



# Memorandum

**Date:** 02.04.16 **RE:** Plans and Programs Committee  
February 9, 2016

**To:** Plans and Programs Committee: Commissioners Tang (Chair), Farrell (Vice Chair), Avalos, Cohen, Peskin and Wiener (Ex Officio)

**From:** Anna LaForte – Deputy Director for Policy and Programming *all*

**Through:** Tilly Chang – Executive Director *Tilly*

**Subject:** **ACTION** – Recommend Allocation of \$49,341,000 in Prop K Funds, with Conditions, Subject to the Attached Fiscal Year Cash Flow Distribution Schedule

## Summary

As summarized in Attachments 1 and 2, we have six requests from the San Francisco Municipal Transportation Agency (SFMTA) totaling \$49,341,000 in Prop K sales tax funds to present to the Plans and Programs Committee. The SFMTA is requesting \$47,869,000 and a commitment to allocate \$30.1 million in Prop K funds to accelerate the procurement of up to 265 motor coaches from New Flyer Incorporated. We have worked with the Metropolitan Transportation Commission and the SFMTA on the funding strategy to get the new vehicles on the street sooner and at a lower cost than currently forecast. Funds expected to be available for near-term contract certification total \$137.5 million including Prop K, federal funds, and regional bridge tolls, and will enable the SFMTA to order 148 motor coaches to be placed into revenue service by July 2017. The SFMTA has also requested \$552,000 for construction of signal upgrades at seven intersections on South Van Ness Avenue between 14th and 20th Streets; \$300,000 for outreach, planning, and development of a community-preferred design for corridor safety improvements on Taylor Street between Market and Sutter Streets; \$50,000 in District 3 Neighborhood Transportation Improvement Program capital funds to extend the Prop K-funded Golden Gate Avenue road diet to Market Street and to install a buffered bike lane between Polk and Market Streets; and \$400,000 for design of upgrades and/or replacements of fire alarm systems at five Muni maintenance facilities. We are also presenting the SFMTA's request for \$170,000 in Prop K funds to support development and implementation of a 20-month Bicycle Safety Education and Outreach Program. This item was delayed last month at the request of the SFMTA to allow staff to address the Committee's concerns about allocating Prop K funds prior to the SFMTA conducting a request for proposals and identifying the top ranked firm.

## BACKGROUND

We have six requests totaling \$49,341,000 in Prop K sales tax funds to present to the Plans and Programs Committee at the February 9, 2016 meeting, for potential Board approval on February 23, 2016. As shown in Attachment 1, the requests come from the following Prop K categories:

- New and Renovated Vehicles – Muni
- Signals & Signs
- Transportation / Land use Coordination
- Traffic Calming

- Bicycle Circulation/Safety
- Rehabilitate/Upgrade Existing Facilities – Muni

Board adoption of a Prop K 5-Year Prioritization Program (5YPP) is a prerequisite for allocation of funds from each of these programmatic categories.

## DISCUSSION

The purpose of this memorandum is to present six Prop K requests totaling \$49,341,000 to the Plans and Programs Committee, and to seek a recommendation to allocate the funds as requested. Attachment 1 summarizes the 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 provides a brief description of each project. A detailed scope, schedule, budget and funding plan for each project is included in the enclosed Allocation Request Forms.

**Bicycle Safety Education and Outreach (SFMTA):** The Plans and Programs Committee was briefed on this request last month and recommended allocating only a sufficient amount of the requested \$170,000 in Prop K funds to support the procurement process and committing to allocate the remaining funds after the SFMTA identified the proposed contractor. At the request of the SFMTA, we did not forward the request to the Board in January to allow staff time to address the Committee's concerns about allocating Prop K funds prior to the SFMTA conducting a request for proposals and identifying the top ranked firm. We have met with Commissioner Peskin, who initially raised questions about the request. We clarified that as a funding agency, it is a best practice to award a grant before an agency advertises a contract. This provides the best opportunity for the Transportation Authority Board and the public to provide input into the proposed scope, schedule, budget and funding plans. Further, most sponsor agencies, including the SFMTA, require that all funds be committed before initiating the procurement process. The SFMTA has also modified the request to better call out the evaluation budget as requested by the Committee. We are recommending approval of the \$170,000 as requested, by the SFMTA and detailed in the enclosed allocation request form.

**Staff Recommendation:** Attachment 3 summarizes the staff recommendations for the requests. Transportation Authority and project sponsor staff will attend the committee meeting to provide a brief presentation on the specific requests and to respond to any questions that the Committee may have.

## ALTERNATIVES

1. Recommend allocation of \$49,341,000 in Prop K funds, with conditions, subject to the attached Fiscal Year Cash Flow Distribution Schedules, as requested.
2. Recommend allocation of \$49,341,000 in Prop K funds, with conditions, subject to the attached Fiscal Year Cash Flow Distribution Schedules, with modifications.
3. Defer action, pending additional information or further staff analysis.

## CAC POSITION

The CAC was briefed on five of the six subject requests at its January 27, 2016 meeting and unanimously adopted a motion of support for the staff recommendation. The CAC does not meet in late December due to the holidays, so SFMTA's request for its Bicycle Safety Education and Outreach program was taken directly to the Plans and Programs Committee at its January 12, 2016 meeting. This request will be included as an information item on the agenda for the February 24, 2016 CAC meeting.

## **FINANCIAL IMPACTS**

This action would allocate \$49,341,000 in Fiscal Year (FY) 2015/16 Prop K sales tax funds, with conditions, for six requests. The allocations would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the enclosed Allocation Request Forms.

Attachment 4, Prop K Allocation Summaries - FY 2015/16, shows the total approved FY 2015/16 allocations to date for both programs, with associated annual cash flow commitments as well as the recommended allocations and cash flows that are the subject of this memorandum.

Sufficient funds are included in the adopted FY 2015/16 budget to accommodate the recommended actions. Furthermore, sufficient funds will be included in future fiscal year budgets to cover the recommended cash flow distribution for those respective fiscal years.

## **RECOMMENDATION**

Recommend allocation of \$49,341,000 in Prop K funds, with conditions, subject to the attached Fiscal Year Cash Flow Distribution Schedules.

Attachments (4):

1. Summary of Applications Received
2. Project Descriptions
3. Staff Recommendations
4. Prop K 2015/16 Fiscal Year Cash Flow Distribution – Summary

Enclosure:

1. Prop K Allocation Request Forms (6)

**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)	Prop K Leveraging		Phase(s) Requested	District
						Expected Leveraging by EP Line <sup>3</sup>	Actual Leveraging by Project Phase(s) <sup>4</sup>		
Prop K	17M	SFMTA	85 40-ft and 63 60-ft Low-Floor Hybrid Diesel Motor Coaches	\$47,869,000	\$137,500,000	84%	65%; 74% for overall project	Procurement	Citywide
Prop K	20M	SFMTA	Upgrade Life and Fire Safety Systems	\$400,000	\$400,000	90%	0%	Design	3, 9, 10, 11
Prop K	33	SFMTA	South Van Ness Traffic Signal Upgrade	\$552,000	\$1,891,000	41%	71%	Construction	9
Prop K	38, 44	SFMTA	Taylor Street Safety	\$300,000	\$600,000	50%	50%	Planning	6
Prop K	39	SFMTA	Bicycle Safety Education and Outreach	\$170,000	\$170,000	28%	0%	Construction	Citywide
Prop K	39	SFMTA	Golden Gate Avenue Buffered Bike Lane [NTIP Capital]	\$50,000	\$170,000	28%	71%	Construction	6
<b>TOTAL</b>				<b>\$ 49,341,000</b>	<b>\$ 140,731,000</b>	<b>83%</b>	<b>65%</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 2012 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit).

<sup>2</sup> Acronym: SFMTA (San Francisco Municipal Transportation Agency)

<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 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>**

<b>EP Line No./ Category</b>	<b>Project Sponsor</b>	<b>Project Name</b>	<b>Prop K Funds Requested</b>	<b>Prop AA Funds Requested</b>	<b>Project Description</b>
17M	SFMTA	85 40-ft and 63 60-ft Low-Floor Hybrid Diesel Motor Coaches	\$ 47,869,000	\$ -	<p>The SFMTA is requesting \$47.9 million and a commitment to allocate \$30.1 million in Prop K funds to accelerate the procurement of up to 265 motor coaches from New Flyer Incorporated. We have worked extensively with the Metropolitan Transportation Commission and SFMTA on the funding strategy to get the new vehicles on the street sooner and at a lower cost than currently forecast. Benefits of accelerating the procurement schedule also include operational cost savings since hybrid coaches use less fuel than diesels, and maintaining consistent bus build quality without any gaps in the production schedule. The total funds expected to be available for near-term contract certification total \$137.5 million in Prop K, federal funds, and regional bridge tolls, which will enable the SFMTA to order 148 motor coaches and put them into revenue service by July 2017.</p>
20M	SFMTA	Upgrade Life and Fire Safety Systems	\$ 400,000	\$ -	<p>Requested funds will be used for design of upgrades and/or replacements of fire alarm systems that have reached the end of their useful lives at five Muni maintenance facilities, including the main shop and annex at the Green Light Rail Center, the Flynn Division, the Scott Division, the Kirkland Division, and the Potrero Division. SFMTA expects to complete design by September 2016 and construction by March 2018.</p>

**Attachment 2: Brief Project Descriptions <sup>1</sup>**

<b>EP Line No./ Category</b>	<b>Project Sponsor</b>	<b>Project Name</b>	<b>Prop K Funds Requested</b>	<b>Prop AA Funds Requested</b>	<b>Project Description</b>
33	SFMTA	South Van Ness Traffic Signal Upgrade	\$ 552,000	\$ -	Requested funds will be used for the construction phase for signal modifications at the seven intersections on South Van Ness Avenue between 14th and 20th Streets. The project will install new, larger vehicle signals and poles to improve signal visibility on this Vision Zero High Injury Corridor, as well as pedestrian countdown signals, and new conduits, wiring, and signal controllers. Prop K funds will be leveraging a \$1.34 million Highway Safety Improvement Program (HSIP) grant. The SFMTA expects all upgraded signals will be in use by September 2017, prior to the paving project scheduled on South Van Ness north of 17th Street in Fiscal Year 2018/19.
38, 44	SFMTA	Taylor Street Safety	\$ 300,000	\$ -	The SFMTA is requesting funding for outreach, planning, and development of a community-preferred design for corridor safety improvements on Taylor Street from Market Street to Sutter Street. Scope includes a robust planning process in partnership with city agencies and community-based organizations. The SFMTA anticipates completing a recommendations report outlining the different design concepts evaluated and the preferred alternative, including an implementation plan, by April 2019. The SFMTA has applied for a \$300,000 Caltrans Planning Grant for this project.

Attachment 2: Brief Project Descriptions <sup>1</sup>

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Prop AA Funds Requested	Project Description
39	SFMTA	Bicycle Safety Education and Outreach	\$ 170,000	\$ -	<p>Requested funds will be used to support development and implementation of a 20-month Bicycle Safety Education and Outreach Program. SFMTA will issue a request for proposals through which respondents will identify activities, classes, and events that the contractor would design and conduct in order to meet specific participation, communication, and educational goals. SFMTA envisions a three tier program, including an annual citywide event, less frequent (i.e., up to 12 times per year) more focused events, and bicycle education. SFMTA anticipates \$149,000 for the consultant contract, which would implement the new programs from April 2016 to December 2017. The remaining funds are for SFMTA procurement, project management and evaluation. The latter will cover demographic information to ensure that outreach and classes are reaching the many, varied communities across the city, as well as other program outcomes including increases in bicycling in San Francisco among program participants and increase in safety knowledge by people who have participated in trainings and classes. The project would be 100% sales tax funded.</p>
39	SFMTA	Golden Gate Avenue Buffered Bike Lane [NTIP Capital]	\$ 50,000	\$ -	<p>Requested funds will be used to extend a Prop K funded road diet on Golden Gate Avenue and construct a buffered bike lane in the eastbound direction between Polk Street and Market Street. The overall project will convert the street from three lanes to two lanes and implement improvements to slow traffic speeds and increase pedestrian safety on this Vision Zero High Injury Corridor. Improvements will include painted safety zones, continental crosswalks, and signal timing to calm vehicle traffic. The SFMTA anticipates no parking loss because of the proposed improvements included in the project. SFMTA expects the project to be open for use by June 2016.</p>
<b>TOTAL</b>			<b>\$ 49,341,000</b>	<b>\$ -</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	Prop AA Funds Recommended	Recommendation
17M	SFMTA	85 40-ft and 63 60-ft Low-Floor Hybrid Diesel Motor Coaches	\$ 47,869,000	\$ -	<p><b>5YPP Amendment:</b> The recommendation is contingent upon an amendment to the Vehicles 5YPP to reprogram \$10,667,756 in Fiscal Year 2015/16 funds from the Replace 100 ETI 40' Trolley Coaches project to the subject project. SFMTA has revised the scope and budget of the trolley coach procurement, reducing the total number of vehicles from 280 to 240 and reducing the overall budget by almost \$91 million. See attached 5YPP amendment for details. The Transportation Authority will work with SFMTA to fully fund the trolley coach procurement.</p> <p><b>Commitment to Allocate:</b> The recommendation includes a commitment to allocate an additional \$30.1 million in Prop K funds upon availability of federal or other funds for certification of the remaining options in the current New Flyer contract. The SFMTA anticipates that these funds will become available through the Metropolitan Transportation Commission-led Transit Capital Priorities program cycle to begin in Spring 2016.</p>
20M	SFMTA	Upgrade Life and Fire Safety Systems	\$ 400,000	\$ -	<p><b>5YPP Amendment:</b> The recommendation is contingent upon an amendment to the Facilities-MUNI 5YPP to program \$400,000 in cumulative remaining programming capacity for the Upgrade Life and Fire Safety Systems project in Fiscal Year 2015/16. See attached 5YPP amendment for details.</p>
33	SFMTA	South Van Ness Traffic Signal Upgrade	\$ 552,000	\$ -	<p><b>5YPP Amendment:</b> The recommendation is contingent upon a minor amendment to the Signals and Signs 5YPP to reprogram \$552,000 from the design phase to the construction phase of the subject project in Fiscal Year 2015/16. See attached 5YPP amendment for details.</p>



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

<b>EP Line No./ Category</b>	<b>Project Sponsor</b>	<b>Project Name</b>	<b>Prop K Funds Recommended</b>	<b>Prop AA Funds Recommended</b>	<b>Recommendation</b>
38, 44	SFMTA	Taylor Street Safey	\$ 300,000	\$ -	<b>Special Condition:</b> The \$80,000 in Prop K funds from the Planning Grant Match (e.g. Caltrans Planning Grant) line in the Transportation/Land Use Coordination 5YPP is on reserve pending notification from Caltrans if the project will receive a Caltrans Planning Grant in the 2016 cycle (anticipated June 2016). If SFMTA receives a Caltrans Planning Grant, Transportation Authority staff will release these funds. If the SFMTA is not successful in obtaining the grant from Caltrans, the Transportation Authority will deobligate these funds from the project. The SFMTA would then seek additional Prop K, or other funds, to fully fund a reduced project scope.
39	SFMTA	Bicycle Safety Education and Outreach	\$ 170,000	\$ -	This request was delayed last month at the request of the SFMTA to allow staff to address the Committee's concerns about allocating Prop K funds prior to the SFMTA conducting a request for proposals and identifying the top ranked firm. Transportation Authority staff have clarified that as a funding agency, it is a best practice to award a grant before an agency advertises a contract. See memo for more information.
39	SFMTA	Golden Gate Avenue Buffered Bike Lane [NTIP Capital]	\$ 50,000	\$ -	<b>5YPP Amendment:</b> The recommendation is contingent upon an amendment to the Bicycle Circulation and Safety 5YPP to reprogram \$50,000 in Fiscal Year 2015/16 funds from NTIP Placeholder to the subject project. See attached 5YPP amendment for details.
<b>TOTAL</b>			<b>\$ 49,341,000</b>	<b>\$ -</b>	

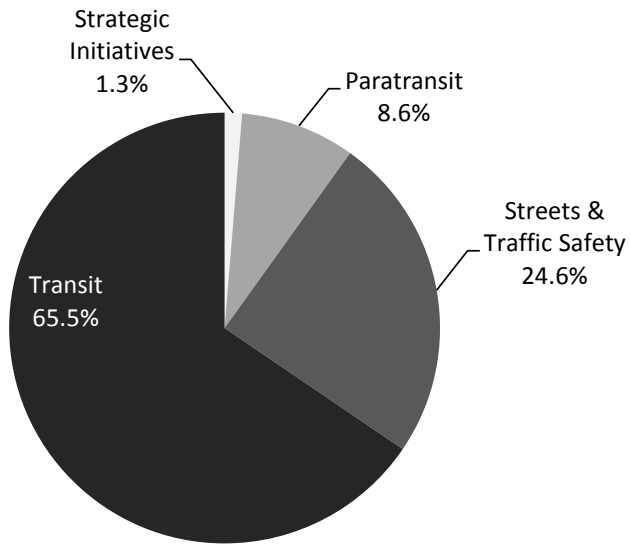
<sup>1</sup> See Attachment 1 for footnotes.

**Attachment 4.  
Prop K/ Prop AA Allocation Summaries - FY 2015/16**

<b>PROP K SALES TAX</b>						
	<b>CASH FLOW</b>					
	<b>Total</b>	<b>FY 2015/16</b>	<b>FY 2016/17</b>	<b>FY 2017/18</b>	<b>FY 2018/19</b>	<b>2019/20</b>
Prior Allocations	\$ 128,750,117	\$ 95,835,907	\$ 31,537,734	\$ 1,327,048	\$ 49,428	\$ -
Current Request(s)	\$ 49,341,000	\$ 662,668	\$ 39,798,783	\$ 8,648,423	\$ 101,149	\$ 129,977
New Total Allocations	\$ 178,091,117	\$ 96,498,575	\$ 71,336,517	\$ 9,975,471	\$ 150,577	\$ 129,977

The above table shows maximum annual cash flow for all FY 2015/16 allocations approved to date, along with the current recommended

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



**Prop K Investments To Date**

