Expenditure Plan or (b) forty (40) years from the date of issuance.</p>	<p>Clarification that projects may be financed or refinanced.</p>	7
IX.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, including as may be required by statute with respect to the deposit of original issue premium, 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, <u>unless required by statute with respect to the deposit of original issue premium</u>, 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.</p>	<p>Additional clarification that because the Transportation Authority's bonding statute requires original issue premium to be used to pay interest, capitalized interest may go beyond three years if there is a greater amount of original issue premium.</p>	7
IX.C.	<p><u>Lien Levels.</u> Senior, Parity and Junior-Subordinate Liens have been established under the Transportation Authority's Indenture governing the Transportation Authority's sales tax revenue bonds. The Transportation Authority may utilize any of these lien levels 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</p>	<p>Updated to conform with bond documents.</p>	8

Attachment 1

DEBT POLICY MATRIX			
SECTION	REVISION	REASON	PAGE
	most beneficial use of the revenue sources sales tax revenues securing the bond.		
IX D.	<p><u>Additional Bonds Test.</u> Any new <u>money</u> senior lien <u>sales tax</u> debt issuance must not cause the Transportation Authority's debt service, net of any Federal subsidy or credit, to be expected to exceed the level at which the incoming <u>sales tax</u> revenues are less than one and a half <u>three quarters</u> times (1-51.75x) the maximum annual principal, interest, and debt service for the aggregate outstanding senior lien bonds including the debt service for the new issuance; <u>calculated in accordance with the Indenture. This test shall not apply to refunding debt.</u></p>	Updated to conform with bond documents.	8
IX F.	<p><u>Call Provisions.</u> In general, the Transportation Authority's securities will include a call feature, based on market conventions, which is typically <u>at par</u> no later than ten and one-half (10.5) years from the date of delivery of tax-exempt bonds. <u>In 2018, tax law was amended such that tax-exempt bonds can only be refunded on a tax-exempt basis 90 days before the call date and cannot be advance refunded with tax-exempt bond proceeds.</u> The Transportation Authority may determine that no call feature or a different shorter call or premium feature is appropriate based on market dynamics and/or the desire for increased future optionality. in some circumstances.</p>	Revised text to take into account new requirements under Tax Reform.	8

Attachment 1

DEBT POLICY MATRIX

SECTION	REVISION	REASON	PAGE
XI. Refinancing Outstanding Debt	<p><u>D. Escrow Structure</u> 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) <u>(this is required only if SLGS are then available for purchase)</u>, 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.</p>	<p>To note the exception to the application of this rule on those occasions, which occurs from time to time, where SLGs are not available for purchase</p>	10
XI. Refinancing Outstanding Debt	<p><u>F. Commercial Paper Program, Revolving Credit Facility</u> The requirements of this Section <u>XI and of Section VIII.A.2</u> 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 or under a prior facility, nor shall this Section <u>XI or Section VIII.A.2</u> apply to long-term withdrawal <u>refinancing</u> of commercial paper or of loans under a revolving credit facility, subject to limitations otherwise contained in this policy.</p>	<p>To clarify that the analysis of effects of refunding does not apply to a replacement revolving credit facility. Cleanup change to language.</p>	11
XII C.	<p><u>Private Placement.</u> 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</p>	<p>Updated in light of our revolving credit facility.</p>	12

Attachment 1

DEBT POLICY MATRIX			
SECTION	REVISION	REASON	PAGE
	appropriate measure of the discount rate. <u>For the existing \$140 million revolving credit facility or any replacement facility that is bank purchased, such requirements do not apply.</u>		
XII 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.	Delete. Move to Section XIII	12
XII 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.	Delete. Does not necessarily apply. ABT provision covers for the sufficiency of revenues.	12
XIII A.	<u>Rating Agencies and Investors.</u>	Corrects title for addition provided below.	12

Attachment 1

DEBT POLICY MATRIX

SECTION	REVISION	REASON	PAGE
XII B,	<p><u>B Investor Outreach.</u> <u>The Transportation Authority shall participate in informational meetings or conference calls with institutional investors, as may be required, in advance of bond or note sales to the extent such meetings are advantageous to the sale of such bonds or notes. Ad-hoc information requests and inquiries from investors that hold the Transportation Authority's bonds should be met to the extent the requested information is publicly available. The provision of any information to investors shall be discussed with the Deputy Director Finance and Administration prior to the release of any information.</u></p>	<p>Moves Investor Outreach from prior section to Market Relationships section – better suited here. Clarify that information will be provided, but only with the input of the Deputy Director Finance and Administration so that disclosure issues are considered.</p>	13
XIII D	<p><u>C. Continuing Disclosure.</u> <u>After entering into a Continuing Disclosure undertaking (i.e., contract), the Transportation Authority shall comply with the terms of such undertaking. Not only must all filings be made in a timely manner, if for any reason there is a failure to make a timely filing, such failure also must be disclosed (and its continuing disclosure undertakings. Material noncompliance with continuing disclosure undertakings must be disclosed in bond offering documents, which could reflect negatively on the Transportation Authority). The Executive Director will take all reasonable steps to ensure that the Transportation Authority files timely annual reports and “listed event” (there are currently 15 such events) notices with the Municipal Securities Rulemaking Board’s (MSRB’s) Electronic Municipal Market Access system (“EMMA”), and that all such filings are (i) complete and accurate under the law and (ii) clear, concise, and readable for the investing community. The Transportation Authority may also, from time to time, evaluate using the services of a dissemination agent, such as the Transportation Authority’s Financial Adviser or Digital Assurance Certification, LLC, to assist with compliance.</u> <u>From time to time, the Transportation Authority prepares disclosure documents. Disclosure documents include offering documents for</u></p>	<p>Update to reflect that the Transportation Authority is already party to an undertaking, revise policy to clarify what disclosure documents are consistent with federal securities laws and make policy more workable.</p>	13

Attachment 1

DEBT POLICY MATRIX

SECTION	REVISION	REASON	PAGE
	<p><u>Transportation Authority bonds (e.g., preliminary and final Official Statements), (b) annual continuing disclosure reports filed with EMMA, (c) event notices and any other filings with the EMMA, (d) the Transportation Authority’s audited financial statements and (e) any other documents that are reasonably likely to reach investors or the securities markets, including but not limited to press releases, web site postings, and other communications required to be certified as representations of the Transportation Authority’s financial condition to investors or the securities markets.</u></p> <p><u>To help ensure that the Transportation Authority establishes and maintains a “culture of good disclosure” and Continuing Disclosure undertaking compliance’s disclosure documents comply with all applicable federal securities laws and promote best practices regarding the preparation and review of the disclosure documents, the Transportation Authority will promotes communication among its departments so that disclosure documents/filings are being reviewed by the staff persons who have the knowledge and ability to assess the accuracy and completeness of the document and understand the importance of accurate records retention. The Executive Director or the Deputy Director for Finance and Administration may develop additional disclosure procedures including record retention policies. The Transportation Authority may also (i) select certain staff members to be the Transportation Authority’s “disclosure team” that, with the Executive Director, develops and employs disclosure practices and procedures that are effective, reasonable, and defensible and (ii) engage with an external disclosure counsel to provide additional guidance and training. The Transportation Authority may also, from time to time, evaluate using the services of a dissemination agent, such as the Transportation Authority’s Financial Adviser or Digital Assurance Certification, LLC, to assist with compliance.</u></p>		

Attachment 1

DEBT POLICY MATRIX

SECTION	REVISION	REASON	PAGE
XIV_D	<p>D. Disclosure Counsel For Transportation Authority debt issued and sold through the use of an official statement or offering memorandum, the Transportation Authority shall have the right to select separate, nationally-recognized <u>may retain</u> disclosure counsel with <u>extensive</u> experience in public finance and securities law issues. Disclosure counsel will be selected by the Transportation Authority through its Request for Proposal (RFP) process.</p> <p>The services of disclosure counsel may include, but are not limited to:</p> <ul style="list-style-type: none"> a) Assisting the internal due diligence process by reviewing financial statements and other available information, including information on the issuer's website, management's responses to auditor's findings, litigation reports, and similar materials; b) Preparation and/or review of disclosure documents necessary for the sale and delivery of securities, including preliminary and final official statements (or offering memoranda) and continuing disclosure agreements; and deliver b) <u>Delivery of</u> a negative assurance letter regarding the disclosure document; <u>and</u> e) <u>Delivery of</u> a negative assurance letter regarding the disclosure document; <u>and</u> <p>Post-issuance: coordination of required periodic filings and event notices preparation and their dissemination to and posting on the MSRB's EMMA system;</p> <ul style="list-style-type: none"> d) Providing notice of, and counsel regarding, any changes to disclosure requirements and the regulatory environment that have or may have an impact on the c) <u></u> <p>The Transportation Authority and its issuances; Review and discussion of the Transportation Authority's current disclosure policies and procedures, suggestions for any changes to them;</p>	<p>Avoid detail in description of disclosure counsel and its role that may not be the way that the Transportation Authority and its counsel proceed in a particular transaction and maintaining flexibility.</p>	15

Attachment 1

DEBT POLICY MATRIX			
SECTION	REVISION	REASON	PAGE
	<p>and discussion of how the Transportation Authority can staff a disclosure team and how that team should operate; and e) Customize and provide training annually to staff members (and as needed to new staff) related to disclosure counsel topics; may also retain disclosure counsel with experience in public finance and securities law issues to provide advice and support between issuances of debt sold through the use of an official statement or offering memorandum, as determined by the Executive Director.</p>		
XV.A	<p>The Transportation Authority <u>may</u> have the right to select a senior manager for a proposed negotiated sale. The criteria shall include but not be limited to the following:</p>	<p>Revise so language is more appropriate for a policy.</p>	16
XV.B	<p>Co-managers, <u>if any</u>, 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.</p>	<p>Clarify that there may not be a co-manager.</p>	16
XIV G	<p>G. <u>Syndicate Policies.</u> For each negotiated transaction, the <u>Senior Manager</u> Executive Director will prepare syndicate policies <u>for approval by the Executive Director</u> that will describe the designation policies governing the upcoming sale. The Executive Director <u>Executive Director shall ensure that the Senior Manager shall ensure receipt of</u> receives each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.</p>	<p>Revised language to conform with standard practice</p>	17

Attachment 3: Proposed Investment Policy Matrix

INVESTMENT POLICY MATRIX			
SECTION	REVISION	REASON	PAGE
I.	<p>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.</p> <p>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 <u>(including proceeds of notes issued pursuant to bond documents)</u> will be further restricted by the provisions of relevant bond documents.</p>	<p>Clarification that "bonds" in this context also includes notes.</p>	1
II.	<p>This policy covers all funds and investment activities under the jurisdiction of the Transportation Authority.</p> <p>Bond proceeds <u>(including proceeds of notes issued pursuant to bond documents)</u> shall be invested in the securities permitted pursuant to <u>the relevant</u> bond documents, including any tax certificate, approved by the Transportation Authority Board of Commissioners (Board). 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.</p>	<p>Clarification that "bonds" in this context also includes notes.</p> <p>Removal of language that could make ambiguous whether bond documents govern investments. Transactions are approved by the Board, but not every individual document or modification of a document is.</p>	1

Attachment 3: Proposed Investment Policy Matrix

INVESTMENT POLICY MATRIX		
SECTION	REVISION	REASON
VI	<p>SOCIAL RESPONSIBILITY</p> <p>Investment of funds should be guided by the following socially responsible investment goals when investing in corporate securities and depository institutions. Investments shall be made in compliance with the forgoing socially responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to investments permitted by state law.</p> <p>1. Investments are encouraged in entities that support community well-being through safe and environmentally sound practices and fair labor practices. Investments are encouraged in entities that support equality of rights regardless of sex, race, age, disability or sexual orientation. Investments are discouraged in entities that manufacture tobacco products, firearms, or nuclear weapons. In addition, investments are encouraged in entities that offer banking products to serve all members of the local community, and investments are discouraged in entities that finance high-cost check-cashing, deferred deposit (payday lending) businesses and organizations involved in financing, either directly or indirectly, the Dakota Access Pipeline or, as determined by the Transportation Authority, similar pipeline projects. Prior to making investments, the Transportation Authority will verify an entity's support of the socially responsible goals listed above through direct contact or through the use of a third party such as the Investors Responsibility Research Center, or a similar ratings service. The entity will be evaluated at the time of purchase of the securities.</p> <p>2. Investments are encouraged in entities that promote community economic development. Investments are encouraged in entities that have a demonstrated involvement in the development or rehabilitation of low</p>	<p>To promote business with entities who are socially responsible.</p>
		PAGE 2

Attachment 3: Proposed Investment Policy Matrix

INVESTMENT POLICY MATRIX			
SECTION	REVISION	REASON	PAGE
	<p><u>income affordable housing and have a demonstrated commitment to reducing predatory mortgage lending and increasing the responsible servicing of mortgage loans. Securities investments are encouraged in financial institutions that have a Community Reinvestment Act (CRA) rating of either Satisfactory or Outstanding, as well as financial institutions that are designated as a Community Development Financial Institution (CDFI) by the United States Treasury Department, or otherwise demonstrate commitment to community economic development. The entity will be evaluated at the time of purchase of the securities.</u></p> <p><u>3. All depository institutions are to be advised of applicable Transportation Authority contracting ordinances, and shall certify their compliance therewith, if required.</u></p>		
VIII.	<p>The Transportation Authority's will establish internal controls to ensure compliance with the Investment Policy and with the applicable requirements of the California Government Code. The Deputy Director for Finance and Administration is responsible for developing and managing internal control procedures. The monitoring of ongoing compliance shall be reviewed quarterly.</p>	<p>Provides more transparency as to the ongoing monitoring and management of investments to ensure compliance with the policy.</p>	3
X.	<p>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 (e) and (q) of Section 53601 of the Government Code of California, as it may be amended.</p>	<p>Clarify that investments in (p) are also permitted, consistent with Section 53601 of the Government Code. [Also note that the stray space between 53601(p) was removed.</p>	3

Attachment 3: Proposed Investment Policy Matrix

INVESTMENT POLICY MATRIX			
SECTION	REVISION	REASON	PAGE
Glossary	LOCAL GOVERNMENT INVESTMENT POOL (L-GIP). The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.	Term/concept not used in policy document.	9
Glossary	ADD the following definition: Nationally Recognized Statistical-Rating Organization (NRSRO). A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.	Utilized throughout body of policy but never defined.	N/A

RESOLUTION APPOINTING ONE MEMBER TO THE CITIZENS ADVISORY
COMMITTEE OF THE SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

WHEREAS, Section 131265(d) of the California Public Utilities Code, as implemented by Section 5.2(a) of the Administrative Code of the San Francisco County Transportation Authority, requires the appointment of a Citizens Advisory Committee (CAC) consisting of eleven members; and

WHEREAS, There is one open seat on the CAC resulting from a member's term expiration; and

WHEREAS, At its December 11, 2018 meeting, the Board will review and consider all applicants' qualifications and experience and will consider appointing one member to serve on the CAC for a period of two years, with final approval to be considered at the January 8, 2019 Board meeting; now therefore, be it

RESOLVED, That the Board hereby appoints one member to serve on the CAC of the San Francisco County Transportation Authority for a two-year term; and be it further

RESOLVED, That the Executive Director is authorized to communicate this information to all interested parties.



Memorandum

Date: December 4, 2018
To: Transportation Authority Board
From: Maria Lombardo – Chief Deputy Director
Subject: 12/11/18 Board Meeting: Appointment of One Member to the Citizens Advisory Committee

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Neither staff nor CAC members make recommendations regarding CAC appointments.</p> <p>SUMMARY</p> <p>If the Board approves reappointment of Beck Hogue to the CAC, which is the subject of a Consent Calendar item on the December 11, 2018 Board agenda, there will be one open seat on the CAC requiring Board action. The vacancy is the result of the term expiration of Chris Waddling (District 10 resident), who is not seeking reappointment. There are currently 40 applicants for the existing open seat.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input checked="" type="checkbox"/> Other: CAC Appointment
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DISCUSSION

Background.

The Transportation Authority has an eleven-member CAC and members serve two-year terms. Per the Transportation Authority’s Administrative Code, the Board appoints individuals to fill open CAC seats. Neither staff nor the CAC make recommendations on CAC appointments, but we maintain a database of applications for CAC membership. Attachment 1 is a tabular summary of the current CAC composition, showing ethnicity, gender, neighborhood of residence, and affiliation. Attachment 2 provides similar information on current applicants, sorted by last name.

Procedures.

The selection of each member is approved at-large by the Board, however traditionally the Commissioner of the supervisorial district with an open seat has recommended the candidate for appointment. Per Section 5.2(a) of the Administrative Code, 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.”

An applicant must be a San Francisco resident to be considered eligible for appointment. Applicants are asked to provide residential location and areas of interest but provide ethnicity and gender information on a voluntary basis. CAC applications are distributed and accepted on a continuous

Agenda Item 4

basis. CAC applications were solicited through the Transportation Authority's website, Commissioners' offices, and email blasts 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. Applications can be submitted through the Transportation Authority's website at www.sfcta.org/cac.

All applicants have been advised that they need to appear in person before the Board in order to be appointed, unless they have previously appeared. If a candidate is unable to appear before the Board on the first appearance, they may appear at the following Board meeting in order to be eligible for appointment. An asterisk following the candidate's name in Attachment 2 indicates that the applicant has not previously appeared before the Committee.

FINANCIAL IMPACT

The requested action would not have an impact on the adopted Fiscal Year 2018/19 budget.

CAC POSITION

None. The CAC does not make recommendations on the appointment of CAC members.

SUPPLEMENTAL MATERIALS

Attachment 1 – Matrix of CAC Members
Attachment 2 – Matrix of CAC Applicants

Enclosure 1 – CAC Applications

Attachment 1 (Updated 12.4.18)
CITIZENS ADVISORY COMMITTEE ¹

Name	Gender	Ethnicity	District	Neighborhood	Affiliation	First Appointed	Term Expiration
Chris Waddling	M	NP	10	Silver Terrace	Neighborhood	Dec 12	Dec 18
<i>Becky Hogue³</i>	<i>F</i>	<i>C</i>	<i>6</i>	<i>Treasure Island</i>	<i>Disabled, Neighborhood</i>	<i>Dec 15</i>	<i>Dec 19</i>
Myla Ablog	F	Filipina	5	Japantown/Western Addition	Disabled, Environmental, Neighborhood, Public Policy, Senior Citizen	Sep 13	Mar 19
Peter Sachs, Vice Chair	M	NP	4	Outer Sunset	Environmental, Labor, Public Policy	Jul 15	Jul 19
Kian Alavi	M	NP	9	Mission	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen	Dec 17	Dec 19
Peter Tannen	M	C	8	Inner Mission	Environmental, Neighborhood, Public Policy	Feb 08	Feb 20
John Larson, Chair	M	NP	7	Miraloma Park	Environment, Neighborhood, Public Policy	Mar 14	Mar 20
Rachel Zack	F	C	3	Union Square/Nob Hill	Environmental, Labor, Neighborhood, Public Policy	June 18	June 20
Robert Gower	M	C	11	Mission Terrace	Disabled, Environment, Neighborhood, Public Policy, Senior Citizen	Sept 18	Sept 20
David Klein	M	C	1	Outer Richmond	Environment, Labor, Neighborhood, Public Policy, Senior Citizens	Sept 18	Sept 20
Jerry Levine	M	C	2	Cow Hollow	Business, Neighborhood, Public Policy	Nov 18	Nov 20

A – Asian AA – African American AI – American Indian or Alaska Native C – Caucasian H/L – Hispanic or Latino
 NH – Native Hawaiian or Other Pacific Islander NP – Not Provided (Voluntary Information)

¹ Shading denotes open seats on the CAC.
² Member was automatically suspended due to excessive absences per CAC by-laws as of October 31, 2018.
³ Reappointment of Becky Hogue is pending final approval at the December 11, 2018 Board meeting.

Attachment 2 (Updated 12.4.18)

APPLICANTS

Name	Gender	Ethnicity	District	Neighborhood	Affiliation/Interest
1 Max Barnes*	M	NH	9	Mission	Business, Disabled, Environment, Labor, Neighborhood, Public Policy
2 Joe Blubaugh*	NP	NP	9	Bernal Heights / Market Street	Environment, Neighborhood, Public Policy
3 Natalie Chyba*	F	C	5	Bernal Heights	NP
4 Raynee Chiang*	F	A	4	Central Sunset	Environment, Neighborhood, Public Policy
5 Chris Coghlan*	M	NP	7	Sunnyside	Business, Disabled, Environment, Neighborhood, Public Policy, Senior Citizen
6 Gordon Crespo*	M	NP	7	Midtown Terrace	Environment, Public Policy
7 Will Conkling*	M	C	9	Bernal Heights	Business, Environment, Neighborhood, Public Policy
8 Leticia Contreras*	F	H/L	4	Sunset District	Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
9 Nicholas Fohs*	M	C	9	Bernal Heights	Business, Environment, Labor, Neighborhood, Public Policy
10 Erin Handsfield*	F	NP	10	Potrero Hill	Business, Public Policy,
11 KE Hones*	F	AI	9	Mission / Potrero Hill & Civic Center	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
12 Virginia Jaramillo*	F	NP	9	Bernal Heights	Business, Disabled, Neighborhood, Senior Citizen
13 Daniel Kassabian	M	NP	2	Russian Hill	Neighborhood
14 Jeremy Kazzaz*	M	NP	9	Mission	Business, Environment, Labor, Neighborhood, Public Policy
15 John Hyung-Jun Kim*	M	A	9	Mission	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
16 Ronald Konopaski*	M	NP	1	Richmond	Business, Disabled, Environment, Neighborhood, Senior Citizen

Name	Gender	Ethnicity	District	Neighborhood	Affiliation/Interest
17 Stephen Kubick*	M	C	10	Potrero Hill	Business, Neighborhood, Public Policy
18 Roger Kuo*	NP	NP	3	Financial District	Business, Disabled, Environment, Neighborhood, Public Policy, Senior Citizen
19 John Loeber*	NP	NP	3	Nob Hill	Business, Environment, Neighborhood, Public Policy,
20 Dale Low*	M	A	9	Bernal Heights	Environment, Neighborhood, Public Policy
21 Patrick Maley*	M	NP	1	Richmond	Environment, Labor, Neighborhood, Public Policy
22 Gail Mallimson*	F	C	9	Bernal Heights	Business, Environment, Neighborhood, Public Policy
23 Michael McDougall*	NP	NP	8	Glen Park	Disabled, Environment, Public Policy
24 Marlo McGriff*	M	AA	8	Mission/Dolores	Environment, Labor, Neighborhood, Public Policy, Senior Citizen
25 Maer Melo*	M	AA	9	Mission	Business, Disabled, Environment, Neighborhood, Public Policy
26 Laura Milvy*	NP	NP	9	Portola	Labor, Neighborhood
27 Meaghan Mitchell*	F	AA	10	Bayview	Business, Labor, Neighborhood, Public Policy
28 Antoinette Mobley*	NP	AA	10	Bayview	Business, Environment, Neighborhood
29 Vi Nguyen*	F	NP	9	Bernal Heights	Business, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
30 Wayne Norton*	M	AA	10	Bayview/Hunter's Point	Business, Environment, Neighborhood, Public Policy
31 Edward Parillon*	M	AA	8	Mission	Business, Environment, Labor, Neighborhood, Public Policy
32 Ian Poirier*	M	NP	10	Dogpatch	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
33 Jacqueline Sachs	F	C	2	Western Addition	Disabled, Neighborhood
34 Jeff Silver*	M	C	8	Buena Vista Park / Financial District	Business, Neighborhood

Name	Gender	Ethnicity	District	Neighborhood	Affiliation/Interest
35 Gregory Smith*	M	C	1	Mid Richmond	Environment, Labor, Senior Citizens
36 Abraham Snyder*	M	C	9	Mission / SOMA	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
37 Stephanie Soler*	F	H/L	9	Noe Valley	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
38 Bradley Tanzman	M	C	6	Treasure Island	Business, Disabled, Environment, Labor, Neighborhood, Public Policy, Senior Citizen
39 Anne Widera*	F	NP	10	Potrero Hill	Business
40 Yan Zhu*	NP	NP	6	Western SOMA / SOMA	Disabled, Environment, Neighborhood, Public Policy, Senior Citizen

A – Asian

AA – African American

AI – American Indian or Alaska Native

C – Caucasian

H/L – Hispanic or Latino

NH – Native Hawaiian or Other Pacific Islander

NP – Not Provided (Voluntary Information)

*Applicant has not appeared before the Board.



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Memorandum

Date: December 7, 2018
To: Transportation Authority Board
From: Eric Cordoba – Deputy Director for Capital Projects
Subject: 12/11/2018 Board Meeting: Major Capital Project Update - Better Market Street

<p>RECOMMENDATION <input checked="" type="checkbox"/> Information <input type="checkbox"/> Action</p> <p>None. This is an information item.</p> <p>SUMMARY</p> <p>The Board required regular updates on the Better Market Street (BMS) project as a condition of approval of One Bay Area Grant (OBAG) funds. Led by the Department of Public Works (SFPW), the BMS project is comprised of various streetscape enhancements, transit capacity and reliability improvements, and state of good repair infrastructure work along a 2.2-mile stretch of Market Street between Steuart Street and Octavia Boulevard. It includes construction of sidewalk-level bicycle lanes, resurfacing, sidewalk improvements, way-finding, lighting, landscaping, transit boarding islands, transit connections, traffic signals, transportation circulation changes, and utility relocation and upgrade. SFPW anticipates release of the draft Environmental Impact Report in March 2019 and certification of state and federal environmental clearance by Fall 2019. This represents a three-month delay since the September update to the Board and results from the need to develop alternative designs to address potential environmental impacts. The preliminary cost estimate for all phases of the project is \$604 million. Like most projects of this size at this stage of development, BMS has a significant funding gap (\$479 million). SFPW has developed a proposed phasing plan that could enable construction of Phase 1, the segment between 6th and 8th Streets, to start in July 2020, pending funding availability. Cristina Calderón Olea, SFPW’s BMS Project Manager, will present this item and answer questions from the Board.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input checked="" type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: <hr/>
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DISCUSSION

Background

OBAG Reporting Condition: The Transportation Authority Board programmed \$15.98 million in OBAG Cycle 2 funds to the BMS for the project’s design phase. As a condition of receiving OBAG funds, all project sponsors are required to provide quarterly progress reports to the Transportation Authority through our grants Portal to assist with project delivery oversight and compliance with OBAG timely-

use-of-funds requirements. In addition, the Board action required SFPW to provide quarterly reports and semi-annual updates on the BMS to the Board, addressing any changes in project schedule and cost, in particular.

BMS: Market Street is San Francisco's premier boulevard and an important local and regional transit corridor. The BMS project will completely reconstruct 2.2 miles of the corridor, from Steuart Street to Octavia Boulevard. It is a multi-modal project that includes among other features, a new sidewalk-level cycle track, pavement renovation, landscaping, Muni track replacement and a new F-Line loop that would enable the streetcars to turnaround along McAllister Street and Charles J. Brenham Place, providing increased operational flexibility. In addition to its transportation-focused goals supporting the City's Transit First and Vision Zero policies, the project is also intended to help revitalize Market Street as the City's premier pedestrian boulevard. Although not part of the BMS project, the project team is coordinating with BART on its efforts to construct escalator canopies at BART/Muni entrances and to perform state of good repair work on BART ventilation grates.

The BMS project is a partnership between SFPW, which is the lead agency, the San Francisco County Transportation Authority, the San Francisco Municipal Transportation Agency (SFMTA), San Francisco Public Utilities Commission (SFPUC), and the Planning Department, which is leading the environmental review.

Given the cost of the project and the length of the corridor, SFPW plans to design and construct the project in phases. SFPW has identified Phase 1 as the segment between 6th and 8th streets, but is currently evaluating whether to extend the limits one block east to 5th Street. As discussed below, pending funding availability, SFPW is proposing a phasing plan for design and construction that could allow them to advertise Phase 1 construction in Spring 2020 and begin construction by Summer 2020. The estimated cost for Phase 1 is \$79 million, including the F- Loop streetcar turnaround along McAllister Street and Charles J. Brenham Place.

Status and Key Activities

Environmental Clearance and Preliminary Engineering: BMS is currently undergoing environmental review under both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). As part of the environmental review process, the project team is proceeding with preliminary engineering design of the full corridor. The design team has completed 15% plans for the entire project corridor, with 30% design to be completed at the time of project environmental certification.

SFPW anticipates public circulation of the draft Environmental Impact Report (EIR) in March 2019, and final certification of both CEQA (EIR) and NEPA (Environmental Assessment) documents in Fall 2019, pending public comment and input. According to SFPW, the environmental review is delayed by 3 months from the previous project update, and is now scheduled to be completed in March 2019. The delay to environmental review is the result of the need to develop design alternatives to analyze in the Draft EIR. The alternatives are meant to address potential environmental impacts from the proposed project such as construction impacts and impacts to cultural resources.

Project Phasing: Large projects such as BMS often are implemented in phases due to funding availability (both timing and amount) and a desire to minimize construction impacts and disruptions. While complete project phasing will be developed following the project's 30% design, the project team has identified Phase 1. At their August 2017 meeting, the BMS Directors Group, composed of the directors of SFPW, SFMTA, Planning and SFPUC selected Market Street between 6th and 8th streets as Phase 1 of BMS implementation. This segment supports the Office of Economic and Workforce

Agenda Item 12

Development's Mid-Market/Tenderloin Strategy and compliments completed and planned private development along the corridor. The project team is also exploring extending this priority segment another block to 5th street to leverage public realm improvements required by adjacent developments, and is considering the potential schedule and cost impacts of this change.

In addition to the improvements on and adjacent to Market Street itself, Phase 1 also includes a new surface loop for use by SFMTA's F-Market historic streetcar service. This new loop (F-Loop) entails the construction streetcar tracks along McAllister and Charles J. Brenham streets, passing in front of the Hibernia Bank and new Proper Hotel. The F-Loop will allow SFMTA to increase service on the busiest portion of the existing F-Market route by turning some vehicles at the new loop, rather than continuing to the current route terminus at Market and Castro streets.

Outreach:

SFPW, Planning and SFMTA will conduct additional outreach in March 2019 to notify the public of the release of the Draft EIR. Additionally, there will be public hearings at the Historic Preservation Commission and Planning Commission during the public review period.

Current Issues and Risks

The BMS Project team is actively considering potential risks to the project scope, schedule, budget, and funding as the current environmental clearance and preliminary design advance. As project engineers acquire more information about utility locations, sub-sidewalk basements, and designs of other planned or ongoing projects in the project area, there is the potential that additional coordination and relocation work will be necessary, representing an increase in cost. Meanwhile, though the environmental review under CEQA has been conducted in close coordination with sponsor and reviewing agencies, the potential for significant public comment and feedback, which must be addressed, remains. Feedback that requires a revised design or re-evaluation of the environmental clearance could have schedule impacts.

Larger trends also have the potential to impact the BMS project. A competitive construction environment exists across the Bay Area, resulting in construction bids on projects exceeding estimates developed in a slower market by close to 30%. Project cost engineers are aware of these challenges, and will be using the most up-to-date bids when developing the 30% cost estimate that coincides with the completion of the environmental clearance. Additionally, estimates based on the 10% design show a significant funding shortfall as described in the next section. The proposed phasing of final design and construction for the project is one strategy that the project team is using to address the uncertainty with the timing of availability of funds for the project.

Project Schedule

The revised project schedule through Phase 1 is included as Attachment 1, reflecting the one quarter delay in anticipated completion of the environmental phase since last reported (See Status and Key Activities for more details). Upcoming project milestones for environmental review include finalization of a second Administrative Draft EIR in December 2018, the release of a public Draft EIR in March 2019, and anticipated final CEQA and NEPA certification in Fall 2019.

Preliminary design is progressing concurrently with the environmental review, with 30% design of the full corridor scheduled to be completed in July 2019 and final design for Phase 1 to be completed in Spring 2020 to allow advertisement for construction services. Under this schedule, Phase 1 construction could start in Summer 2020.

This schedule represents a one-month delay from anticipated completion of environmental review submitted as part of the OBAG 2 funding request for this project. However, under current projections, the schedule also anticipates that Phase 1 will begin construction in July 2020, 18 months ahead of the project schedule submitted as part of the OBAG 2 funding request. This acceleration of construction, subject to funding availability, is made possible by the strategy of phased design and construction, where final design for later phases continues while earlier phases are under construction. As noted above, the schedule is contingent upon funding availability. SFPW will develop schedule milestones for construction of the remainder of the corridor as the funding is programmed.

Project Cost and Funding

The total project cost estimate, based on 10% design, is \$604 million. A significant portion of the total project cost represents state of good repair and infrastructure renewal work that would be required regardless of the BMS project. Attachment 2 provides a project component summary of total project costs as shown in OBAG 2 request (rounded up). The current cost estimate is based on unit cost estimations of a typical design and will continue to be refined as engineering on the project progresses. Future cost estimates will also include a breakdown of project costs based on BMS streetscape, and transit costs; state of good repair work; and other infrastructure work that is being completed with the BMS project to maximize efficiency and minimize construction disruptions.

Attachment 3 shows the current funding plan for the BMS Project. The BMS project has secured \$125 million in funding from OBAG, Prop K and SFMTA's Prop A General Obligation bond, fully funding the project through the design phase. The overall project funding gap is \$479 million.

As reported in September, in order to support the SFMTA's Central Subway project, the Transportation Authority Board approved a dollar-for-dollar fund exchange of \$15.98 million in BMS OBAG funds with Prop K funds from the discretionary guideways category. The BMS project is held harmless by the fund exchange and SFPW is able to expend Prop K funds as soon as July 1, 2019, following Board allocation of the funds. The fund exchange allows us to program the OBAG funds to the Central Subway project to help backfill the outstanding \$61 million in Regional Transportation Improvement Program funds that we owe the project. The MTC Commission is scheduled to approve the fund exchange on January 23, 2019.

The BMS project has received \$27 million in programmed or allocated funding for the current planning and environmental clearance phases. So far, 65% of the environmental budget has been expended, and SFPW indicates that the project is on track to complete these phases within this budget.

An additional \$42 million in funding has been programmed for final design (enough to fully fund design) and \$67 million for construction which gets close to, but doesn't fully fund the project through Phase 1 construction estimated at \$72 million. The City applied for a federal BUILD grant in the amount of \$15 million for construction of Phase 1. Notification of awards are expected by the end of the calendar year. Additionally, last month we worked with SFPW and SFMTA to submit Initial Progress Reports to the MTC to indicate San Francisco's priorities for Regional Measure 3 bridge tolls, including BMS. Regional Measure 3 may be a good source to fill the Phase 1 funding gap given the revised anticipated advertisement date of Spring 2020 for Phase 1 construction. If neither the BUILD grant nor RM3 funds are awarded to BMS, the project team will need to secure other funds to fully fund Phase 1 construction

Agenda Item 12

FINANCIAL IMPACT

None. This is an information item.

CAC POSITION

None. This is an information item. We will forward this memorandum to CAC members since the CAC does not meet again until January 23, 2020 given year-end holidays.

SUPPLEMENTAL MATERIALS

Attachment 1 – Better Market Street Project Schedule

Attachment 2 – Project Component Cost Breakdown

Attachment 3 – Better Market Street Funding Plan

Attachment 1: Better Market Street Project Schedule through Phase 1 Construction – As of December 11, 2018

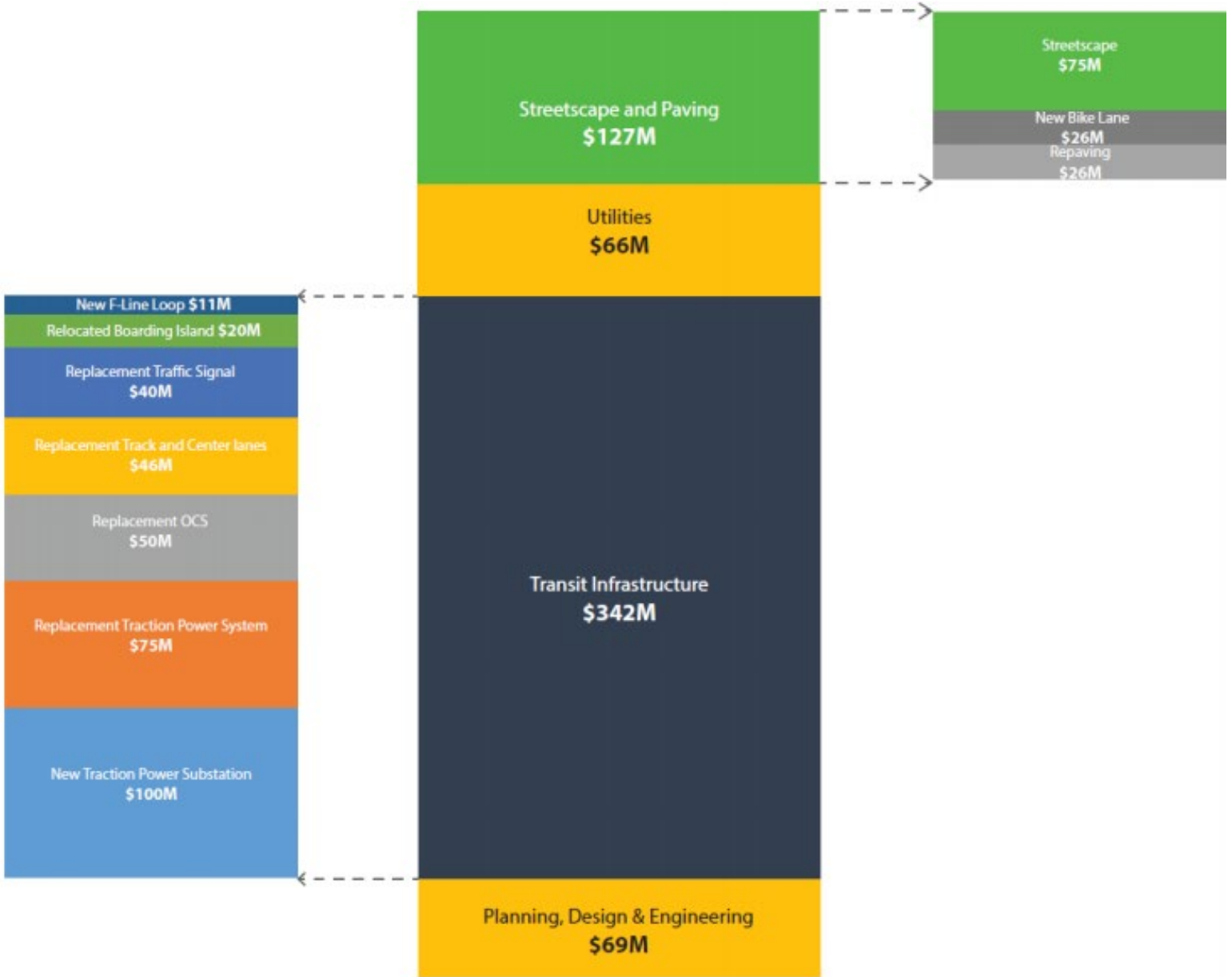
Activities	Calendar Year																																			
	2015				2016				2017				2018				2019				2020				2021				2022							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Planning + Environmental Review (current phases)																																				
CEQA (EIR) & NEPA (EA) Approval																																				
Preliminary Engineering (30% of design) - Full Corridor																																				
Preliminary Engineering + Final Design (100% of design) - Phase 1 (6 th to 8 th streets)																																				
Phase 1 Construction (6 th to 8 th streets) ¹																																				

* Anticipated public release of the Draft EIR (CEQA).

**CEQA (EIR) & NEPA (EA) Approval

¹Full corridor extends a 2.2 mile stretch of Market Street between Steuart Street and Octavia Boulevard. Phase 1 extends from 6th to 8th Streets.

Attachment 2: Project Component Cost Breakdown
Based on 10% design



\$604M Cost Estimate

Attachment 3: Better Market Street Project Funding Plan

All amounts in \$1,000's of \$

2014 10% COST ESTIMATE ¹ (\$1000's of \$)		Project Phases					Total by Segment
Phase	PLAN	ENV	PS&E	ROW	CON		
Planning/Conceptual Engineering	15,287						
Environmental Studies		11,355					
Design Engineering			42,039				
Phase 1 Construction (6 th to 8 th streets)					71,537		
Construction for Remainder of the Corridor					463,502		
Project Total	15,287	11,355	42,039	0	535,039	603,720	

¹As shown in the OBAG 2 grant application.

SECURED FUNDING (\$1000's of \$)		Project Phases					Total by Fund Source
Fund Source	Status	PLAN	ENV	PS&E	ROW	CON	
General Fund	Allocated	2,480	2,620				5,100
Octavia Land Sales	Allocated		3,050				3,050
Market Octavia Impact Fees	Allocated		1,000				1,000
Transit Center Impact Fees	Programmed			2,000			2,000
Prop A GO Bond	Programmed	12,807	4,685	22,809		66,665	106,966
OBAG 2 or Prop K Central Subway Fund Exchange ¹	Programmed			15,980			15,980
Prop K	Programmed			1,250			1,250
Total Identified Funding by Phase		15,287	11,355	42,039	0	66,665	135,346
Phase 1 Construction – Unfunded Need:							4,872
Total Unfunded							468,374
Project Total							603,720

¹See memo for details on proposed OBAG 2 Prop K fund exchange.

OTHER POTENTIAL FUND SOURCES (\$1000's of \$)		
Fund Source		Funding Requested
Federal	BUILD	15,000
Federal	FTA 5309 (New Starts, Small Starts, Core Capacity)	
Federal	FTA 5337 Fixed Guideway	
Federal	OBAG 3 [FYs 2022/23-2026-27]	
State	Senate Bill 1 Programs, Cap and Trade (e.g. ATP, LPP)	
Regional	Regional Measure 3 (bridge tolls) – Phase 1 Construction	4,870
Regional	Regional Measure 3 (bridge tolls) – Future Phase Construction	15,130
Local	SFMTA Prop B General Fund set-aside	
Local	New Funding (vehicle license fee, bonds, sales tax, TNC tax)	
Local	Transit Center Impact Fees	



Memorandum

Date: December 7, 2018
To: Transportation Authority Board
From: Eric Cordoba – Deputy Director for Capital Projects
Subject: 12/11/2018 Board Meeting: Update on the Transbay Transit Center Girder Fractures and the Study of Governance, Management, Oversight and Delivery of the Downtown Extension

<p>RECOMMENDATION <input checked="" type="checkbox"/> Information <input type="checkbox"/> Action</p> <p>None. This is an information item.</p> <p>SUMMARY</p> <p>The purpose of this memo is to update the Board on two concurrent efforts related to the Transbay Joint Powers Authority (TJPA): The review of the girder fractures at the transit center and the study of governance, management, oversight and delivery of the Downtown Extension required by the Transportation Authority Board on October 23, 2018. Eric Cordoba, Deputy Director for Capital Projects will present this item.</p>	<p><input type="checkbox"/> Fund Allocation</p> <p><input type="checkbox"/> Fund Programming</p> <p><input type="checkbox"/> Policy/Legislation</p> <p><input type="checkbox"/> Plan/Study</p> <p><input checked="" type="checkbox"/> Capital Project Oversight/Delivery</p> <p><input type="checkbox"/> Budget/Finance</p> <p><input type="checkbox"/> Contract/Agreement</p> <p><input type="checkbox"/> Other: _____</p>
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DISCUSSION

Transit Center Fractured Girder.

On the morning of September 25, 2018, workers installing ceiling panels discovered a fissure on the flange of a steel girder in the ceiling of the third level bus deck over Fremont Street. The transit center and Fremont Street between Mission and Howard streets were closed, and the TJPA immediately inspected a parallel beam in the same location. A second, smaller fissure was discovered on the flange of this second beam. Further inspections and advance testing and monitoring of similarly designed and constructed beams within the building began, starting with identical transfer girders that span over First Street. To date, additional fissures have not been found.

At the request of Mayors Breed and Schaaf, the Metropolitan Transportation Commission (MTC) convened a Peer Review panel to work with TJPA to assess the situation and make recommendations. The panel is composed of:

- Michael D. Engelhardt Ph.D., P.E. Professor, Department of Civil, Architectural and Environmental Engineering at the University of Texas at Austin and Director of the Ferguson Structural Engineering Laboratory (Chair)

- John W. Fisher, PhD. Professor Emeritus of Civil Engineering at Lehigh University and Director Emeritus of the ATLSS Engineering Research Center
- Brian Kozy, PhD., P.E., Principal Engineer at the Federal Highway Administration
- Thomas A. Sabol, Ph.D., S.E. Principal at Englekirk Structural Engineers and Adjunct Professor of the Civil and Environmental Engineering Department at UCLA
- Robert E. Shaw, Jr., P.E., President of the Steel Structures Technology Center and member of the D 1 Structural Welding Committee at the American Welding Society

The Peer Review panel was tasked with:

1. Assessing load capacity of the temporary shoring system.
2. Developing a sampling and testing plan for the material from the fractured steel girders.
3. Determine the cause of failure, as informed by the material test results and design analysis.
4. Assess current condition of structural elements directly affected by the steel fractures.
5. Recommend a repair solution, as informed by the cause of failure and current condition.

In addition, the following stakeholders are participating in the process:

- TJPA
- Thornton Tomasetti – Structural Engineer of Record
- Webcor/Obayashi – General contractor
- Skanska – Steel Subcontractor
- Herrick – Steel Fabricator
- MTC
- SFCTA
- AC Transit
- CCSF Department of Building Inspection

Since early October, the panel and stakeholders have been engaged in a series of meetings and workshops, design charrettes, and review of project documents. A series of samples were collected from the affected girder in accordance with a plan and procedures agreed to by the panel and sent to an independent lab, Lucius Pitkin, Inc in New York, for a series of metallurgical analyses. All mechanical testing is anticipated to be complete by December 14. The final report on the root cause assessment is anticipated by early January 2019. Meanwhile, the structural engineers have developed and analyzed a variety of fixes, which have been reviewed by and discussed with the peer panel. This early effort is intended to reduce the implementation time once a cause is confirmed. In addition, the team is reviewing the structural elements of the building to determine which areas merit additional attention.

At this time, it is difficult to determine when the fix will be complete, since a lot depends on the lead time for the materials needed to implement the fix. The steel fabricator is investigating material availability in order to develop a schedule. We will invite the MTC to present to our Board when the Peer Review panel is ready to make its recommendations.

DTX Governance, Management, Oversight, and Project Delivery Review

On October 23, 2018, the Transportation Authority Board unanimously voted to suspend the funding agreement with the TJPA for the DTX 30% Design Part 1 efforts by approval of Resolution 19-18

Agenda Item 13

until the following conditions are met: 1)The San Francisco City Controller's Office conducts an evaluation of TJPA's management and delivery of the TTC; 2) The SFCTA staff performs a review of alternative oversight and governance models for the management and delivery of the DTX in addition to its previously scoped task to advise on project delivery methods for DTX as approved through Resolution 19-02; and 3)The results of both efforts are presented to the Transportation Authority Board and the Transportation Authority Board takes action to release in whole or in part said funding.

We are in the process of assembling a team of experts to conduct a review of international mega rail project delivery best practices and assist in the review and evaluation of alternative governance and oversight arrangements for management and delivery of the DTX project. The team will also review and advise on overall funding and project delivery strategy for the project and implications for the organizational structure for the project. The effort will consist of research, expert interviews, and a series of charrettes and workshops with key stakeholders (Caltrain, California High Speed Rail Authority, TJPA, MTC, CCSF, and the Transportation Authority) that will result in the development of alternatives and recommendations for consideration. Over the past month, we have had conversations with all of the key stakeholders about the proposed approach, receiving useful input and confirmation of everyone's interest in participating.

The findings of the review will be presented to the Transportation Authority Citizen Advisory Committee (CAC) and Board, as well as the TJPA Board. We anticipate completing the selection of panel experts by January 4, 2019 and completing the effort by May 2019. Similarly, the Controller's review of the management and delivery of the TTC is anticipated to be completed in the same time frame.

FINANCIAL IMPACT

This is an information item.

CAC POSITION

The CAC will be briefed on this item at its January meeting.

SUPPLEMENTAL MATERIALS

None



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RESOLUTION ADOPTING THE REVISED JOB CLASSIFICATIONS AND SALARY STRUCTURE AND REVISED ORGANIZATION CHART

WHEREAS, The Transportation Authority's Personnel Manual calls for a periodic review of the Transportation Authority job classifications and salary structure to benchmark the Transportation Authority's remuneration package against comparable agencies, and to recommend modifications as appropriate; and

WHEREAS, The Transportation Authority Board last approved revisions to the Transportation Authority's job classifications and salary structure in November 2015 (Resolution 16-25); and

WHEREAS, In December 2016 (Resolution 17-17), the Board approved a staff reorganization plan to address organizational structure changes that would need to be implemented to successfully launch the Treasure Island Implementation Plan which added eight full-time equivalent (FTE) positions, raising the agency's total from 41 to 46 FTEs; and

WHEREAS, The Transportation Authority contracted with The Pendolino Group (Pendolino), a human resources consulting firm experienced in compensation and employee benefits surveys and analysis, to conduct a total compensation study for the Transportation Authority's job classifications; and

WHEREAS, The study included a comprehensive review of the Transportation Authority's job classifications, descriptions, base compensation and benefits and compared job classifications against 9 comparator agencies and 2 non-public sources, using these results to internally align the balance of the classifications using internal equity principles; and

WHEREAS, Staff worked with Pendolino to update job descriptions to reflect current core duties and required skills of each position, with six proposed new position descriptions created to



provide growth pathways for staff to progress within the agency, for a total of 42 job descriptions; and

WHEREAS, The staff recommendation includes maintaining the total agency size at 46 FTEs, though the level of positions is generally more senior, reflecting the needs of the agency's work program; and

WHEREAS, Pendolino concluded 100% of the Transportation Authority's job classifications are paid below the market median, with salaries between 1% to 25% below the minimum with the average at 12% and the median at 9%; and

WHEREAS, Pendolino also observed that the agency's ranges are narrower than all comparator agencies and recommended increasing the ranges' spread consistently to 38% (median range spread of comparator agencies); and

WHEREAS, It has been six years since recommendations for salary range adjustments to some positions were last made and accounts for the gap between currently the Transportation Authority's approved salary structure and comparator agencies; and

WHEREAS, Based on the study results and recognizing that market conditions in San Francisco are highly competitive, Attachment 1 shows the shows the job classifications for which staff recommends revisions to the salary structure, Attachment 2 shows the proposed organization chart, and the enclosure contains the proposed job descriptions; and

WHEREAS, The revised structure is intended to provide a level of compensation reflective of the marketplace to attract and retain employees while fitting within the agency's means, as well as allowing for flexibility and fostering exemplary performance; and

WHEREAS, Staff recommends that two Senior Transportation Planners, two Transportation Planners, an Administrative Engineer, and Senior Engineer positions would better align with near-term work program needs if the positions were reclassified to Director of Communications, Principal

Transportation Planner, Public Policy Manager, Associate Engineer, and Assistant Deputy Director of Capital Projects; and

WHEREAS, Staff recommends bringing the four staff who benchmarked below their salary range to at least the minimum of their proposed ranges effective December 31, 2018, which amounts to an increased salary expenditure of at least \$17,000 and may be higher pending consideration of each employee's unique circumstance; and

WHEREAS, Staff proposes making adjustments to all 38 affected staff positions salaries, starting on December 31, 2018, which is estimated to result in an increased aggregate expenditure of approximately \$200,000, representing an average increase in salary expenditures of approximately 5%; and

WHEREAS, The total anticipated budget impact of implementing the new salary structure for this fiscal year is \$217,000 and is within the adopted Fiscal Year 2018/19 Annual Budget and will be reflected in the Fiscal Year 2018/19 Mid-Year Budget, utilizing resources saved from delayed recruitments of the TIMMA Program Manager and Principal Engineer classifications due to the revision of the TIMMA launch date to July 2021; and

WHEREAS, On December 5, 2018, the Personnel Committee met and unanimously recommended approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby adopts the revised job classifications and salary structure and revised organization chart.

Attachments (2):

1. Proposed Salary Structure
2. Proposed Organization Chart

Enclosure:

Proposed Job Descriptions (42)

ATTACHMENT 1
PROPOSED SALARY STRUCTURE

SFCTA Job Title	Current Minimum Base Salary	Current Maximum Base Salary	Proposed Minimum Base Salary	Proposed Maximum Base Salary	Agency Match	Current vs. Proposed		Last Salary Range Adjustment Year	CLASSIFICATION STATUS (does not represent # of positions, only that at least 1 person holds this position)
						Minimum Salary Difference	Maximum Salary Difference		
1 TRANSPORTATION MODELER	76,464	103,224	86,730	119,683	City and County of San Francisco	13%	16%	2015	FILLED
2 SENIOR TRANSPORTATION MODELER	88,680	119,712	108,410	149,604	City and County of San Francisco	22%	25%	2015	FILLED
3 PRINCIPAL TRANSPORTATION MODELER	102,840	138,828	125,365	173,000	Internal Alignment	22%	25%	2015	VACANT
4 DEPUTY DIRECTOR FOR TECHNOLOGY, DATA & ANALYSIS	134,928	182,160	164,840	227,472	Metropolitan Transportation Commission	22%	25%	2012	FILLED
5 ADMINISTRATIVE ENGINEER	90,888	122,700	91,115	125,739	Alameda County Transportation Commission	0%	2%	2012	FILLED
6 ASSOCIATE ENGINEER	N/A	N/A	101,690	140,328	Contra Costa Transportation Authority	N/A	N/A	PROPOSED	PROPOSED
7 SENIOR ENGINEER	105,408	142,296	113,425	156,528	Contra Costa Transportation Authority	8%	10%	2015	FILLED
8 PRINCIPAL ENGINEER	134,928	182,160	136,110	187,833	Internal Alignment	1%	3%	2015	VACANT
9 ASSISTANT DEPUTY DIRECTOR FOR CAPITAL PROJECTS	N/A	N/A	147,520	203,576	Contra Costa Transportation Authority	N/A	N/A	PROPOSED	PROPOSED
10 DEPUTY DIRECTOR FOR CAPITAL PROJECTS/TIMMA EXECUTIVE DIRECTOR	145,308	196,164	178,255	246,000	Alameda County Transportation Commission/Contra Costa Transportation Authority	23%	25%	2012	FILLED
11 TIMMA PROGRAM MANAGER	145,308	196,164	146,740	202,500	Riverside County Transportation Commission/Orange County Transportation Authority	1%	3%	2016	VACANT
12 TIMMA SYSTEMS MANAGER	134,928	182,160	135,000	186,300	Riverside County Transportation Commission/Orange County Transportation Authority	0%	2%	2016	VACANT
13 TRANSPORTATION PLANNER (PLANNING DIVISION)	76,464	103,224	80,035	110,450	City and County of San Francisco/Metropolitan Transportation Commission	5%	7%	2015	FILLED
14 SENIOR TRANSPORTATION PLANNER (PLANNING DIVISION)	88,680	119,712	92,820	128,090	City and County of San Francisco/Metropolitan Transportation Commission	5%	7%	2015	FILLED
15 PRINCIPAL TRANSPORTATION PLANNER (PLANNING DIVISION)	102,840	138,828	107,645	148,550	City and County of San Francisco/Metropolitan Transportation Commission	5%	7%	2015	FILLED
16 ASSISTANT DEPUTY DIRECTOR PLANNING	110,748	149,508	118,090	162,970	Internal Alignment	7%	9%	2014	VACANT
17 DEPUTY DIRECTOR FOR PLANNING	134,928	182,160	154,440	213,130	City and County of San Francisco	14%	17%	2012	FILLED
18 TRANSPORTATION PLANNER (POLICY & PROGRAMMING DIVISION)	76,464	103,224	80,035	110,450	Metropolitan Transportation Commission	5%	7%	2015	FILLED
19 SENIOR TRANSPORTATION PLANNER (POLICY & PROGRAMMING DIVISION)	88,680	119,712	92,820	128,090	Metropolitan Transportation Commission	5%	7%	2015	FILLED
23 PRINCIPAL TRANSPORTATION PLANNER (POLICY & PROGRAMMING DIVISION)	102,840	138,828	107,645	148,550	City and County of San Francisco	5%	7%	2015	INACTIVE
24 PUBLIC POLICY MANAGER	N/A	N/A	111,030	153,223	Metropolitan Transportation Commission	N/A	N/A	PROPOSED	PROPOSED
25 ASSISTANT DEPUTY DIRECTOR POLICY & PROGRAMMING	110,748	149,508	118,090	162,970	Internal Alignment	7%	9%	2014	FILLED
26 DEPUTY DIRECTOR FOR POLICY & PROGRAMMING	134,928	182,160	154,445	213,130	City and County of San Francisco	14%	17%	2012	FILLED
20 PROGRAM ANALYST	56,856	76,752	65,585	90,506	City and County of San Francisco	15%	18%	2015	INACTIVE
21 SENIOR PROGRAM ANALYST	73,810	99,645	85,350	117,780	City and County of San Francisco	16%	18%	2016	FILLED
22 PRINCIPAL PROGRAM ANALYST	N/A	N/A	96,145	132,678	City and County of San Francisco	N/A	N/A	PROPOSED	PROPOSED
27 ADMINISTRATIVE ASSISTANT	45,528	61,464	51,110	70,534	City and County of San Francisco	12%	15%	2012	FILLED
28 OFFICE MANAGER	51,504	69,540	53,154	73,355	Internal Alignment	3%	5%	2012	INACTIVE
29 MANAGEMENT ANALYST	56,856	76,752	65,585	90,506	City and County of San Francisco	15%	18%	2016	FILLED
30 SENIOR MANAGEMENT ANALYST	74,604	100,704	85,350	117,780	City and County of San Francisco	14%	17%	2012	INACTIVE
31 PRINCIPAL MANAGEMENT ANALYST	86,508	116,796	96,145	132,678	City and County of San Francisco	11%	14%	2014	FILLED
32 STAFF ACCOUNTANT	56,856	76,752	59,610	82,264	City and County of San Francisco	5%	7%	2014	FILLED
33 SENIOR ACCOUNTANT	71,004	95,856	79,920	110,292	City and County of San Francisco	13%	15%	2012	INACTIVE
34 CONTROLLER	110,748	149,508	113,770	157,000	Internal Alignment	3%	5%	2012	FILLED
35 DEPUTY DIRECTOR FOR FINANCE & ADMINISTRATION	134,928	182,160	154,445	213,130	City and County of San Francisco	14%	17%	2012	FILLED
36 CLERK OF THE BOARD	67,584	91,236	69,665	96,140	Internal Alignment	3%	5%	2012	FILLED
37 GRAPHIC DESIGNER	N/A	N/A	61,610	85,020	City and County of San Francisco	N/A	N/A	PROPOSED	PROPOSED
38 COMMUNICATIONS OFFICER	72,780	98,256	74,890	103,350	City and County of San Francisco/Metropolitan Transportation Commission	3%	5%	2016	FILLED
39 SENIOR GRAPHIC DESIGNER	71,004	95,856	73,932	102,024	Internal Alignment	4%	6%	2014	INACTIVE
40 SENIOR COMMUNICATIONS OFFICER	93,168	125,772	99,890	137,850	City and County of San Francisco/Metropolitan Transportation Commission	7%	10%	2014	FILLED
41 DIRECTOR OF COMMUNICATIONS	N/A	N/A	119,868	165,420	Internal Alignment	N/A	N/A	PROPOSED	PROPOSED
42 CHIEF DEPUTY DIRECTOR	145,308	196,164	164,840	227,472	Internal Alignment	13%	16%	2012	FILLED

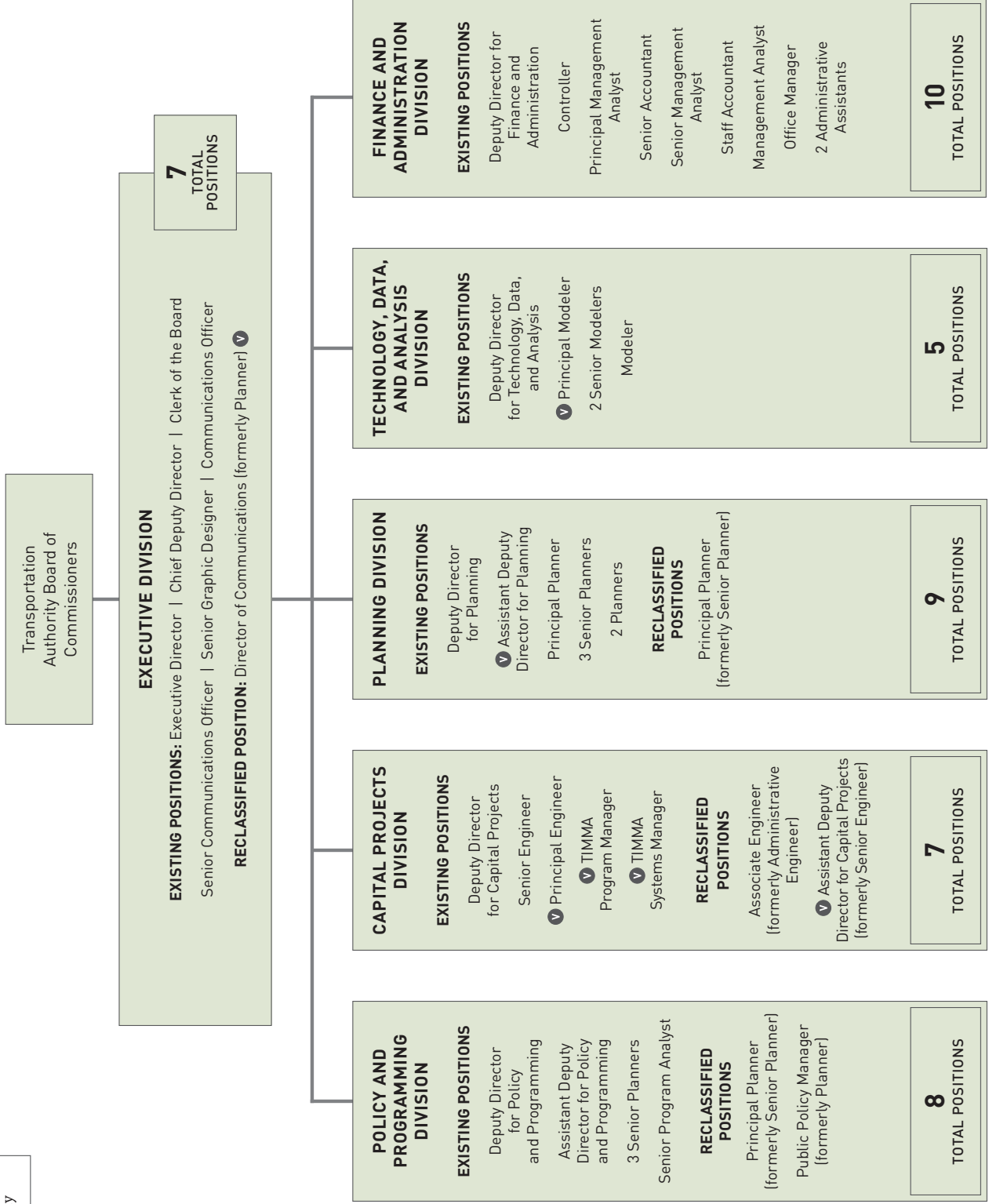
Attachment 2 – Proposed Organization Chart

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Proposed Agency Structure

46 Staff Positions (no change from 2016 adopted structure)

✓ Vacant Position
 TIMMA
 Treasure Island Mobility
 Management Agency





Memorandum

Date: December 2, 2018
To: Personnel Committee: Commissioners Peskin (Chair), Tang (Vice Chair) and Kim
From: Cynthia Fong – Deputy Director for Finance & Administration
Subject: 12/5/2018 Personnel Committee Meeting: Recommend Adoption of the Revised Job Classifications and Salary Structure and Revised Organization Chart

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <ul style="list-style-type: none"> • Recommend adoption of the revised job classifications and salary structure • Recommend adoption of the revised organization chart <p>SUMMARY The Transportation Authority’s Personnel Manual calls for a periodic review of the Transportation Authority job classification structure to benchmark the Transportation Authority’s remuneration package against comparable agencies, and to recommend modifications as appropriate. The Transportation Authority Board last approved revisions to the job classification structure in 2015 for select job classifications. We contracted with The Pendolino Group (Pendolino) to conduct a total compensation study for the Transportation Authority’s job classifications. The study included a comprehensive review of the agency’s job classifications, descriptions, base compensation and benefits. We are recommending updating 36 existing job classifications and associated salaries ranges, adding 6 new jobs classifications and updating our organization chart (to remain status quo at 46 employees). Proposed revisions are intended to help us provided succession pathways, to attract and retain high quality staff and to better managed our work load.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input checked="" type="checkbox"/> Other: Job Classification, Salary Structure, and Org Chart
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DISCUSSION

Background.

Our goal is to optimize personnel recruitment and retention by making every effort to compensate employees fairly and equitably and remaining competitive with similar agencies in its compensation practices. Rather than using the “step” compensation structure found in many public agencies, with standard percentage increments established between steps and automatic salary increases based on seniority, cost of living or other indices, salary adjustments are based on on-the-job performance and funding/affordability considerations, based on the Transportation Authority’s budget. Consequently, and as called for in our Personnel Manual, periodic reviews of the job classification structure are performed to benchmark the Transportation Authority’s remuneration package against comparable

Agenda Item 14

agencies, and to recommend modifications to our job classification structure as appropriate. We commissioned the last compensation study in 2015 for a subset of job classifications (resulting in adjustments for primarily the planner and engineer staff series) and prior to that, we conducted a compensation study in 2012 that adjusted all job classifications.

In October 2018, we contracted with Pendolino Group, a human resources consulting firm experienced in compensation and employee benefits surveys and analysis, to conduct a total compensation study for 30 existing job classifications. The sole classification not addressed by the study is the Executive Director position. The study included a comprehensive review of our job classifications, descriptions, base compensation and benefits. Pendolino compiled and analyzed the results of this review, which provided the basis for the proposed changes to the salary structure (Attachment 1).

As part of this process, we updated job descriptions (Enclosure) to reflect the current core duties and required skills of each positions. We also created six proposed new position descriptions to provide growth pathways for staff to progress within the agency. This benefits the agency by helping employees feel valued, facilitating advancement or lateral staff moves, and helping maintain a healthy agency culture. In total, we are recommending approval of 42 job classifications (some of which are inactive, but retained for future flexibility) with associated salary ranges and a revised organization chart for the 46 full-time equivalent positions in the agency. This total agency size is the same number of positions as currently approved by the Board and is not recommended for increase, though the level of positions is generally more senior, reflecting the needs of our work program.

Market Survey Methodology.

Since comparators would not be 100% equivalent to our classifications, rather than identifying possible matches by job titles at comparable agencies, Pendolino analyzed each class description before including it as a comparator. Pendolino evaluated comparators based on an approximate 80% “likeness” to our classifications considering factors such as education, experience, scope and complexity of work performed, level of authority and responsibility, and working conditions.

To determine appropriate agencies for comparison, Pendolino first defined our labor market (a group of organizations with which an agency competes in terms of recruiting and retaining personnel). This included several agencies that are not in our immediate geographic vicinity but that provide services similar to us and that have a similar organizational structure.

Pendolino and Transportation Authority staff agreed on the following nine agencies and two non-public sources to be used as comparators for the purposes of this study:

- Alameda County Transportation Commission
- Bay Areas Rapid Transit District
- Contra Costa Transportation Authority
- Metropolitan Transportation Commission
- Orange County Transportation Authority (for TIMMA positions only)
- Riverside County Transportation Commission (for TIMMA positions only)
- San Francisco Municipal Transportation Agency/ City and County of San Francisco
- San Mateo County Transportation Authority

- Santa Clara Valley Transportation Authority
- Radford Global Technology Survey (for modelers positions only)
- American Society of Civil Engineers 2018 Salary Report (for engineering positions only)

Salary Structure Observations and Recommendations.

Pendolino concluded that our salaries are below the median minimums of all other comparator agencies. Salaries, in general, are between 1% to 25% below the minimum with the average at 12% and the median at 9%. Pendolino also observed that our ranges are narrower than all other agencies. Our salary range spread (differences between the minimum and maximum) are 35% wide currently. Pendolino recommended increasing the ranges spread consistently to 38% (median range spread of comparator agencies).

Based on the study results and recognizing that market conditions in San Francisco are highly competitive, we worked with Pendolino to develop the proposed salary structure detailed in Attachment 1. The revised structure is intended to provide a level of compensation reflective of the marketplace to attract and retain employees while fitting within the agency's means, as well as allowing for flexibility and fostering exemplary performance. In addition, we have incorporated changes to the revised structure to be more consistent and allow for ease of administration.

It is important to note that it has been up to six years since recommendations for salary range adjustments to some positions were last made. This accounts for the gap between the Transportation Authority's currently approved salary structure and those of its comparator agencies. A key finding of this survey is that four employees are currently compensated below the minimum of their recommended revised salary range. Pendolino has recommended that a policy decision be made to place all these positions in their respective proposed salary range.

Pendolino also conducted an evaluation of our current benefits package, and gathered benefits data from the comparator agencies. The survey was comprehensive and consisted of: employee costs for group health plans; life and disability insurance; flexible spending accounts; retirement and savings plans; professional development programs; work/life benefits; paid days off including vacation, sick leave and holidays; and policy questions relating to these benefits. Overall, our benefits are generally in line with other comparator agencies and we are not recommending any changes to our benefits package at this time.

Job Reclassifications.

As we have been implementing the organizational structure changes over the past two years, we have continued to pay close attention to workload management needs, staff growth and retention, and succession planning, striving to address them through a combination of the agency's staffing plan, as well as changes to our business processes and practices. Based on these considerations, along with opportunities afforded by no staff departures over the past two years, we are recommending that two Senior Transportation Planners, two Transportation Planners, an Administrative Engineer, and an Senior Engineer positions would better align with near-term work program needs if the positions were reclassified to Director of Communications, Principal Transportation Planner, Public Policy Manager, Associate Engineer, and Assistant Deputy Director of Capital Projects. This represents a total of six reclassifications as detailed in Attachment 3.

FINANCIAL IMPACT

We will bring the four staff who benchmarked below their salary range to at least the minimum of their proposed ranges effective December 31, 2018. This amounts to an increased expenditure of at least \$17,000 and may be higher pending consideration of each employee's unique circumstance. Our goal is to generally maintain the relative position of each employee within the new salary ranges, subject to each employee's work program funding constraints. Based on this approach, adjustments to all 38 affected staff positions' salaries¹, starting on December 31, 2018 is estimated to result in an increased aggregate expenditure of approximately \$200,000, representing an average increase in salary expenditures of approximately 5%. Therefore, the total anticipated budget impact of implementing the new salary structure for this fiscal year is \$217,000. This is within the adopted FY18/19 Annual Budget and will be reflected in the FY18/19 Mid-Year Budget, utilizing resources saved from delayed recruitments of the TIMMA Program Manager and Principal Engineer classifications due to the revision of the TIMMA launch date to July 2021.

CAC POSITION

None. The CAC does not take action on personnel matters.

SUPPLEMENTAL MATERIALS

Attachment 1– Proposed Salary Ranges

Attachment 2 – Proposed Organization Chart

Enclosure – Proposed Job Descriptions (42)

¹ The six reclassifications have no effect on personnel cost in the current fiscal year.



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RESOLUTION RATING THE PERFORMANCE OF THE EXECUTIVE DIRECTOR FOR 2018 AND ADOPTING THE EXECUTIVE DIRECTOR'S PERFORMANCE OBJECTIVES FOR 2019

WHEREAS, The Transportation Authority's Administrative Code establishes that the Personnel Committee (Committee) 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; and

WHEREAS, Board-adopted procedures require that the record of accomplishments be tracked against Board-established objectives for the Executive Director for the annual period being evaluated; and

WHEREAS, The Committee shall evaluate the Executive Director's performance annually based on mutually agreed upon objectives; and

WHEREAS, On December 5, 2018, the Committee conducted the performance evaluation according to the adopted format and procedures; and

WHEREAS, The Board-adopted evaluation worksheet allows for ratings of Outstanding, Exceptionally Good, Very Good, Satisfactory and Needs Improvement; and

WHEREAS, The Committee considered the key accomplishments, contained in Attachment 1, and issues relative to the Executive Director's performance during 2018 and recommended a rating of Exceptionally Good, reflecting its perception of the performance of the Executive Director against Board-established objectives for 2018; and

WHEREAS, The proposed Executive Director objectives for 2019, contained in Attachment 2, are consistent with the annual work program adopted by the Transportation Authority Board on June 26, 2018 through Resolution 18-61 as part of the budget; and



WHEREAS, On December 5, 2018, the Personnel Committee reviewed and unanimously recommended approval of the Executive Director objectives for 2019; now, therefore, be it

RESOLVED, That the Transportation Authority hereby rates the performance of the Executive Director during 2018 as Exceptionally Good; and be it further

RESOLVED, That the Transportation Authority hereby adopts the attached objectives for the Executive Director for 2019.

Attachments (2):

1. 2018 Record of Accomplishments
2. Executive Director Objectives 2019

Attachment 1

2018 Record of Accomplishments for Tilly Chang, Executive Director

This section presents a narrative of the Executive Director's accomplishments for 2018, in relation to annual program objectives set by the Board in December 2017 through Resolution 18-22.

Performance against Objectives

1. Advance Key Work Program Activities.

THIS OBJECTIVE HAS BEEN MET AND EXCEEDED.

Planning Activities

1. Worked with the Metropolitan Transportation Commission (MTC) and City stakeholders to implement Plan Bay Area 2040, advocating for changes to regional fund program guidelines and other policies to support regional goals and advance San Francisco's projects and priorities. Engaging in the development of the regional housing action plan (CASA) to address affordability, displacement, and access to jobs.
2. Supported development of long-range ConnectSF planning program through initiation of the San Francisco Transportation Plan 2050 update; completed ConnectSF vision; initiated and made significant progress on Needs Assessment and Network Development phases; secured funding for and began work on Streets and Freeway Study, and secured funding for Transit Corridor Study. Procured communications consultant to support all of the aforementioned Phase 2 elements of the ConnectSF program.
3. Completed Emerging Mobility Evaluation Report that evaluated how several emerging mobility services align with the city's guiding principles and that identified recommendations for near-term pilot, regulatory, and research approaches.
4. Furthered research on transportation network companies (TNCs) by completing *TNCs and Congestion* report and conducting work on future reports on relationship of TNCs with transit demand and equity, and by supporting related regulatory and pilot development efforts. Initiated San Francisco and regional TNC travel diary survey in partnership with the MTC. New: Supported TNC tax legislative process for AB1184 (Ting).
5. Obtained Federal approval of Geary Corridor Bus Rapid Transit (BRT) Final Environmental Impact Statement and issuance of Record of Decision. Defended legislative challenge to environmental clearance and settled related public records act challenge.
6. Supported completion of Planning Department's Rail Alignment and Benefits (RAB) Study, previously called the Railyard Alternatives and I-280 Boulevard Study, and strengthened implementation plans for Caltrain Downtown Extension and High-Speed Rail, including completion of the Tunnel Options Study. Participating in Caltrain Business Plan development.
7. Advanced the Treasure Island Mobility Management (TIMM) Program by developing proposed toll and affordability policies, procuring an Autonomous Shuttle pilot system

manager, and preparing Memoranda of Agreements with partner agencies (Bay Area Toll Authority, Water Emergency Transportation Authority, and Alameda-Contra Costa Transit District). Initiated conceptual planning for integrated payment and multi-modal trip planning program.

8. New: Prepared draft Caltrans Project Initiation Document to develop US 101 managed lanes project in coordination with San Mateo and Santa Clara counties, supported completion of US 101 Corridor System Management Plan.
9. New: Completed BART Perks report that documented the effectiveness of the innovative BART Perks program, which used micro-incentives to nudge travelers to shift their travel out of the peak hour.
10. Led Vision Zero ramps planning and design for second group of 10 freeway ramp intersections in District 6 (D6), completing community outreach and technical analyses to inform development of recommendations for near-term improvements and bigger ideas that may take longer to plan and implement.
11. Following up on recommendations of the District 2 (D2) NTIP report, initiated data collection, initial planning and conceptual design of the Lombard Crooked Street Congestion Management System, a reservations and pricing system to manage demand and access to the crooked street. New: Supported legislative efforts to obtain congestion pricing authority for the project.
12. Updated and expanded the on-line “Prospector” data visualization platform to provide easy access to key San Francisco transportation statistics and information on roadway and transit congestion and existing and future travel patterns and continued to expand Data Vision.
13. Released latest SF-CHAMP version and updated all model components to reflect latest information on regional travel behavior patterns, including the addition of TNCs such as Uber and Lyft.
14. Conducted modeling for the Transportation Authority and external partners to support project development including the Freeway Corridor Management Study (FCMS), Hub Study, TIMMA, and ConnectSF.
15. Developed approaches to quantify efficacy of travel demand management strategies.
16. Led District 9 (D9) Freeway Vision plan efforts including scoping out near- and mid-term projects, Caltrans coordination with local agencies (San Francisco Municipal Transportation Agency (SFMTA), San Francisco Public Utilities Commission (SFPUC)) and on-boarding of traffic consultant.
17. Substantially completed the draft District 10 (D10) Mobility Management study, including proposal of draft recommendations, with the final recommendations scheduled for presentation to the Board in December 2018.
18. Secured MTC Community-Based Transportation Planning funds to support District 7 (D7) planning study for Access to Lake Merced, anticipated to begin in Spring 2019.

Fund Programming and Administrative Activities

1. Administered Prop K sales tax (including Neighborhood Transportation Improvement Program (NTIP), Prop AA vehicle registration fee, Transportation Fund for Clean Air, and

other fund programs. New: Worked with San Francisco State University (SFSU), Lyft and Motivate to facilitate Board condition on commensurate investment in SFSU Bikeshare affordability program.

2. Prepared the 2019 Prop K Strategic Plan Baseline for Board adoption in Spring 2018, developed 2019 5-Year Prioritization Programs (5YPPs) and the 2019 Strategic Plan for approval by the Board in November 2018.
3. Conducted call for projects and obtained Board approval to program \$2 million in regional Lifeline Transportation Program funds.
4. Continued to support full funding plan for Caltrain Electrification with regional partners, including identification of San Francisco's remaining \$5 million of an \$80 million total contribution to the project through the 2019 Prop K Strategic Plan and 5YPP updates.
5. Pursued Bay Area Air Quality Management District (BAAQMD), MTC and cap and trade funds for infrastructure and clean vehicles in cooperation with Treasure Island Development Authority (TIDA) and partner agencies.
6. Continued to closely manage and completely paid down the Revolving Credit Agreement Loan (part of sales tax debt program), and monitored project cash flows to inform long term debt needs. Expended 43% of sales tax revenue bond proceeds within the first year or the required three year period.
7. Developed and implemented continuous disclosure and reporting policies and practices for the debt program (Sales Tax Revenue Bonds).
8. Secured continued clean audit for the Transportation Fund for Clean Air Program Manager Fund Audit.
9. Helped develop San Francisco priorities for Senate Bill 1 (SB1) discretionary programs and secure grants for those projects; assisted with transparency and accountability requirements of SB 1.

Capital Project Delivery and Oversight Activities

1. Completed settlement agreement negotiations with Caltrans, GLC and Presidio Trust for the Presidio Parkway project. Supported implementation activities of all parties.
2. Attained substantial completion of the I-80/Yerba Buena Island (YBI) East Side on-off Ramps Improvement project. Prepared final draft environmental document and 100% complete design documents for the I-80/Southgate Road Relocation improvements portion of the project.
3. Completed contractor selection for the YBI West-Side Bridges Retrofit Project Construction Management/General Contractor delivery approach.
4. Oversaw construction of Transbay Transit Center and supported development of consensus on Caltrain Downtown Extension (DTX) delivery strategy. New: Conducted Peer Review, an operations analysis (two vs. three track), and working with stakeholder agencies to coordinate lead and support roles for RAB follow-on studies. Executive Director appointed Alternate for Transbay Joint Powers Authority (TJPA)(Board of Supervisors seat). Oversaw cracked beam investigations and initiated two part TJPA program review consisting of Part I: Evaluation of Transbay Transit Center Delivery, Part II: Governance and Oversight review of DTX.

5. Oversaw Caltrain Electrification and Caltrain Communications Based Overlay Signal System (CBOSS) positive train control project delivery, including participating in Change Management Board proceedings for the Caltrain Electrification project. Participating in Caltrain Business Plan development.
6. Supported ground-breaking and ribbon-cutting celebrations for 2nd Street Project, Broadway Streetscape, Masonic Avenue, Transbay Transit Center, Islais Creek Maintenance Facility, Bay Area Rapid Transit (BART) Light Rail Vehicles (LRVs), BART Canopies and BART Balboa Park East Side connections projects.
7. Supported the SFMTA in development of near-term Geary Corridor BRT improvement project contracting strategies
8. Supported Van Ness BRT construction efforts, including environmental compliance monitoring and by providing regular project delivery updates to the CAC.
9. Advanced I-280 Interchange modifications at Balboa Park including preparation of draft final environmental studies and final draft Caltrans Project Report.
10. Facilitated transition of 19th Avenue Bulbout and Lombard projects into construction phase, by helping to secure implementation funding.
11. Promoted traffic management plan and construction schedule coordination with implementing lead agencies for various capital projects.
12. Supported Quint Street Connector Road project development efforts including right of way acquisition due diligence efforts.
13. Won several engineering and capital project delivery awards including for YBI East Side Ramps project (Engineering News Report Best Project award in highway/bridge category, California region).

2. Board Support, Project Reporting and Consultation.

THIS OBJECTIVE HAS BEEN MET.

1. Checked in regularly with Chair and Board members to seek guidance and input.
2. Helped staff regional roles (MTC, Association of Bay Area Governments (ABAG), BAAQMD, BART, TJPA, Caltrain and other bodies as needed).
3. Staffed ongoing Vision Zero Committee meetings.
4. Staffed ongoing TIMMA operations and policy board meetings.
5. Initiated redesign of formats and process for major capital project delivery reporting to Board and related documentation.
6. Served (Executive Director) on ABAG's Regional Planning Committee.
7. Supported identification of remaining NTIP planning priorities for D8 and NTIP capital priorities citywide; sought Board adoption of NTIP planning project final reports (anticipated in D4, D6, D7, D8, D10, D11).
8. Completed independent analysis and oversight assessment (performed by Sjoberg Evashenk Consulting, Inc.) of key agency programs and activities (program delivery, budgeting, and

sponsor reimbursements), and implemented several recommended actions, including updates to MyStreetSF interactive map and conducting review to evaluate if it was more cost effective to hire outside IT technical support and legal counsel. Initiated follow up on all the remaining recommendations that we will implement based on Board feedback.

9. Advanced school transportation plans and hearings, including providing Prop K funding to support new and revised Safe Routes to School Program.
10. Helped scope the ConnectSF Transit Corridors Study, which will include rail planning in the Richmond corridor/west side, further evaluation of the M-Line project, Central Subway to Fisherman's Wharf, Geneva LRT and other improvements citywide. SFMTA anticipates beginning consultant procurement by early 2019. Procured communications consultant to support current phase ConnectSF efforts, including the Transit Corridors Study. As an input to the Transit Corridors Study, participated in MTC-led Bay Crossing Study.
11. Initiated Congestion Pricing Study update.

3. Promote Customer Service and Efficiency

THIS OBJECTIVE HAS BEEN MET.

1. Redesigned and released the new MyStreetSF.com site including new back-end software and a more user-friendly look and features.
2. Worked with project sponsors to design, test and implement an online Prop K/AA allocation request form.
3. Enhanced Prop K Portal to increase functionality for sponsors and staff.
4. Continued to work with sponsors to further streamline grant allocation and administration.
5. Continued to develop and refine grants management dashboards and project management reports through further integration of the enterprise resource planning tool (accounting software) and the Portal to increase staff efficiency and effectiveness.

4. Work Collaboratively with Partner Agencies

THIS OBJECTIVE HAS BEEN MET.

1. Continued to partner and coordinate on revenue, legislative and policy advocacy including efforts to secure new local revenues for transportation (e.g. supported AB 1184 (Ting)).
2. Advocated for and supported Caltrain/High-Speed Rail compatibility.
3. Advocated for efficient and performance-based state fund program guidelines.
4. Collaborated with city and regional agencies on ConnectSF, including finalizing the 2065 Vision, and initiating work on Phase 2 efforts including the Needs Assessment, Transit Corridor Study, and Streets and Freeways Study.
5. Worked with MTC and BART to initiate study of long-term alternatives, including a potential second rail crossing of the bay through the MTC Horizon white paper on this topic.
6. Participated in Executive Steering Committee for US-101 managed lanes development and supported the 101 Mobility Action Plan.

7. Continued to provide technical assistance on Better Market Street, Caltrain Business Plan, Late-Night Transportation Study Phase II, Geneva/Harney BRT, Bayview Community-Based Transportation Plan, and SFMTA's efforts to manage several emerging mobility services.
8. Participated in interagency working group to advance the San Francisco Transportation Demand Management Plan.
9. Supported BART's effort to implement a follow-up to the BART Perks incentive project.

5. Promote Inclusive Public Engagement
THIS OBJECTIVE HAS BEEN MET.

1. Joined a consortium of Bay Area transportation agencies to further promote Disadvantaged Business Enterprise (DBE) outreach efforts. At this point of the year, DBE performance has increased from 28% in 2017 to 30% in 2018; Local Business Enterprise performance has increased to 19% in 2017 to 27% in 2018.
2. Explored providing workforce development and training opportunities including construction admin pathways in partnership with TIDA or the Office of Economic and Workforce Development.
3. Continued to participate in City/County of San Francisco's multi-agency Government Alliance on Race and Equity initiative, Created internal working group to promoting racial equity and further incorporate racial equity in agency policies and practices.
4. Ensured outreach efforts, especially for ConnectSF and the San Francisco Transportation Plan (SFTP), reach a diverse and inclusive cross-section of San Francisco stakeholders.
5. Continue to support SFTP Equity analysis priority programs including Vision Zero and NTIP.
6. Launched effort to improve agency website design and functionality, anticipated to roll out in early 2019.

6. Provide Regional and State Leadership
THIS OBJECTIVE HAS BEEN MET.

1. Actively participated in regional policy discussions at MTC and ABAG to shape the implementation of Plan Bay Area 2040, working effectively on cross-county initiatives, strengthening alliances between Big 3 cities and collaborating on transit investment, affordable housing and anti-displacement issues, while coordinating San Francisco input to the Horizon/Plan Bay Area 2050 update. Provided local and regional leadership in Regional Measure 3 ballot measure development, and served as local resource for information and education on the measure, as well as for implementation activities following voter approval of the measure in November 2017.
2. Coordinated legislation and legislative advocacy with Self-Help Counties Coalition, MTC, and Congestion Management Agencies.
3. Advocated for passage of Assembly Bill 342 Automated Speed Enforcement (withdrawn by author) and other legislative priorities as approved by Board.

4. Tracked and helped shape implementation of statewide and regional managed lanes policies and secured the option to implement express lanes under either the Santa Clara Valley Transportation Authority's tolling program or MTC's regional authority (AB 2865 (Chiu)).
5. Tracked and helped shape statewide and regional policies, pilots, and deployments on emerging mobility services and technologies; mobility as a service; uses of real-time travel information; and payments technology.
6. Advocated for San Francisco and city interests to manage emerging mobility modes, Transportation Network Companies (TNCs) and autonomous vehicles at state and federal levels.
7. Advocated for revisions to SB 1 program guidelines to allow more flexibility, development of strong project pipelines, efficient grant application processes, and support for San Francisco's project priorities.

7. Facilitate Agency and Staff Development

THIS OBJECTIVE HAS BEEN MET.

1. Continued filling new positions as funds become available: filled Graphic Designer position. Agency is fully staffed at this time except for the TIMMA Program Manager (which has been delayed due to the pace of development on Treasure Island) and the Principal Engineer (which we anticipate recruiting in early 2019). There has been no staff turnover other than the retirement of the Senior Graphic Designer.
2. Conducted salary survey and updated job descriptions, which are scheduled for Board consideration in December 2018.
3. Continued to support staff professional development through training, coaching and mentoring.
4. Continued to develop staff capacity to oversee/manage projects and pilots in the following rapidly-changing areas: transportation demand management; real-time traveler/operator information; mobility payments technology; mobility as a service; and the full range of emerging mobility services and technologies.
5. Continued to establish and implement guiding project management tools and procedures based on trainings; coordinating with the SFMTA, as appropriate.
6. Continued updating policies and procedures, including further integration with the enterprise resource planning tool (accounting software).
7. Building on Organization Assessment recommendations, updated staff performance evaluation forms, created a process to provide greater '360 degree' feedback (staff-to-staff, staff-to-management), and developed a staff empowerment conversation guide.

8. Improve Internal and External Communications

THIS OBJECTIVE HAS BEEN MET.

1. Completed agency staff survey and incorporated input into agency-wide communications plan and branding strategy.
2. Initiated major website update and agency collateral/design templates.

3. Pursued opportunities to promote agency work through op-eds, events, website, press outreach; continued newsletter readership growth; expanding social media audience. Saw a 7% growth in Facebook likes and 13% growth in Twitter followers.
4. Grew agency's national technical reputation with Emerging Mobility Services Report and TNCs and congestion research – gaining attention in national and international publications and multiple speaking opportunities.
5. Grew agency newsletter The Messenger readership and impressions (online, social media). This year our email subscription lists, including for The Messenger, grew by 1,500 subscribers.
6. Sponsored and supported local organizations' annual events including African-American Chamber Juneteenth, CCDC various events, Silver SPUR, TransForm, APRI, One Treasure Island, Bayview Renaissance, Coleman Advocates, Walk to Work, Bike and Roll to Work, Bike to Work Days.
7. Supported partner agency news releases and Board and staff participation in ground-breaking and ribbon-cutting celebrations for 2nd Street Project, Broadway Streetscape, Masonic Avenue, Transbay Transit Center, Islais Creek Maintenance Facility, BART LRVs, BART Canopies and BART Balboa Park East Side connections projects.
8. Continued to regularly meet with and strengthen relationships with civic groups, media, community-based organizations, neighborhood groups.
9. Began to develop internal public engagement protocol outlining best practices for project-specific outreach/communications.
10. Continued TIMMA Communications Plan. Led ongoing outreach among Treasure Island residents and businesses in support of transportation plan development.
11. Began development of outreach/communications protocol for the agency.
12. New: Sponsored Global Climate Action Summit Transportation Scavenger Hunt event, reaching over 4000 participants, involving dozens of merchants and partner agencies, and the broader local/regional San Francisco Bay Area community.
13. Executive Director invited to speak and teach at Norman Foster Foundation's Mobility Summit, ITS World Congress, NACTO, Women's Transportation Seminar National Conference, Leadership San Francisco, DCYF Youth Advocacy Day, Coro Foundation Women's Leadership, SF Business Times Women's Leadership and multiple other programs and events.

Attachment 2

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**Proposed Objectives for 2019**

for

Tilly Chang, Executive Director

The purpose of this section is to establish tangible parameters against which the Board may be able to assess the Executive Director's performance during 2019.

I. Advance Key Work Program Activities*Planning Activities*

1. Work with the Metropolitan Transportation Commission (MTC) and City stakeholders to implement Plan Bay Area 2040, advocating for changes to regional fund program guidelines and other policies to support regional goals and advance San Francisco's projects and priorities. Engage in the implementation of the regional housing action plan to address affordability, displacement, and access to jobs. Actively participate and coordinate San Francisco input to Horizon/Plan Bay Area 2050 update.
2. Support development of long-range ConnectSF planning program: finish Needs Assessment and Network Development (part of the San Francisco Transportation Plan 2050); and complete substantial technical and public engagement work on the Streets and Freeway Study and Transit Corridor Study with emphasis on regional markets and emerging rail corridor connecting potential 2nd Transbay Tube to San Francisco's west side neighborhoods.
3. Complete Emerging Mobility Pilot Framework Study to identify and prioritize potential pilot opportunities, identify best practices for public-private partnerships, and identify mechanisms and processes for screening and prioritizing existing and future pilots.
4. Complete transportation network company (TNC) research on relationship of TNCs with transit demand and equity and support related regulatory and pilot development efforts. Complete San Francisco and regional resident TNC travel diary survey.
5. Refine toll, parking, and affordability policies and programs per Board direction; propose transit fare levels and advance planning for integrated payment and multi-modal booking system. Develop Memoranda of Agreements with partner agencies (Bay Area Toll Authority, Water Emergency Transportation Authority, Alameda-Contra Costa Transit District, and San Francisco Municipal Transportation Agency (SFMTA)) to advance Treasure Island Mobility Management (TIMM) Program services.
6. Finalize Prepare final Caltrans Project Initiation Document to develop US 101 managed lanes project in coordination with San Mateo and Santa Clara counties, support completion of US 101 Corridor Mobility Action Plan, undertake US101-I280 Corridor Equity Study.
7. Support regional planning efforts including BART and MTC Transbay Crossing studies, completion of Caltrain's Service Vision and Strategic Business Plan recommendations, and Planning Department's 22nd Street Caltrain Station Study.

8. Complete Vision Zero ramps planning and design for 10 freeway ramp intersections in District 6 (D6) and seek funding to implement recommended safety improvements.
9. Complete planning and conceptual design of D2 Lombard Crooked Street Congestion Management System, including a reservations and pricing system for automobile access and determining expected outcomes on circulation. Support state legislative efforts to obtain pricing authority for the project.
10. Initiate Transportation Sustainability Program (TSP) / Transportation Demand Management (TDM) Strategy Evaluation Tool development, which will quantify the effectiveness of the TDM strategies included in San Francisco's TSP in reducing vehicle miles travelled and single-occupancy vehicle trips.
11. Perform multimodal transportation system performance monitoring and prepare 2019 Congestion Management Program report with continued online data reporting. Continue developing data-warehousing capacity, partnering with public and private organizations.
12. Update and expand on-line "Prospector" Data visualization platform portal to provide easy access to key San Francisco transportation statistics and information on roadway and transit congestion and existing and future travel patterns and continue to expand Data Vision.
13. Enhance San Francisco Chained Activity Modeling Process (SF-CHAMP) capabilities and conduct modeling for the Transportation Authority and external partners, including High Speed Rail connections for the South Bay/Peninsula/San Francisco segment.
14. Initiate development of regional integrated dynamic traffic assignment model system.
15. Advance D9 Freeway Vision plan including feasibility assessment of infrastructure modifications to promote safety and livability and public engagement in D9 and D10.
16. Advance D10 Mobility Management study recommendations through applications for grant funding.
17. Leverage MTC Community-Based Transportation Plan funds to support SFMTA's D7 planning study for Access to Lake Merced.
18. Initiate study to update the analysis of congestion pricing options previously considered in the 2010 Mobility, Access, and Pricing Study and develop updated alternatives, analysis, and recommendations.

Fund Programming and Administrative Activities

1. Administer Prop K sales tax (including Neighborhood Transportation Improvement Program (NTIP)), Prop AA vehicle registration fee, Transportation Fund for Clean Air, and other fund programs.
2. Publish adopted 2019 Prop K Strategic Plan and 5-Year Prioritization Programs updates and make related resources easily available to sponsors and the public on line. Undertake select project performance and evaluation studies, in coordination with sponsors.
3. Conduct call for projects for an estimated \$2 million in FY 2018/19 and FY 2019/20 in State Transit Assistance County Block Grant funds through a new San Francisco Lifeline Transportation Program, successor to MTC's Lifeline Transportation Program.
4. Conduct call for projects for an estimated \$2.5 million in FY 2019/20 Prop AA funds in the Street Repair and Reconstruction category.
5. Continue to support full funding plan for Caltrain Electrification with regional partners.
6. Strengthen funding plan for the TIMM Program delivery and first five years of operation; seek to secure multi-year operating and funding agreements and pursue Bay Area Air Quality Management District (BAAQMD), MTC and cap and trade funds for infrastructure and clean vehicles in cooperation with Treasure Island Development Authority (TIDA) and partner agencies.
7. Continue to closely manage and monitor project cash flows to inform long term debt needs.
8. Secure continued clean audit(s).
9. Help develop San Francisco priorities for SB 1 discretionary programs and secure grants for those projects; assist with transparency and accountability requirements of SB 1.

Capital Project Delivery and Oversight Activities

1. Oversee Presidio Parkway through project completion and closeout.
2. Closeout I-80/Yerba Buena Island (YBI) East Side On-Off Ramps Improvement project. Secure all final environmental, design, right of way and funding approvals for the Southgate Road Relocation improvements portion of the project, including construction contract advertisement, bid and award.
3. Complete final design and prepare YBI West-Side Bridges Retrofit Project for construction utilizing Construction Management/General Contractor delivery approach.
4. Develop concept of operations for the Treasure Island autonomous vehicle (AV) shuttle pilot program including multi-modal trip planning/booking mobile application.
5. Support development of consensus on Caltrain Downtown Extension delivery strategy and funding plan, including review of alternative oversight and governance models and best practices for the management and delivery of the project. Continue oversight of Transbay Transit Center (TTC) and Caltrain Downtown Extension (DTX) project.
6. Participate in Caltrain Electrification Configuration Management Board proceedings including monitoring of positive train control project delivery efforts. Coordinate with

Caltrain, Transbay Joint Powers Authority (TJPA) and CCSF on facilities yard planning in connection with Pennsylvania alignment scoping efforts.

7. Support the SFMTA in delivering near-term Geary Corridor improvements and strengthening the overall (including Bus Rapid Transit (BRT) project's funding plan, oversee design and environmental compliance of BRT project.
8. Support Van Ness BRT construction efforts, including environmental compliance monitoring and regular project delivery reporting to the CAC and Board.
9. Advance I-280 Interchange modifications at Balboa Park including preparation of final environmental studies and final Caltrans Project Report.
10. Monitor 19th Avenue Bulbout and Lombard projects construction phase efforts.
11. Promote coordinated traffic management plan efforts for major construction projects.
12. Support Quint St. Connector Road project development efforts including right of way acquisition and strengthening funding plan.

II. Provide Board Support

1. Check in regularly with Chair and Board members to seek guidance and input, particularly supporting orientation for new Board members in D4, D6, and D10.
2. Help staff regional roles (MTC, Association of Bay Area Governments (ABAG), BAAQMD, BART, TJPA, Caltrain and other bodies as needed). Support search for new MTC leadership, Committee to House the Bay Area (CASA) initiative and other topics as needed.
3. Staff ongoing Vision Zero Committee meetings.
4. Staff ongoing Treasure Island Mobility Management Agency (TIMMA) operations and policy board meetings.
5. Revise protocols and finalize more user-friendly formats for major capital project delivery reporting to Board and related documentation. Provide reconciliation of current project status against 2003 Prop K Expenditure Plan in Annual Report and via a Prop K Dashboard (website), updated project factsheets.
6. Serve (Executive Director) on TJPA (alternate) and ABAG's Regional Planning Committee.
7. Support development of local TNC tax ordinance and state legislation as directed by Board (anticipated priorities: Vision Zero, congestion pricing authority).
8. Support identification of NTIP priorities for remaining Cycle 1 funds; seek Board adoption of NTIP planning project final reports (anticipated in D3, D6, D8, D11); and work with Board members to develop NTIP planning and capital priorities for Cycle 2 (funds accessible starting July 2019).
9. Advance school transportation plans and partnerships.

10. Conduct west side rail planning in D1, D4, and D7 as part of ConnectSF Transit Corridors Study and facilitate public engagement in D1, D4 and D7.
11. Conduct microtransit planning in D10 and D11 as per recommendations from D10 Mobility study.

III. Promote Customer Service and Efficiency

1. Redesign the Prop K/AA sponsor resource webpages to increase user-friendly features. Offer annual sponsor refresher training opportunities regarding Prop K/AA resources, policies and procedures.
2. Continue to develop and refine grants management dashboards and project management reports through further integration of the enterprise resource planning tool (accounting software) and the Portal to increase staff efficiency and effectiveness.
3. Continue to refine the redesigned MyStreetSF.com to support user-friendly features and efficiency of staff maintenance activities.
4. Enhance Prop K Portal to increase functionality for sponsors and staff, including refining the new online Prop K/AA allocation request form and associated procedures.
5. Continue to work with sponsors to further streamline grant allocation and administration, including developing Service Level Agreements with sponsors (e.g. to clarify follow up timelines, basis for rejecting invoices) and increasing efficiency of internal processes by only requiring Executive Director to approve reimbursements greater than \$5,000.

IV. Work Collaboratively with Partner Agencies

1. Continue to partner and coordinate on revenue, legislative and policy advocacy including efforts to secure new local revenues for transportation.
2. Set up regular meetings with key sponsors to provide Prop K grant/funding overview, discuss Service Level Agreements and support general collaboration.
3. Advocate for and support Caltrain/High-Speed Rail compatibility.
4. Advocate for efficient and performance-based state fund program guidelines and adjustments to State SB1 programs (Active Transportation Program (ATP) devolution, State-Local Partnership Program modifications).
5. Collaborate with city and regional agencies on ConnectSF, including completing the Needs Assessment and completing substantial work on the Transit Corridor Study and Streets and Freeways Study.

6. Participate in Executive Steering Committee for US 101 managed lanes development and support the 101 Mobility Action Plan.
7. Continue to provide technical assistance on Better Market Street, Caltrain North Terminal and Yard Studies, Caltrain Business Plan, Geneva/Harney BRT and Baylands recently approved housing plans, Bayview Community-Based Transportation Plan, and SFMTA's efforts to plan for and manage emerging mobility services.
8. Participate in interagency working group to advance the San Francisco Transportation Demand Management Plan.
9. Support the BART Perks 2.0 effort to test using incentives to address crowding on peak-period trains.

V. Promote Inclusive Public Engagement

1. Continue Disadvantaged Business Enterprise outreach efforts and workforce supportive programs (CityBuild).
2. Explore providing workforce development and training opportunities including construction admin pathways in partnership with TIDA/One Treasure Island or the Office of Economic and Workforce Development.
3. Continue to participate in the citywide promotion and advancement of racial equity through Government Alliance on Race and Equity program, and further incorporate racial equity in agency policies and practices.
4. Ensure outreach efforts, especially for ConnectSF and the San Francisco Transportation Plan (SFTP), TIMMA programs, Congestion Pricing Update Study, and Freeway Corridor Management Equity Study, to reach a diverse and inclusive cross-section of San Francisco stakeholders.
5. Continue to support SFTP Equity analysis priority programs including Vision Zero and NTIP (Cycle 2).
6. Launch new improved agency website and brand refresh.
7. Involve the Citizen Advisory Committee, Board and public in agency's 30th anniversary year-long activities.

VI. Provide Regional and State Leadership

1. Actively participate in regional policy discussions at MTC and ABAG to shape the implementation of Plan Bay Area 2040, working effectively on cross-county initiatives, strengthen alliances between Big 3 cities and collaborate on transit investment, affordable housing and anti-displacement issues. Lead coordination of San Francisco input to Horizon/Plan Bay Area 2050 update and serve as a regional leader on technical (model assumptions, project performance evaluation) and policy issues. Work with BATA/BAIFA on regional managed lanes master plan and infrastructure bank proposals, integrated payments capabilities, CASA Housing and linkage with transportation funds, transit affordability and accumulator passes, and Climate programs.
2. Collaborate with public and private organizations involved in potential new revenue measures such as regional transportation and/or housing mega-measure, 1/8th cent sales tax for Caltrain (SB 797-Hill) and state programs (CARB cap and trade programs, California Transportation Commission Road User Charge program).
3. Work closely with BART to develop Measure RR priorities for San Francisco including 2nd Transbay Tube / west side alignment planning, station access/modernization, and fare integration/payments initiatives.
4. Coordinate legislation and legislative advocacy with Self-Help Counties Coalition, MTC, and Congestion Management Agencies.
5. Advocate for passage of legislative priorities as approved by Board. Anticipated priorities: congestion pricing, Vision Zero.
6. Track and help shape statewide and regional policies, pilots, and deployments on emerging mobility services and technologies; mobility as a service; uses of real-time travel information; and payments technology.
7. Advocate for San Francisco and city interests to manage TNCs and AV at state and federal levels. Conduct AV Shuttle pilot on Treasure Island and support other local pilots and research.
8. Advocate for revisions to SB 1 program guidelines to allow more flexibility, development of strong project pipelines, efficient grant application processes, and support for San Francisco's project priorities.

VII. Facilitate Agency and Staff Development

1. Implement new staffing rates, organization chart per Board direction, and fill Principal Engineer and TIMMA Program Manager and other new positions as funds become available.
2. Continue to provide training, knowledge management opportunities and coaching and mentoring resources to staff.
3. Continue to develop staff capacity to oversee/manage projects and pilots in the following rapidly-changing areas: transportation demand management; real-time traveler/operator information; mobility payments technology; mobility as a service; and the full range of emerging mobility services and technologies.
4. Strengthen budget tools and procedures, enhancing budget reports to staff and Board, tracking performance measures, and supporting 2-year budget planning and business analysis for TIMMA.
5. Continue to establish and implement guiding project management tools and procedures based on trainings; seek to coordinate these with the SFMTA, as appropriate.
6. Continue updating policies and procedures, including further integration with the enterprise resource planning tool (accounting software) and automate processes where appropriate.
7. Develop an agency-wide Outreach and Public Engagement guide.
8. Make further progress on implementing Organizational Assessment recommendations and Workplace Excellence initiative.

VIII. Improve Internal and External Communications

1. Publish new agency website and brand refresh.
2. Finalize agency-wide communications plan and medium-term branding strategy.
3. Commemorate agency's 30th anniversary with education campaign about benefits of half-cent sales tax program investments.
4. Deepen community partnerships and relationships, pending recommendations from agency equity working group.
5. Update agency collateral/design templates.
6. Continue pursuing opportunities to promote agency work through op-eds, events, website, press outreach; continue newsletter readership growth; expand social media audience.
7. Continue to regularly meet with and strengthen relationships with civic groups, media, community-based organizations, neighborhood groups.
8. Develop internal public engagement protocol outlining best practices for project-specific outreach/communications.

RESOLUTION SETTING ANNUAL COMPENSATION FOR THE EXECUTIVE DIRECTOR
FOR 2019

WHEREAS, On September 24, 2013, through Resolution 14-24, the Board appointed Tilly Chang as Executive Director of the San Francisco County Transportation Authority, effective October 1, 2013; and

WHEREAS, Through Resolution 17-19 the Board amended the employment agreement with Tilly Chang to extend the term of the agreement to December 31, 2019; and

WHEREAS, The Transportation Authority's Administrative Code establishes that the Board fixes the compensation level for the Executive Director; and

WHEREAS, Per the Personnel Manual, salary adjustments are not automatic based on cost of living or other indexes but are focused instead on rewarding performance; and

WHEREAS, On December 5, 2018 the Personnel Committee met, and after extensive consideration of the Executive Director's performance and other factors, recommended that the Executive Director's compensation be increased by 4.5% for 2019; now, therefore, be it

RESOLVED, That the Transportation Authority hereby increases the Executive Director's compensation for 2019 by 4.5%, effective January 1, 2019.