



Memorandum

Date: 09.10.15 **RE:** Plans and Programs Committee
September 15, 2015

To: Plans and Programs Committee: Commissioners Tang (Chair), Christensen (Vice Chair), Breed, Farrell, Yee and Wiener (Ex Officio)

From: Amber Crabbe – Assistant Deputy Director for Policy and Programming *Ac*

Through: Tilly Chang – Executive Director *TC*

Subject: **INFORMATION** – Update on One Bay Area Grant Program Cycle 1 Projects

Summary

In May 2012, the Metropolitan Transportation Commission (MTC) adopted the One Bay Area Grant Program (OBAG) Cycle 1 framework to guide programming of federal Surface Transportation Program/Congestion Mitigation and Air Quality Improvement Program (STP/CMAQ) funds to better integrate the region's federal transportation program with California's climate law and its Sustainable Communities Strategy (SCS). One of the many programs funded in the OBAG framework is the County CMA Block Grant Program that allows Congestion Management Agencies (CMAs) to fund eligible projects with the intent of supporting the SCS, particularly by prioritizing funding for projects that support Priority Development Areas (see map in Attachment 1). In June 2013, the Transportation Authority Board programmed \$35 million in OBAG Cycle 1 County CMA Program funds to seven projects that were competitively selected based on multiple criteria, such as project readiness, multi-modal benefits, safety, and community support. Attachment 2 provides a project delivery update on San Francisco's OBAG Cycle 1 projects. Approximately half of the projects are proceeding with construction on schedule or with a relatively minor delay. The others are experiencing six to nine months in delay due to a longer-than-anticipated California Department of Transportation approval process, complicated environmental review, utility coordination, and/or unanticipated scope changes. We are evaluating the performance of Cycle 1 projects to inform our strategy for OBAG Cycle 2. Next month, we will present MTC's proposed OBAG Cycle 2 framework to the Plans and Programs Committee and seek input on the framework and the types of projects that we should prioritize in Cycle 2. MTC currently anticipates adopting the Cycle 2 framework in November.

BACKGROUND

In May 2012, the Metropolitan Transportation Commission (MTC) adopted the One Bay Area Grant Program (OBAG) Cycle 1 framework (Fiscal Years (FYs) 2012/13 to 2015/16) to guide programming of federal Surface Transportation Program and Congestion Mitigation and Air Quality Improvement Program funds to better integrate the region's federal transportation program with California's climate law and its Sustainable Communities Strategy (SCS). This integration was accomplished by establishing funding commitments and policies for various regional and county programs that support the SCS goals such as the Transit Performance Initiative, Climate Initiative, Freeway Performance Initiative, Priority

Development (PDA) Planning Grant Program, Safe Routes to School Program, and the County Congestion Management Agency (CMA) Block Grant Program.

The OBAG County CMA Block Grant Program is a locally administered program that is meant to provide transportation funding to incentivize planning for and production of higher shares of housing, in particular affordable housing. MTC provided county CMAs with a funding target via formula and charged them with selecting projects consistent with the program guidelines and the fund sources' strict timeline use of funds requirements. In the urbanized counties such as San Francisco, 70% of OBAG funding was required to be spent in PDAs, which are city-nominated areas near transit that are targeted to receive a higher share of growth. Attachment 1 shows San Francisco's PDAs. Focusing OBAG investment in infrastructure that supports walking, bicycling, local streets rehabilitation, and transit within these areas advances the SCS goals by funding multi-modal transportation in support of future growth.

For the \$38.8 million assigned to San Francisco (11.7% of the total CMA Program), in September 2012, the Transportation Authority Board adopted the funding framework and prioritization criteria for San Francisco's OBAG program, setting aside \$3.5 million for CMA Planning activities, and for the remaining \$35 million for OBAG projects: 1) designating a minimum of 70% of funds be awarded to projects in or connecting to PDAs as required by MTC, 2) establishing a \$2.5 million target for Safe Routes to School, and 3) prioritizing ready-to-deliver complete streets projects in PDAs that maximize the benefit for all street users.

In June 2013, the Transportation Authority adopted the final OBAG program of seven competitively selected projects (Attachment 2; visit our OBAG webpage for detailed information on the project selection process at www.sfcta.org/obag). In February 2015, the Transportation Authority Board approved reprogramming of \$10.2 million in OBAG funds from SFMTA's Masonic Avenue Complete Streets to its Light Rail Vehicle (LRV) Procurement for reasons detailed in the Discussion section.

In December 2014, MTC added an additional year (FY 2016/17) to OBAG Cycle 1 to minimize the impact of the significant federal funding shortfall, extending the term of OBAG Cycle 1 from 4 to 5 years to maintain close to the original funding levels.

DISCUSSION

OBAG Cycle 1 Project Status: The purpose of this memorandum is to provide a project delivery update on San Francisco's OBAG Cycle 1 projects. Attachment 1 shows the location of each project in relation to the city's identified PDAs. Attachment 2 shows the OBAG grant amount, scope, and project delivery status of each project. All projects have met the federal deadline to receive authorization to proceed with contract advertisement except for the Masonic Avenue Complete Streets project (see below). The Second Street Streetscape Improvement is the only remaining OBAG project scheduled to receive construction authorization in FY 2015/16. As indicated in Attachment 2, approximately half of the projects are proceeding with construction on schedule or with a relatively minor delay. The others are experiencing six to nine months in delay due to a longer-than-anticipated Caltrans approval process, complicated environmental review, utility coordination, and unanticipated scope changes, as highlighted below.

- **Chinatown Broadway Street Design** (San Francisco Public Works (SFPW)) has experienced a delay to accommodate the San Francisco Public Utilities Commission's (SFPUC's) decision to add its new water line and replace water mains, as well as a recent revision in design standards for streetlight and traffic signal foundations. With the construction contract advertised in August, SFPW anticipates starting construction in November 2015 and completing it by

October 2016.

- **Longfellow Safe Routes to School** (SFPW) was anticipated to be completed this year but was delayed due to the longer-than-anticipated environmental process involving parking removal. SFPW advertised the construction contract in July and anticipates starting construction in October and completing it by June 2016.
- **Masonic Avenue Complete Streets** (San Francisco Municipal Transportation Agency (SFMTA)) has undergone extensive coordination with SFPUC and unanticipated scope changes (e.g. addition of a dual sewer system, Muni overhead wire relocations, and new signals on medians; and a change in the design to accommodate the community's desire to preserve an existing tree). To minimize the associated delay and risk of not meeting federal timely-use-of-funds requirements, in February 2015 SFMTA requested and the Transportation Authority Board approved the reprogramming of its OBAG funds to SFMTA's LRV Procurement, with the condition that SFMTA deliver the Masonic Avenue project using other funding and continue to follow OBAG reporting requirements. SFMTA anticipates starting construction early 2016 and completing it by summer 2017. The Light Rail Vehicle Procurement project obligated the swapped funding in May 2015.
- **Second Street Streetscape Improvement** (SFPW), after conducting a complicated traffic impact study and a prolonged review process, has received its California Environmental Quality Act (CEQA) certification by the Planning Commission on August 13, 2015, and the parking and traffic changes were approved by the SFMTA Board on August 18, 2015. SFPW anticipates receiving National Environmental Policy Act (NEPA) approval by the end of 2015, starting construction in fall 2016, and completing it by summer 2017. We are working with SFPW and MTC to address a program-wide federal funding shortfall in FY 2015/16 and ensure that SFPW can access the funding when needed.

We will continue to work with project sponsors, MTC, and the California Department of Transportation to support timely delivery of OBAG Cycle 1 projects and address any issues that may risk the loss of federal funds.

Lessons Learned from OBAG Cycle 1: In anticipation of OBAG Cycle 2, we are engaging project sponsors in a conversation about lessons learned from Cycle 1 and how we may wish to modify our approach to Cycle 2 programming. Our Cycle 1 project selection process prioritized projects that demonstrated project readiness is essential given stringent timely-use-of-funds deadlines. Unfortunately, despite working closely with project sponsors to develop a realistic schedule and checking on key readiness indicators (e.g. level of interagency coordination, status and type of environmental clearance required, community support, potential controversy), the aforementioned project delays highlight the challenges that interagency coordination (some of which added additional scope), (federal) environmental review, and the complexity of the federal authorization process seem to pose to project timelines for these major complete streets projects, many of which involved coordination with more than just transportation agencies.

With so many complete street projects underway, project sponsors are gaining more experience and understanding of project schedules and costs and ways to better manage associated risk. To address the complications stemming from interagency coordination, we will explore ways to work with project sponsors to ensure all of the potentially impacted agencies and appropriate staff are engaged in the coordination process upfront. We will also consider whether or not OBAG funds are suited for relatively small projects given the rigorous requirements of the federal allocation process, or whether it

would be a better strategy to commit OBAG to large capital projects and identify alternate local funding for the smaller projects. Finally, we will evaluate whether the focus on complete streets projects is still a top San Francisco priority in light of evolving city priorities, such as Vision Zero, or if we want a more diverse portfolio of projects given the broad eligibility allowed under OBAG.

OBAG Cycle 2: In July 2015, MTC brought its draft OBAG Cycle 2 framework covering FYs 2017/18 to 2021/22 to its Programming and Allocations Committee as an information item. Discussion over the proposed OBAG Cycle 2 framework will continue throughout the fall and MTC anticipates adopting the final program guidelines in November 2015. We have been working with our MTC Commissioners, partner agencies, other CMAs, and MTC staff to advance San Francisco's interests as the framework is modified. Next month, we will present MTC's proposed OBAG Cycle 2 framework to the Plans and Programs Committee and seek input on the framework and the types of projects that we should prioritize in Cycle 2. Following MTC approval of the OBAG 2 guidelines, we will release a call for projects for San Francisco's County CMA Program.

ALTERNATIVES

None. This is an information item.

CAC POSITION

None. This is an information item.

FINANCIAL IMPACTS

None. This is an information item.

RECOMMENDATION

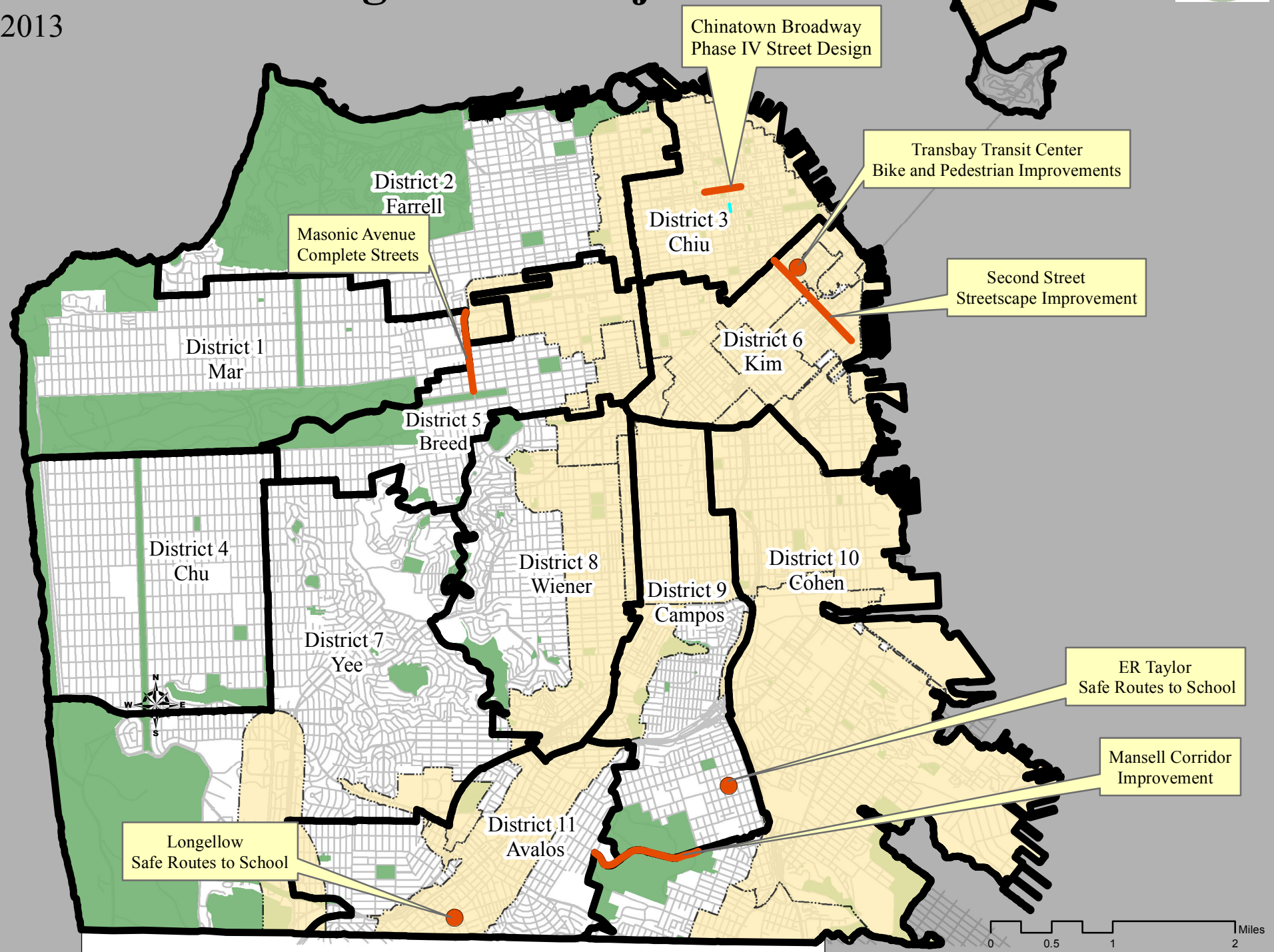
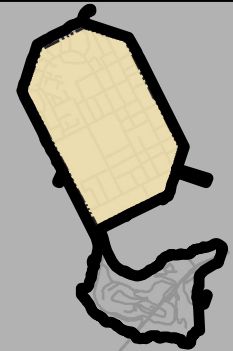
None. This is an information item.

Attachments (2):

1. Map of OBAG Cycle 1 Projects and Priority Development Areas
2. OBAG Cycle 1 Project Delivery Update

Attachment 1: OneBayArea Grant Recommended Program of Projects

May 2013



**Attachment 2
One Bay Area Grant (OBAG) Cycle 1 Project Delivery
Update August 2015**

Project Name (Sponsor)	Description	Construction Start	Open for Use	Delay	Total Project Cost	OBAG Funds
Chinatown Broadway Street Design (San Francisco Public Works (SFPW))	Design and construct a complete streets project on Broadway from Columbus to the Broadway Tunnel, including bulb-outs, special crosswalk paving, new medians, street trees, bus stop improvements, and repaving. Construction contract was advertised on August 19, 2015.	November 2015	October 2016	~9 months due to utility coordination, scope additions	\$7,102,487	\$3,410,537 ¹
ER Taylor Elementary School Safe Routes to School (SFPW)	Design and construct four pedestrian bulb outs at the intersection of Bacon and Gottingen near ER Taylor Elementary School to improve pedestrian safety. SFPW is holding a pre-construction meeting.	June 2015	September 2015	insignificant	\$604,573	\$519,631
Longfellow Elementary School Safe Routes to School (SFPW)	Design and construct pedestrian safety improvements at the intersections of Mission & Whittier, Mission & Whipple, and Mission & Lowell near Longfellow Elementary School. Construction contract was advertised on July 10, 2015.	October 2015	June 2016	~6 months due to delay in environmental review process	\$852,855	\$670,307
Mansell Corridor Improvement (San Francisco Municipal Transportation Agency (SFMTA))	Design and construct of a complete streets project on Mansell Street from Visitacion Avenue to Brazil Street including reduction in number of vehicular lanes and creating a multiuse path for pedestrians and bicyclists. Construction contract was advertised on June 25, 2015.	November 2015	September 2016	insignificant	\$6,807,348	\$1,762,239
Masonic Avenue Complete Streets (SFMTA)	Construct complete streets improvements on Masonic Avenue from Fell to Geary, including reallocation of space to calm traffic, dedicated bicycle space (raised cycle track), and pedestrian enhancements. Construction contract advertisement is scheduled for September 18, 2015.	January 2016	June 2017	~10 months due to utility coordination, scope additions, and community requests	\$22,785,900	\$0 ²
Second Street Streetscape Improvement (SFPW)	Design and construct of a complete streets project on Second Street from Market to Townsend, including pedestrian safety improvements, a buffered cycle track, landscaping, and repaving. EIR certification is scheduled for adoption in August 2015.	September 2016	May 2017	~7 months due to complicated environmental review work	\$13,378,174	\$10,515,746
Transbay Transit Center Bike and Pedestrian Improvements (Transbay Joint Powers Authority)	Construct pedestrian and bicycle projects associated with the Transbay Transit Center, including a pedestrian walkway, sidewalks, path-finding signage, real time passenger information, bike racks and channels, pedestrian lighting, and public art. OBAG work will be implemented as part of various construction contracts for the Transbay Transit Center project.	July 2015	December 2017	insignificant	\$11,480,440	\$6,000,000
Light Rail Vehicle (LRV) Procurement (SFMTA)	Purchase 175 replacement LRVs and 25 expansion LRVs to help meet projected vehicle needs through 2020, including for the Central Subway. The first new LRV is expected to roll out by the end of 2016.	September 2014 (procurement)	Through 2020	none	\$175,000,000	\$10,227,540 ³
Unprogrammed OBAG funds ¹						\$1,910,000
Total OBAG:						\$35,016,000

Attachment 2
One Bay Area Grant (OBAG) Cycle 1 Project Delivery Update
August 2015

Project Name (Sponsor)	Description	Construction Start	Open for Use	Delay	Total Project Cost	OBAG Funds
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¹ \$1.91 million in OBAG funds were swapped with SFMTA local revenue bond funds because the OBAG funds were unavailable when needed. We are working with SFMTA to reprogram the funds to a new OBAG project.

² In order to minimize risk of losing federal funds due to project delays, in February 2015, the Transportation Authority Board reprogrammed \$10,227,540 in OBAG funds from SFMTA's Masonic Avenue project to the LRV Procurement project, with the condition that SFMTA continue to follow OBAG reporting requirements for the Masonic Avenue project. See the Plans and Programs Committee memo (February 3, 2015) and Resolution 15-42 for more detail.