



# Memorandum

**Date:** June 18, 2018  
**To:** Transportation Authority Board  
**From:** Anna LaForte – Deputy Director for Policy and Programming  
**Subject:** 7/10/2018 Board Meeting: Amendment of the Prop K Strategic Plan Baseline, Allocation of \$19,999,636 in Prop K Funds for Two Requests, with Conditions, and Appropriation of \$600,000 for One Request

<p><b>RECOMMENDATION</b>    <input type="checkbox"/> Information    <input checked="" type="checkbox"/> Action</p> <ul style="list-style-type: none"> <li>• Amend the 2019 Prop K Strategic Plan Baseline to advance funds to Fiscal Year (FY) 2018/19 in the Downtown Extension to a Rebuilt Transbay Terminal, Vehicles-Caltrain, Guideways-Caltrain, and Paratransit categories to fully fund three Prop K requests and program sufficient funds for San Francisco’s annual member share contribution to Caltrain’s capital budget.</li> <li>• Allocate \$9,678,626 in Prop K sales tax funds to the Transbay Joint Powers Authority (TJPA) for one request:             <ol style="list-style-type: none"> <li>1. Downtown Extension - 30% Design Part 1</li> </ol> </li> <li>• Allocate \$10,321,010 in Prop K sales tax funds to the San Francisco Municipal Transportation Agency (SFMTA) for one request:             <ol style="list-style-type: none"> <li>2. Paratransit, Shop-a-Round/Van Gogh Shuttles, Ramp Taxi Incentives Program</li> </ol> </li> <li>• Appropriate \$600,000 in Prop K sales tax funds for one request:             <ol style="list-style-type: none"> <li>3. Downtown Extension – 30% Design Oversight and Support Part 1</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Fund Allocation</li> <li><input checked="" type="checkbox"/> Fund Programming</li> <li><input type="checkbox"/> Policy/Legislation</li> <li><input type="checkbox"/> Plan/Study</li> <li><input type="checkbox"/> Capital Project Oversight/Delivery</li> <li><input type="checkbox"/> Budget/Finance</li> <li><input type="checkbox"/> Contracts</li> <li><input type="checkbox"/> Other:</li> </ul>
<p><b>SUMMARY</b></p> <p>We are presenting three requests totaling \$20,599,636 in Prop K sales tax 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. Attachment 5 provides details of the proposed 2019 Prop K Strategic Plan Baseline amendment incorporating programming changes to accommodate the three subject requests and San Francisco’s annual member share contribution to the FY 2018/19 Caltrain capital budget, anticipated to be considered by the Board in September.</p>	

**DISCUSSION**

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

**Proposed Amendments to the Prop K Strategic Plan Baseline.**

The three subject requests are conditioned upon amendments to the Prop K Strategic Plan Baseline. In addition, we are recommending amendments to the Vehicles-Caltrain and Guideways-Caltrain categories to support Caltrain’s annual local capital match contribution from San Francisco. Those allocation requests are expected to be before the Board in September.

**Caltrain Downtown Extension (DTX) to the Salesforce Transit Center:** We are recommending an amendment to the Strategic Plan Baseline to program a total of \$10,278,626 in FY 2018/19 to fully fund the TJPA’s and Transportation Authority’s requests from the Downtown Extension to a Rebuilt Transbay Terminal category. When the Transportation Authority Board adopted the Baseline in May 2018, it left all remaining Prop K funds in the category unprogrammed for the DTX to allow time for the Board, Mayor, San Francisco agencies and the TJPA to move toward consensus on how to proceed with the project. Given the recent completion of/near completion of several studies and the fact that the City is moving toward consensus on the alignment for the DTX, the TJPA is requesting \$9,678,626 to continue advancing the project toward 30% design of the new and modified elements of the DTX. Concurrently, we are requesting \$600,000 for project delivery oversight and support as the TJPA prepares draft 30% design submittals. Finance costs in this category would increase by 1.95% (from 9.43% to 11.38%) over the 30-year life of the Expenditure Plan as a result of this amendment.

**Paratransit:** We are recommending minor programming adjustments to the Strategic Plan Baseline to advance funds in the Paratransit category to reflect the final Lifeline Cycle 5 programming recommendations, including modifications for funding eligibility. Our recommendation is detailed in the table below, which shows that Prop K funds in the Paratransit category will be used to fund SFMTA’s paratransit operations, the Shop-a-Round/Van Gogh Shuttles, and the Ramp Taxi Incentive Program.

**Table 1. Proposed Strategic Plan Baseline Amendment - Paratransit Category**

<b>Paratransit Category</b>	<b>FY 2018/19 Prop K Amount</b>	<b>FY 2019/20 Prop K Amount</b>	<b>FY 2020/21 Prop K Amount</b>
Paratransit Operations	No change. Baseline includes \$10,193,010	No change. Baseline includes \$10,193,010	No change. Baseline includes \$10,193,010
Shop-a-Round/Van Gogh Shuttles	\$78,000 increase. Baseline is \$0.	No change. Baseline includes \$150,000	No change. Baseline includes \$150,000
Ramp Taxi Incentive Program	\$50,000 increase. Baseline is \$0	\$25,000 increase. Baseline includes \$100,000	\$25,000 increase. Baseline includes \$100,000
<b>Revised Prop K Amount:</b>	<b>\$10,321,010</b>	<b>\$10,468,010</b>	<b>\$10,468,010</b>

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The 2019 Prop K Strategic Plan Baseline includes \$10,193,010 in annual programming for the SFMTA's general Paratransit operations through FY 2024/25 and a partial year of funding in FY 2025/26. The Shop-a-Round group van service and Van Gogh recreational shuttle would be funded in part with Prop K and Lifeline Transportation Program funds through FY 2020/21. The proposed amendment would increase financing costs in the category by 0.08% (from 13.67% to 13.75%) over the 30-year Expenditure Plan.

**San Francisco's Member Share Contribution to Caltrain's FY 2018/19 Capital Budget:** We are recommending an amendment to the Strategic Plan Baseline to advance a total of \$3,268,650 from the out-years to FY 2018/19 in the Caltrain-Vehicles and Caltrain-Guideways categories to help fully fund San Francisco's member share contribution to Caltrain's capital budget. Annually, Caltrain requests an equal contribution from each of the three Peninsula Corridor Joint Powers Board (PCJPB) member counties (San Francisco, San Mateo and Santa Clara) to their capital budget. In FY 2018/19, each member has agreed to provide \$7.5 million, up from last year's member contribution of \$5 million. The Strategic Plan Baseline includes \$4,231,350 in FY 2018/19 in the Prop K categories for Caltrain state of good repair projects (i.e. Capital Improvement Program, Vehicles, Facilities, and Guideways), thus we are recommending advancing funds to fully fund San Francisco's share. This continues the trend of advancing Prop K sales tax funds in the four Caltrain categories so that Prop K can temporarily provide San Francisco's annual local capital match contribution, relieving the SFMTA of this financial burden until Prop K sales tax funds are exhausted for Caltrain, which is likely to be within the next 3 to 5 years.

### **FINANCIAL IMPACT**

The recommended action would allocate \$19,999,636 and appropriate \$600,000 in FY 2018/19 Prop K sales tax funds. The allocations and appropriation would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the enclosed Allocation Request Forms.

Attachment 4 shows the approved 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.

In all, the proposed amendments to the 2019 Prop K Strategic Plan Baseline would advance a total of \$8,468,346 in out-year programming to FYs 2018/19 through 2020/21. The proposed amendments would cumulatively result in an increase of 0.32% (\$8,864,124) in anticipated finance costs over the 30-year life of the Expenditure Plan. See Attachment 5 for details.

Sufficient funds are included in the proposed 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 will be briefed on this item at its June 27, 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

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Attachment 5 – 2019 Prop K Strategic Plan Baseline - Proposed Amendments

Enclosure – Prop K/AA Allocation Request Forms (3)

**Attachment 1: Summary of Applications Received**

Source	EP Line No./ Category <sup>1</sup>	Project Sponsor <sup>2</sup>	Project Name	Current Prop K Request	Total Cost for Requested Phase(s)	Leveraging		Phase(s) Requested	District(s)
						Expected Leveraging by EP Line <sup>3</sup>	Actual Leveraging by Project Phase(s) <sup>4</sup>		
Prop K	5	TJPA	Downtown Extension - 30% Design Part 1	\$ 9,678,626	\$ 176,134,322	86%	97.2% per DTX funding plan	Design	6
Prop K	5	SFCTA	Downtown Extension – 30% Design Oversight and Support Part 1	\$ 600,000	\$ 176,134,322	38%	97.2% per DTX funding plan	Design	6
Prop K	23	SFMTA	Paratransit, Shop-a-Round/Van Gogh Shuttles, Ramp Taxi Incentives	\$ 10,321,010	\$ 29,171,627	27%	65%	Operations	Citywide
<b>TOTAL</b>				<b>\$ 20,599,636</b>	<b>\$ 381,440,271</b>	<b>59%</b>	<b>95%</b>		

Footnotes

<sup>1</sup> "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).

<sup>2</sup> Acronyms: SFCTA (Transportation Authority); SFMTA (San Francisco Municipal Transportation Agency); TJPA (Caltrain).

<sup>3</sup> "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%.

<sup>4</sup> "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 <sup>1</sup>**

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Project Description
5	TJPA	Downtown Extension - 30% Design Part 1	\$9,678,626	Extension of Caltrain 1.3 miles from Fourth and King Streets to the new Transbay Transit Center at First and Mission Streets, with accommodations for future high-speed rail. Requested funds will support the progress of the project toward 30% design on the new and modified elements of the project, such as the relocation of the 4th and Townsend underground station to beneath Townsend Street from its original location beneath the Caltrain yard. It will also support follow-up to the Tunnel Options Study, value engineering and development of bottom-up cost estimates. While TJPA expects to complete 30% design by September 2019, the work to be funded by the subject request will be complete in March 2019.
5	SFCTA	Downtown Extension – 30% Design Oversight and Support Part 1	\$600,000	Extension of Caltrain 1.3 miles from Fourth and King Streets to the new Transbay Transit Center at First and Mission Streets, with accommodations for future high-speed rail. Requested funds will allow for SFCTA to conduct enhanced project delivery oversight and support as the Transbay Joint Powers Authority (TJPA) prepares 30% design submittals for new and modified elements of the project. Focus areas will include, but are not limited to follow-on work to the recently completed Tunnel Options Study and Operations Study, value engineering, project delivery and procurement plan, contracting and funding plan. While TJPA expects to complete 30% design by September 2019, the work to be funded by the subject request will be complete in March 2019.
23	SFMTA	Paratransit, Shop-a- Round/Van Gogh Shuttles, Ramp Taxi Incentives	\$10,321,010	The SFMTA provides paratransit services to persons with disabilities, in compliance with the Americans with Disabilities Act (ADA). Since 2004 Prop K funds have supported the program's sedan and ramp taxi trips, ACCESS van pre-scheduled trips, intercounty trips, and group van trips to senior centers. This Prop K request also includes funds for the Shop-a-Round and Van Gogh shuttles, which provide transportation to grocery stores and recreational destinations, respectively, for senior and disabled passengers.
<b>TOTAL</b>			<b>\$20,599,636</b>	

<sup>1</sup> See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations <sup>1</sup>

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Recommended	Recommendations
5	TJPA	Downtown Extension - 30% Design Part 1	\$ 9,678,626	<b>Strategic Plan Baseline Amendment:</b> Allocation is contingent upon amendment of the Strategic Plan Baseline to advance \$9,678,626 to FY 2018/19 for the subject request. Finance costs in the category would increase by 1.95% (from 9.43% to 11.38%) over the 30-year life of the Expenditure Plan as a result of this amendment, which includes the subject allocation and the \$600,000 request from the SFCTA (see below). See Attachment 5 and the enclosed Allocation Request Form for details.
5	SFCTA	Downtown Extension – 30% Design Oversight and Support Part 1	\$ 600,000	<b>Strategic Plan Baseline Amendment:</b> Appropriation is contingent upon amendment of the Strategic Plan Baseline to advance \$600,000 to FY 2018/19 for the subject request. Finance costs in the category would increase by 1.95% (from 9.43% to 11.38%) over the 30-year life of the Expenditure Plan as a result of this amendment, which includes the subject request and the above \$9,678,626 request from the TJPA. See Attachment 5 and the enclosed Allocation Request Form for details.
23	SFMTA	Paratransit, Shop-a-Round/Van Gogh Shuttles, Ramp Taxi Incentives	\$ 10,321,010	<b>Strategic Plan Baseline Amendment:</b> Allocation is contingent upon amendment of the Strategic Plan Baseline to advance \$128,000 to FY 2018/19, \$25,000 to FY 2019/20 and \$25,000 to FY 2020/21 to fully fund the Shop-a-Round Shuttles and Ramp Taxi Incentives Programs, which is consistent with the final Lifeline Transportation Program Cycle 5 programming recommendations. Amendment would increase financing costs in the category by 0.08% (from 13.67% to 13.75%) over the 30-year Expenditure Plan. FY 2019/20 and FY 2020/21 funding is subject to future allocation by the Board. See Attachment 5 and the enclosed Allocation Request Form for details.
<b>TOTAL</b>			<b>\$20,599,636</b>	

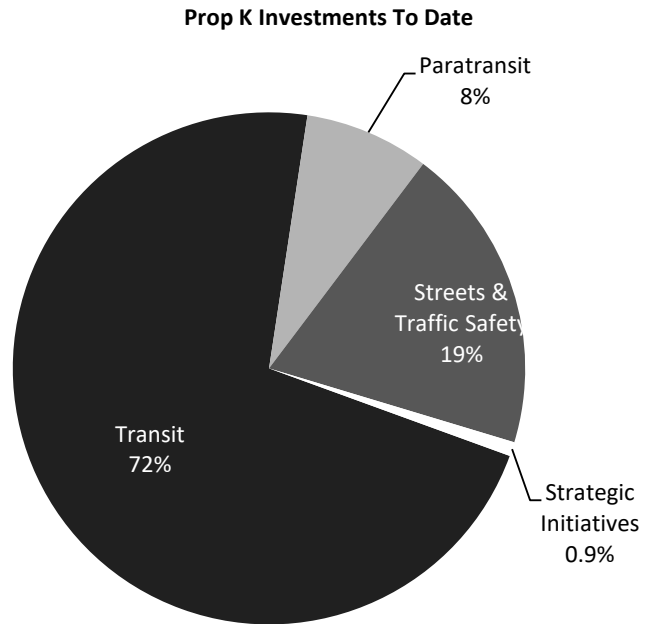
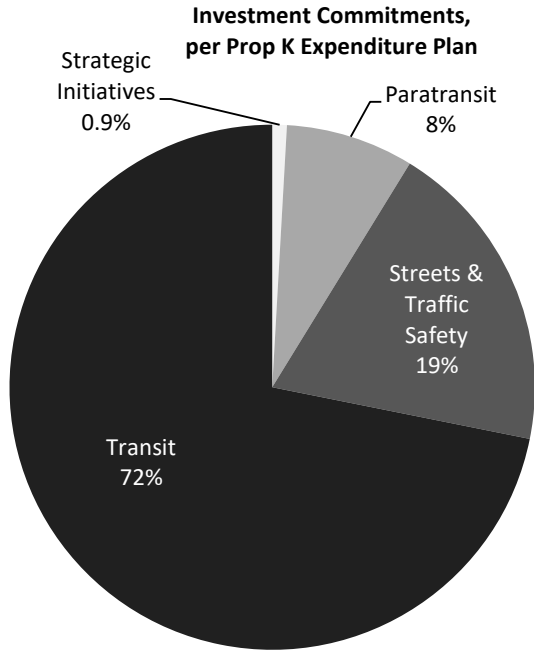
<sup>1</sup> See Attachment 1 for footnotes.

**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
Prior Allocations	\$ 9,701,076	\$ 7,842,928	\$ 1,844,071	\$ 14,077	\$ -	\$ -
Current Request(s)	\$ 20,599,636	\$ 20,599,636	\$ -	\$ -	\$ -	\$ -
New Total Allocations	\$ 30,300,712	\$ 28,442,564	\$ 1,844,071	\$ 14,077	\$ -	\$ -

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).







**Attachment 5:  
2019 Strategic Plan Baseline - Proposed Amendments**  
Pending July 2018 Board Action

EP No.	EP Line Item	Total Available Funds	Percent of Available Funds Spent on Financing	Total 30-year Programming & Finance Costs	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34		
<b>Change</b>																						
5	Downtown Extension to a Rebuilt Transbay Terminal	\$ (43,331)	1.95%	Programming	\$ 10,278,626	\$ 10,278,626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
				Finance Costs	\$ 5,552,903	\$ 193,329	\$ 346,085	\$ 502,379	\$ 519,113	\$ 536,515	\$ 554,127	\$ 568,033	\$ 573,465	\$ 591,304	\$ 634,700	\$ 533,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				<b>Total</b>	\$ 15,831,529	\$ 10,471,955	\$ 346,085	\$ 502,379	\$ 519,113	\$ 536,515	\$ 554,127	\$ 568,033	\$ 573,465	\$ 591,304	\$ 634,700	\$ 533,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17P	New and Renovated Vehicles - Caltrain	\$ (3,693)	5.39%	Programming	\$ (1,248,772)	\$ 2,598,158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (520,000)	\$ (696,324)	\$ (746,578)	\$ (856,908)	\$ (927,119)	\$ (100,000)	\$ -	\$ -	\$ -	
				Finance Costs	\$ 1,308,356	\$ 27,877	\$ 81,865	\$ 124,163	\$ 127,510	\$ 132,467	\$ 137,403	\$ 141,254	\$ 142,955	\$ 125,865	\$ 104,455	\$ 82,141	\$ 57,421	\$ 14,182	\$ 8,796	\$ -	\$ -	\$ -
				<b>Total</b>	\$ 59,584	\$ 2,626,035	\$ 81,865	\$ 124,163	\$ 127,510	\$ 132,467	\$ 137,403	\$ 141,254	\$ 142,955	\$ (394,135)	\$ (591,869)	\$ (664,437)	\$ (799,487)	\$ (912,937)	\$ (91,204)	\$ -	\$ -	\$ -
22P	Guideways - Caltrain	\$ (4,479)	1.45%	Programming	\$ (389,508)	\$ 670,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (260,000)	\$ (800,000)	\$ -	\$ -	\$ -	\$ -	
				Finance Costs	\$ 426,429	\$ 4,750	\$ 22,721	\$ 32,574	\$ 33,810	\$ 34,927	\$ 36,043	\$ 36,925	\$ 37,198	\$ 37,985	\$ 39,967	\$ 45,294	\$ 47,239	\$ 9,009	\$ 7,987	\$ -	\$ -	\$ -
				<b>Total</b>	\$ 36,921	\$ 675,242	\$ 22,721	\$ 32,574	\$ 33,810	\$ 34,927	\$ 36,043	\$ 36,925	\$ 37,198	\$ 37,985	\$ 39,967	\$ 45,294	\$ 47,239	\$ (790,991)	\$ (790,991)	\$ 7,987	\$ -	\$ -
23	Paratransit	\$ (36,805)	0.08%	Programming	\$ (172,000)	\$ 128,000	\$ 25,000	\$ 25,000	\$ (150,000)	\$ -	\$ -	\$ -	\$ (200,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
				Finance Costs	\$ 198,739	\$ (18,437)	\$ 22,264	\$ 18,799	\$ 13,112	\$ 12,322	\$ 11,116	\$ 10,123	\$ (875)	\$ (8,907)	\$ (20,768)	\$ (11,030)	\$ 63,983	\$ 61,189	\$ 45,849	\$ -	\$ -	\$ -
				<b>Total</b>	\$ 26,739	\$ 109,563	\$ 47,264	\$ 43,799	\$ (136,888)	\$ 12,322	\$ 11,116	\$ 10,123	\$ (200,875)	\$ (8,907)	\$ (20,768)	\$ (11,030)	\$ 63,983	\$ 61,189	\$ 45,849	\$ -	\$ -	\$ -
<b>TOTAL</b>				Programming	\$ 8,468,346	\$ 13,675,276	\$ 25,000	\$ 25,000	\$ (150,000)	\$ -	\$ -	\$ -	\$ (200,000)	\$ (520,000)	\$ (696,324)	\$ (746,578)	\$ (1,116,908)	\$ (1,727,119)	\$ (100,000)	\$ -	\$ -	
				Finance Costs	\$ 7,517,231	\$ 203,980	\$ 475,546	\$ 678,925	\$ 695,455	\$ 717,921	\$ 740,004	\$ 757,378	\$ 753,421	\$ 745,979	\$ 756,690	\$ 649,877	\$ 178,026	\$ 93,598	\$ 70,430	\$ -	\$ -	
				<b>Total</b>	\$ 15,985,577	\$ 13,879,256	\$ 500,546	\$ 703,925	\$ 545,455	\$ 717,921	\$ 740,004	\$ 757,378	\$ 553,421	\$ 225,979	\$ 60,366	\$ (96,701)	\$ (938,883)	\$ (1,633,521)	\$ (29,570)	\$ -	\$ -	

<b>Prop K Total</b>				
<b>Adopted 2019 Prop K Strategic Plan Baseline</b>				
	Prop K	\$ 2,797,053,717	7.63%	Programming \$ 2,506,888,150 Finance Costs \$ 213,441,037 Total \$ 2,720,329,186
<b>Proposed 2019 Prop K Strategic Plan Baseline - Amendment 1</b>				
	Prop K	\$ 2,796,666,677	7.95%	Programming \$ 2,515,356,496 Finance Costs \$ 222,305,160 Total \$ 2,737,661,656
<b>Change</b>				
	Prop K	\$ (387,040)	0.32%	Programming \$ 8,468,346 Finance Costs \$ 8,864,124 Total \$ 17,332,470