

Adopt the 2019 Prop K Strategic Plan

Presentation to the
Citizens Advisory Committee



SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

October 24, 2018

2019 Strategic Plan/5YPP Update

Why is it important? Why now?



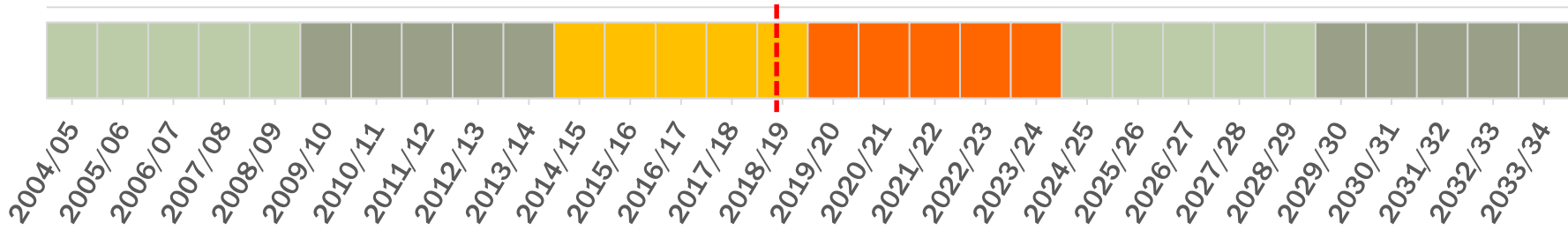
- ▶ **Determines which projects will receive funding over next five years**
- ▶ **Respond to current context**
 - ▶ Board interests, agency priorities, changing funding landscape
- ▶ **Helps ensure funds are available to support project delivery**
- ▶ **Support transparency and accountability**
 - ▶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

30-Year Prop K
Expenditure Plan

2009 SP/5YPP
Update

2014 SP/5YPP
Update

2019 SP/5YPP
Update



Current 5-Year Period

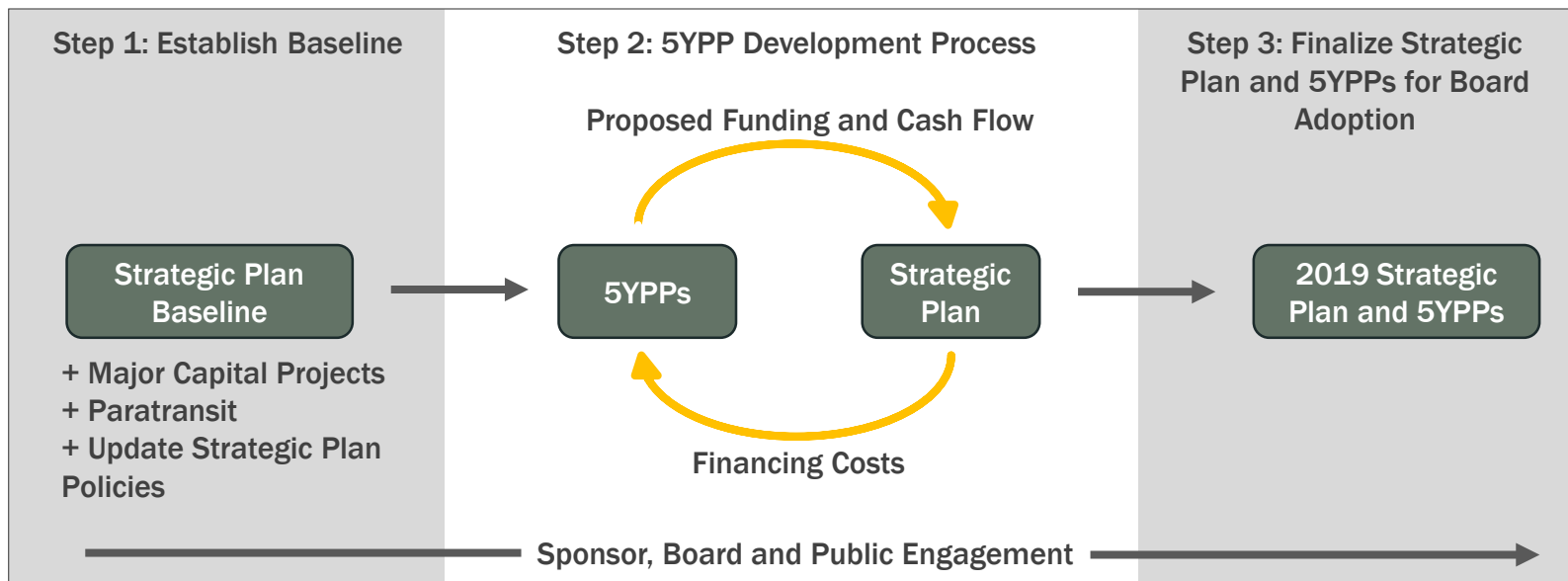
2019 SP/5YPP Update

2019 Strategic Plan/5YPP Update

What is the process?



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



2019 Strategic Plan/5YPP Update

Step 3: Adopt Strategic Plan



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

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

2019 Strategic Plan and 5YPPs



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

Components of the Strategic Plan



POLICIES

REVENUES

EXPENDITURES

Sales Tax

Operating Expenditures

Capital Reserve

Investment Income

Project Costs

Financing Costs

2019 Prop K Strategic Plan

Prop K Policies



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

Strategic Plan Guiding Principles:

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

Components of the Strategic Plan



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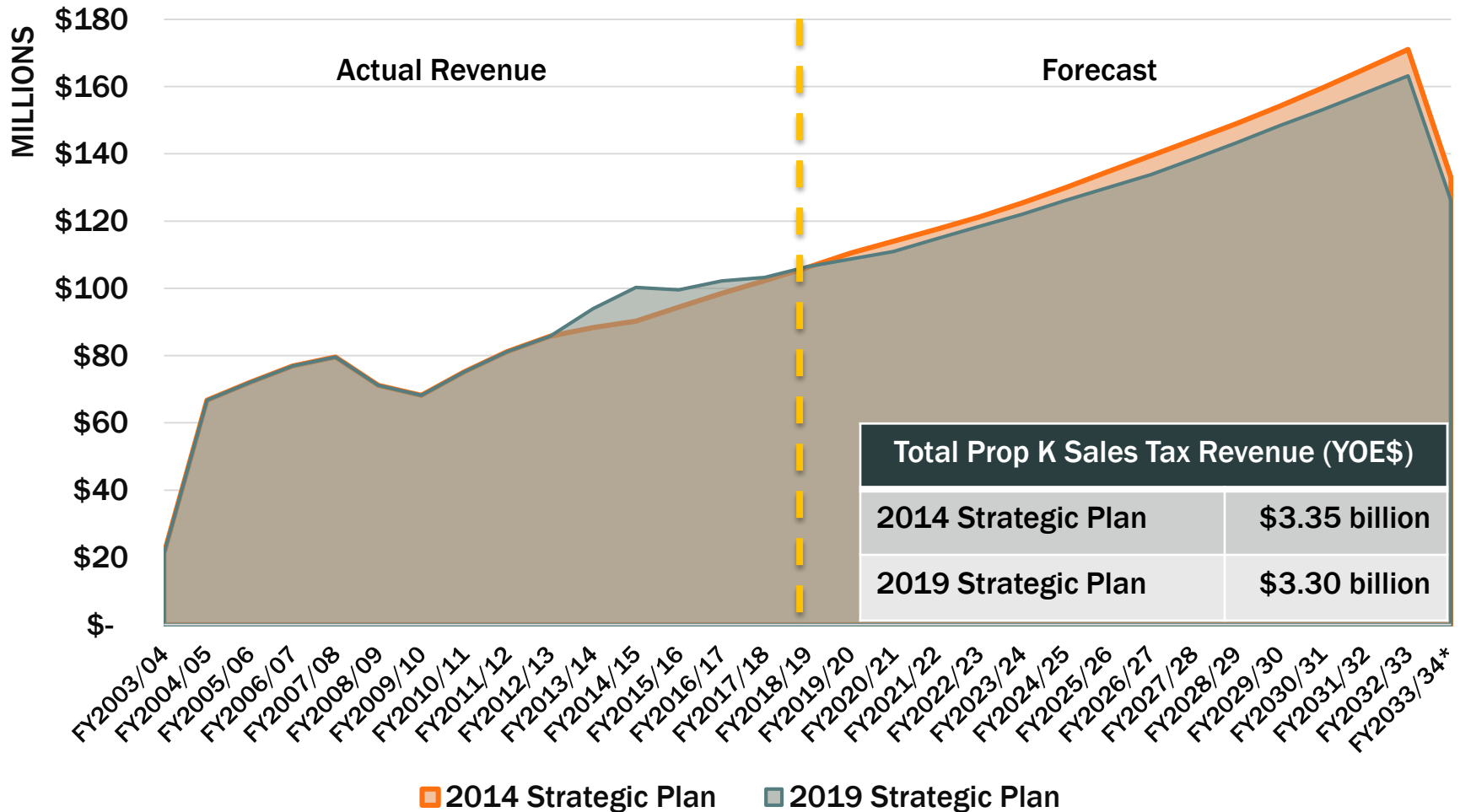
Investment Income

Financing Costs

2019 Strategic Plan Revenues



Prop K Sales Tax Revenue (YOES)



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

Components of the Strategic Plan



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Interest Income

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Capital Reserve

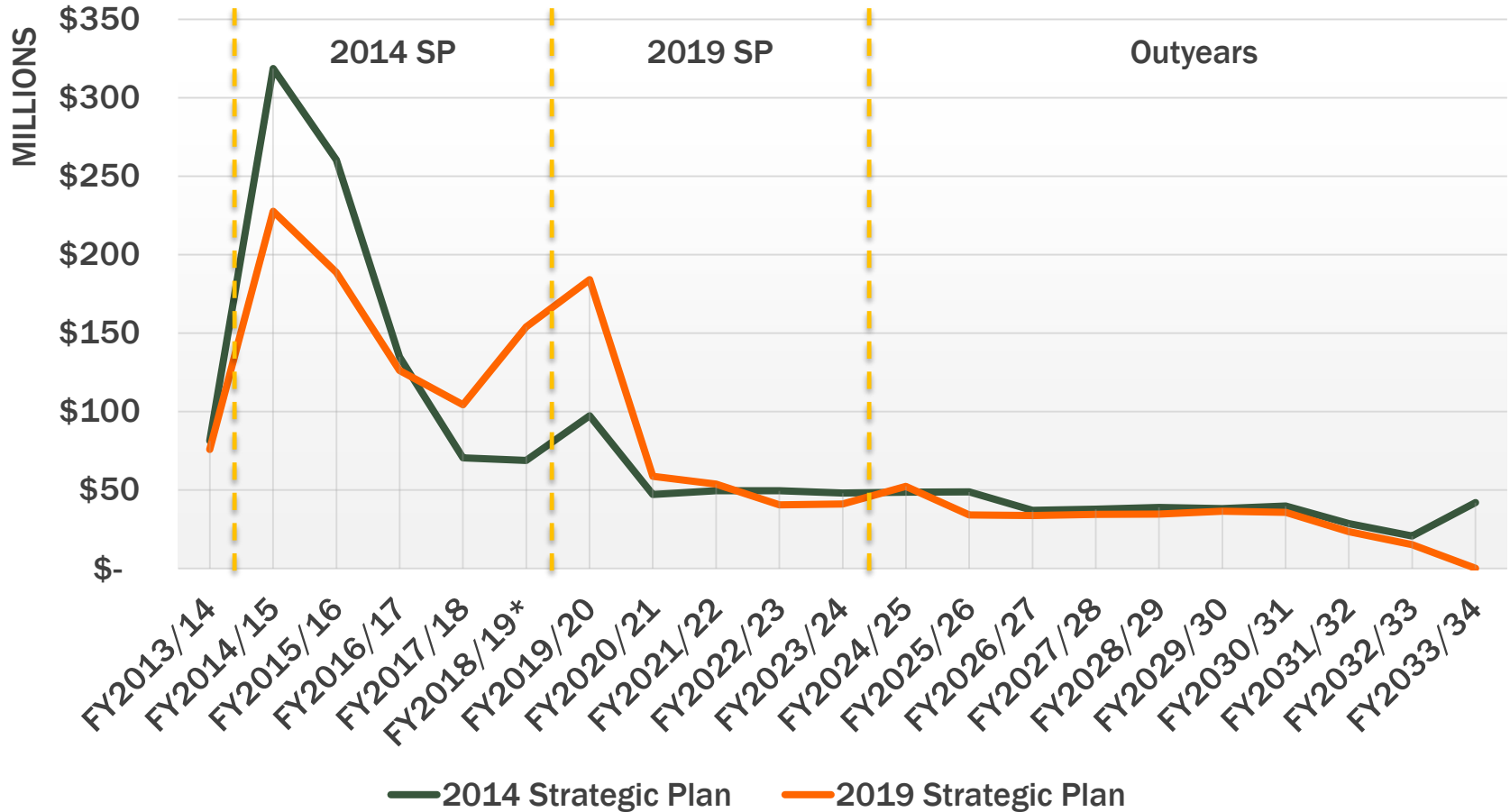
Project Costs

Financing Costs

2019 Strategic Plan Project Programming and Allocations



Programming and Allocations (YOE\$)

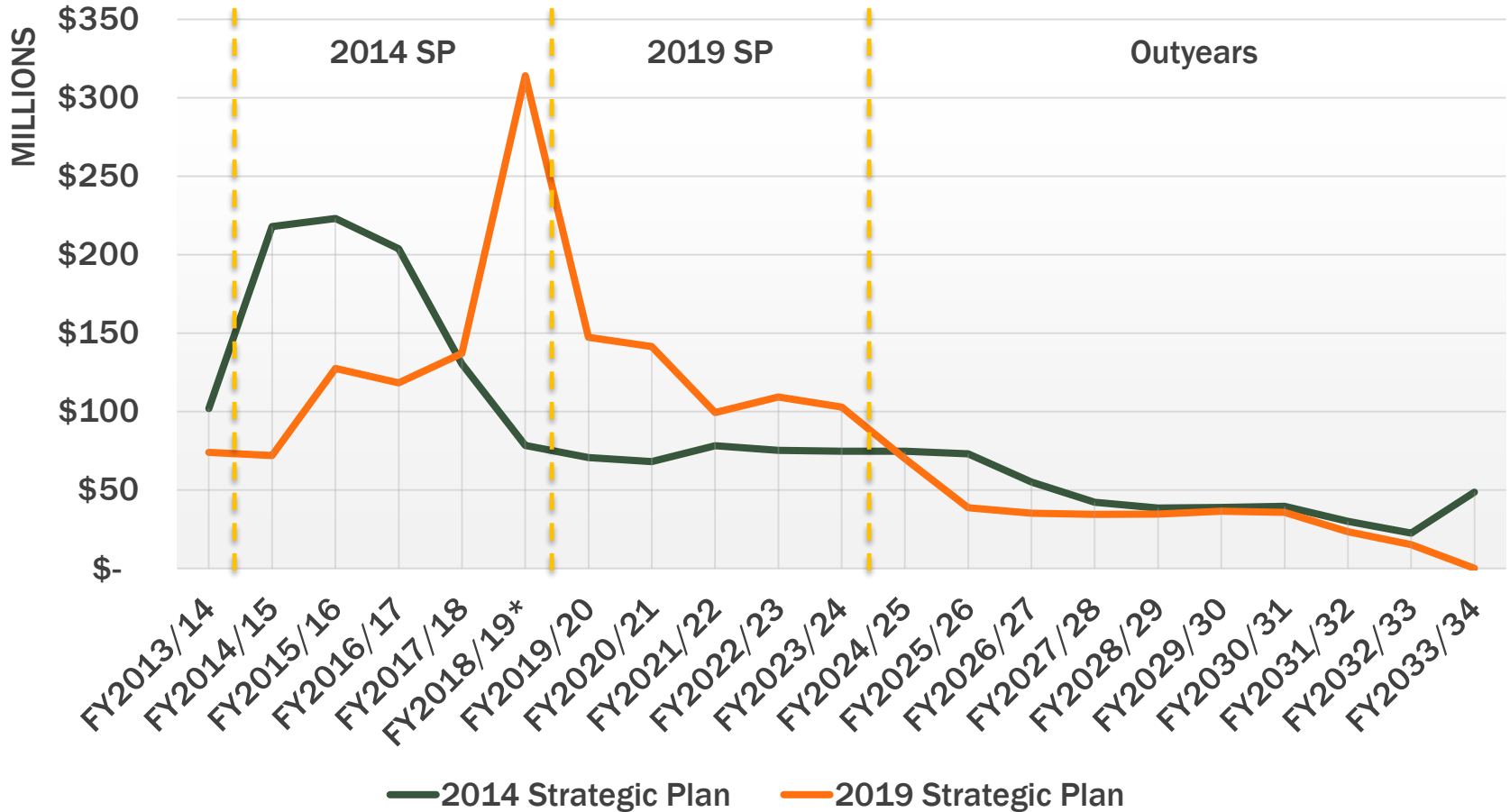


* Includes allocations as of October 24, 2018 Board Meeting, and FY2018/19 programming

2019 Strategic Plan Project Expenditures and Cashflow



Expenditures and Cashflow (YOE\$)



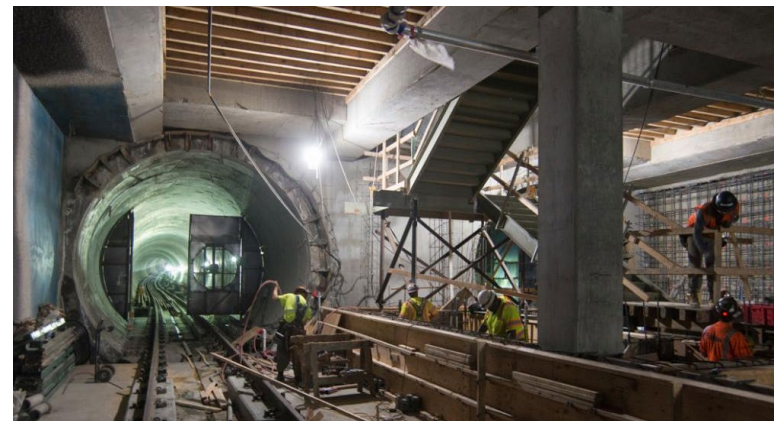
* Expenditures for FY2018/19 and on are projections

2019 Strategic Plan

Are we meeting our goals?



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



2019 Prop K Strategic Plan

Debt assumptions over time (in millions)



✓ Maximizing cost effectiveness of financing

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

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

2019 Strategic Plan Revenues and Expenditures Comparison



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

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

Questions?



SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY