

**THIS PRINT COVERS CALENDAR ITEM NO. : 11**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

Public hearing on the San Francisco Municipal Transportation Agency (SFMTA) Fiscal Year (FY) 2021-2025 Capital Improvement Program (CIP) in the amount of \$2.5 billion for 155 projects within ten capital programs, including transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility.


**SUMMARY:**


- On August 15, 2017, the SFMTA Board of Directors approved the Agency's 20-Year Capital Plan for FY 2017 through FY 2036. The Capital Plan represents the Agency's fiscally unconstrained capital needs for the upcoming 20 years. The 20-Year Capital Plan serves as the basis for developing the fiscally constrained FY 2021-2025 Capital Improvement Program (CIP) and the Two-Year Capital Budget.
- In 2019, the SFMTA conducted an update to the 20-Year Capital Plan which found that needs for the transportation system grew by \$8.9 billion between 2017 and 2019.
- The SFMTA Board considered various options related to the capital budgets and FY 2021-2025 CIP at the January 28th Workshop.
- The FY 2021-2025 CIP balances all anticipated revenues and expenditures totaling \$2.5 billion for capital improvement projects.

**ENCLOSURES:**

1. CIP Program Descriptions
2. FY 2021-2025 CIP Program Summary and Funding by Fiscal Year
3. FY 2021-2025 CIP Full Fund Programming

**APPROVALS:**

DIRECTOR 

SECRETARY 

**DATE**

April 1, 2020

April 1, 2020

**ASSIGNED SFMTAB CALENDAR DATE:** April 7, 2020

## **PURPOSE**

Public hearing on the San Francisco Municipal Transportation Agency (SFMTA) Fiscal Year (FY) 2021-2025 Capital Improvement Program (CIP) in the amount of \$2.5 billion for 155 projects within ten capital programs, including transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility.

## **STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES**

The FY 2021-2025 CIP is designed to be a tool to implement the SFMTA Strategic Plan. This item supports many of the goals and objectives within the Strategic Plan including:

Goal 1: Create a safer transportation experience for everyone.

Objective 1.1 – Achieve Vision Zero by eliminating all traffic deaths.

Objective 1.2 – Improve the safety of the transit system.

Objective 1.3 – Improve security for transportation system users.

Goal 2: Make transit and other sustainable modes of transportation the most attractive and preferred means of travel.

Objective 2.1 - Improve transit service.

Objective 2.2 – Enhance and expand use of the city’s sustainable modes of transportation.

Objective 2.3 – Manage congestion and parking demand to support the Transit First Policy.

Goal 3: Improve the quality of life and environment in San Francisco and the region.

Objective 3.1 – Use agency programs and policies to advance San Francisco’s commitment to equity.

Objective 3.2 - Advance policies and decisions in support of sustainable transportation and land use principles.

Objective 3.3 – Guide emerging mobility services so that they are consistent with sustainable transportation principles.

Objective 3.4 – Provide environmental stewardship to improve air quality, enhance resource efficiency, and address climate change.

Objective 3.5 – Achieve financial stability for the agency.

Goal 4: Create a workplace that delivers outstanding service.

Objective 4.2: Improve the safety, security, and functionality of SFMTA work environments.

Objective 4.3: Enhance customer service, public outreach, and engagement.

Objective 4.4: Create a more diverse and inclusive workforce.

Objective 4.5: Increase the efficiency and effectiveness of business processes and project delivery through the implementation of best practices.

This item will support the following Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.
2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.
3. Decisions regarding the use of limited public street and sidewalk space shall encourage the use of public rights of way by pedestrians, bicyclists, and public transit, and shall strive to reduce traffic and improve public health and safety.
4. Transit priority improvements, such as designated transit lanes and streets and improved signalization, shall be made to expedite the movement of public transit vehicles (including taxis and vanpools) and to improve pedestrian safety.
5. Pedestrian areas shall be enhanced wherever possible to improve the safety and comfort of pedestrians and to encourage travel by foot.
6. Bicycling shall be promoted by encouraging safe streets for riding, convenient access to transit, bicycle lanes, and secure bicycle parking.
7. Parking policies for areas well served by public transit shall be designed to encourage travel by public transit and alternative transportation.
8. New transportation investment should be allocated to meet the demand for public transit generated by new public and private commercial and residential developments.
9. The ability of the City and County to reduce traffic congestion depends on the adequacy of regional public transportation. The City and County shall promote the use of regional mass transit and the continued development of an integrated, reliable, regional public transportation system.
10. The City and County shall encourage innovative solutions to meet public transportation needs wherever possible and where the provision of such service will not adversely affect the service provided by the Municipal Railway.

## **DESCRIPTION**

The FY 2021-2025 CIP represents the culmination of the SFMTA's efforts to strategically plan and prioritize capital and other one-time project activities from FY 2021 to FY 2025. The purpose of the FY 2021-2025 CIP is to: develop a financially constrained five-year program of projects; develop an implementation tool of various plans and strategies, including the SFMTA Strategic Plan; prevent funding accessibility from being a barrier to project delivery; and build credibility with external funding agencies. Aligned with the SFMTA Budget Process, the FY 2021-2025 CIP is reviewed, updated, and reissued every two years.

On August 15, 2017, the SFMTA Board of Directors approved the Agency's 20-Year Capital Plan for FY 2017 through FY 2036. The Capital Plan represents the Agency's fiscally unconstrained capital needs (identifies all needs regardless of available revenue to pay for projects) for the upcoming 20 years. The 20-Year Capital Plan serves as the basis for developing the fiscally constrained (identifies projects programmed limited to available revenues) FY 2021-

2025 CIP and the Two-Year Capital Budget. Given limited funding availability, the FY 2021-2025 CIP represents the subset of capital projects identified in the 20-Year Capital Plan that are likely to be funded and active within the next five years.

Additionally, in 2019 the SFMTA conducted an update to the 20-Year Capital Plan. After an initial assessment of the 2017 20-Year Capital Plan, the SFMTA's SSD Planning Section and Budget and Analysis staff determined capital needs for the transportation system grew by \$8.9 billion between 2017 and 2019. Increases were attributable to the following:

- investment needs in Streets to achieve Vision Zero safety goals;
- increases in Fleet and Facility to support transition to an all-battery-electric fleet; revised cost estimates in the Traffic Signals & Signs to better account for the total cost of work;
- investments in the Streets and Facility Program needed to better regulate emerging mobility;
- investment needs in Transit Fixed Guideway to maintain the system in a state of good repair; and
- investment needs in Transit Optimization & Expansion include the next step in the Muni Forward program, building on current efforts to improve travel time and reliability.

The FY 2021 – 2025 CIP is a financially constrained plan, which provides the SFMTA with a financial strategy to deliver projects that keep the transportation system in a state of good repair, improve safety, maximize resources through complete street investments, and improve the reliability of the transit system. The FY 2021-2025 CIP programs anticipated revenues totaling \$2.5 billion for capital improvement projects over the five-year period. Revenues and expenditures include \$63 million of additional revenue through the voter approved November 2019 ride-hail vehicle net fare tax.

The ten program areas are presented within the FY 2021-2025 CIP and described in detail in Enclosure 1. Each program area includes various projects, phases and initiatives to be implemented with an initiation date and duration-based schedule.

Projects are prioritized based on revenue constraints and have specific scopes, schedules and budgets to establish accountability in project delivery and efficient use of available resources. Full scope and fund programming for each project is included in **Error! Reference source not found.** While not a guarantee of funding, the FY 2021-2025 CIP conveys specific commitments from funding agencies to support the SFMTA's highest priorities and most ready capital improvement projects.

Carryforward budgets and carryforward projects are currently being calculated and are not included in this item, but will be presented and submitted for approval by the MTA Board on April 21, 2020. Carry forward *budgets* are approved, remaining balances that are rolled over from prior years' projects and that have programmed funds in the FY 2021-2025 CIP. Carry forward *projects* are projects from prior years that have remaining balances and that have not yet reach substantial completion, but that do not have programmed funds in the FY 2021-2025 CIP.

Two policy thresholds must be met in order for a project to be included in the FY 2021-2025 CIP. First, a proposed project must be an identified "public priority;" that is, the need for the project was identified and prioritized through a public planning process such as the SFMTA 20-

Year Capital Plan, the Bicycle Strategy, Pedestrian Strategy or other adopted area of land use plans of the City. Second, a proposed project must have a plan that identifies funding of 90% of the total estimated cost for that phase of delivery or for the full project, depending on what is anticipated to occur and be delivered within the FY 2021-2025 CIP period.

Each project proposal included in the FY 2021-2025 CIP is scrutinized from a variety of perspectives before it is included in the CIP. Projects that are included in the FY 2021-2025 CIP are identified by SFMTA staff based on the following considerations:

- (1) Input from the community received at various meetings during the year;
- (2) Input from the SFMTA Board and Citizens Advisory Council (received during adoption of the Capital Budget in April 2019), the Board of Supervisors (or the BOS sitting as the Transportation Authority Board), and other commissions and advisory committees identified over a two-year period (see Appendix A);
- (3) SFMTA Board- or other City-approved plans for growth, improvements, and rehabilitation;
- (4) The SFMTA Board's adopted 20-Year Capital Plan and associated criteria for selecting priority needs to advance policy goals; and
- (5) Staff-identified projects based on critical need due to safety issues or to comply with new mandates.

The FY 2021-2025 CIP will provide \$2.5 billion for 155 capital projects that fall within 10 program areas as listed in the table below. The table below presents proposed funding by program. Please refer to the attached FY 2021-2025 CIP Programming (Appendix B) for a complete list of proposed capital projects and associated funding.

The \$2.5 billion FY 2021-2025 CIP represents a decrease from the prior \$3.0 billion FY 2019-2023 CIP. This is primarily due to the Central Subway project coming to an end and that the SFMTA is not planning to issue another revenue bond.

The SFMTA's Capital Budget for Fiscal Years 2021 and 2022 are derived from the first two years of the FY 2021-2025 CIP.

On January 28, 2020, the SFMTA Board of Directors reviewed the FY 2021-2025 CIP that included a \$2.5 billion in revenues and expenditures on 155 projects. On March 17, 2020, the SFMTA Board reviewed the FY 2021-2025 CIP that included the following revisions:

- Fund balance was appropriated for the Parking Meter Replacement Project of \$22 million and for Facilities Improvements of \$8 million.
- Revenue from the 2019 Transportation Network Company tax (Proposition D) was estimated to be \$10.8 million in each fiscal year.
- \$30 million in Population Baseline (Proposition B) Transit funds was swapped FY 2021 and FY 2022 from the CIP with the Operating Budget in return for one-time revenues such as developer fees and fund balance.
- Previously unassigned discretionary revenues totaling \$180 million were distributed to capital projects based on regulatory requirements, contracting requirements, continuation of projects with prior funding and the need to align the CIP with the Agency's 20-Year Capital Plan Needs Update adopted by the SFMTA Board on

September 17, 2019.

- Competitive grant estimates were further refined based on recent data.

The FY 2021-2025CIP includes the following revisions that were made since March 17, 2020:

- Fleet
  - Added \$23M in funding through Education Revenue Augmentation Fund (ERAF), General Fund Population Baseline, and Regional Measure 3 (RM3) and Transportation Sustainability Fee (TSF) funds
- Signals
  - Added \$21M in funding through SF Proposition K Sales Tax and TNC Tax inclusions
- Transit Optimization
  - Added \$19M in funding through TSF, Caltrans Cap & Trade and General Fund Population Baseline funds

**FIVE-YEAR CIP (\$ million)**

Capital Program (\$ in thousands)	Capital Budget					Total
	FY 21 Budget	FY 22 Budget	FY 23 Budget	FY 24 Budget	FY 25 Budget	
Communication & IT	6,992	3,283	1,265	9,350	4,400	<b>25,290</b>
Facility	68,413	46,841	64,534	35,433	5,232	<b>220,454</b>
Fleet	120,617	184,893	164,830	163,814	298,813	<b>932,967</b>
Parking		11,420	11,080			<b>22,500</b>
Security	2,048	2,048	2,048	2,048	2,048	<b>10,241</b>
Signals	24,480	20,078	17,292	6,932	22,798	<b>91,580</b>
Streets	77,943	79,996	51,106	39,418	36,380	<b>284,843</b>
Taxi	655	655	355	355	230	<b>2,250</b>
Transit Fixed Guideway	63,230	60,558	72,854	88,014	108,203	<b>392,859</b>
Transit Optimization & Expansion	159,643	82,501	93,413	80,599	85,210	<b>501,365</b>
<b>Grand Total</b>	<b>524,023</b>	<b>492,274</b>	<b>478,778</b>	<b>425,964</b>	<b>563,313</b>	<b>2,484,351</b>

**STAKEHOLDER ENGAGEMENT**

The following schedule summarizes the major outreach efforts for the SFMTA operating and capital budget:

Action	Date
SFMTA Board Workshop	January 28, 2020
1 <sup>st</sup> Citizen's Advisory Council (CAC) Meeting	February 6, 2020
1st SFMTA Board Informational Presentation (Fares)	February 18, 2020
1st Finance & Administration Committee (FAC) Meeting	February 19, 2020
2 <sup>nd</sup> SFMTA Board Informational Presentation (Parking Policy, Fees and Fines)	March 3, 2020
SFMTA Board Public Hearing	March 17, 2020
Public Online Open House	March 19, 2020
2 <sup>nd</sup> CAC Meeting	April 2, 2020
SFMTA Board Informational Presentation (CIP)	April 7, 2020
SFMTA Board Adoption	April 21, 2020

Multiple methods were used to engage Muni customers and solicit feedback and public comment from the community about the proposed fare changes. Outreach strategies included:

- Multilingual collateral on Muni vehicles publicizing budget feedback opportunities, including proposed fare and service changes, and notice of free language assistance in 10 languages:
  - 1,300 infocards posted in all vehicles, buses and Breda LRVs
  - 60 ads posted on LRV4s
  - 3,000 ads posted on buses
- Newspaper Ads in 13 newspapers, including ethnic media, publicizing budget feedback opportunities
- Social Media: Facebook ads publicizing budget feedback opportunities that reached more than 23,000 people
- Email updates to more than 20 community organizations publicizing budget feedback opportunities
- Email updates to more than 800 recipients

In addition to the outreach efforts identified above, individual meetings were conducted in February and March 2020 with various stakeholders including Board of Supervisors' offices and advocacy groups including:

- SFMTA Citizens Advisory Council
- Small Business Commission
- San Francisco Bicycle Coalition
- Walk San Francisco
- San Francisco Youth Commission
- San Francisco Transit Riders
- Budget Digital Town Hall
- Interagency Plan Implementation Committee (IPIC) Citizens Advisory Committees (CACs)
- Paratransit Coordinating Committee
- South of Market Community Action Network (SOMCAM)
- Multimodal Accessibility Advisory Committee (MAAC)
- Market and Octavia Citizens Advisory Committee
- Chinatown Community Development Corp TRIP
- San Francisco Building Owners and Managers Association (BOMA)
- San Francisco Chamber of Commerce
- San Francisco Council of District Merchants
- San Francisco Interfaith Council
- San Francisco Travel
- Young Women's Freedom Center
- SF Transit Riders
- Community Housing Partnership
- San Francisco Rising



## **ALTERNATIVES CONSIDERED**

Various capital projects were considered during the development of the FY 2021-2025 CIP, which was based on extensive input over time from the SFMTA Board, Board of Supervisors, staff, and community stakeholders on desirable project priorities. Staff also received technical guidance on expected funding from local and regional experts. The projects in Enclosure 2 were selected based on project prioritization methodology discussed in detail in the attachment.

## **FUNDING IMPACT**

The FY 2021-2025 CIP is a financially constrained plan, which provides the SFMTA with a financial strategy to deliver projects that keep the transportation system in a state of good repair, improve safety, maximize resources through complete street investments, and improve the reliability of the transit system. The FY 2021-2025 CIP programs anticipated revenues totaling \$2.5 billion for projects over the five-year period. Revenues include \$63 million from the voter approved Ride-Hail Vehicle Net Fare Tax in November 2019.

## **ENVIRONMENTAL REVIEW**

Informational presentations and public hearings do not constitute a project under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

## **OTHER APPROVALS RECEIVED OR STILL REQUIRED**

At the April 21, 2020 MTA Board meeting, the Board will be asked to adopt the FY 2021-2025 CIP, including all funding sources anticipated for transportation investments.

## **RECOMMENDATION**

Public hearing on the San Francisco Municipal Transportation Agency (SFMTA) Fiscal Year (FY) 2021-2025 Capital Improvement Program (CIP) in the amount of \$2.5 billion for 155 projects within ten capital programs, including transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility.

## **Enclosure 1**

### **CIP Program Descriptions**

#### Communications and Information Technology

Plan, design and implement technology infrastructure upgrades to improve the efficiency and efficacy of the SFMTA and provide a better experience for customers and employees.

#### Facility

Acquire, develop and/or rehabilitate transit station areas and maintenance facilities used for transit, traffic, and parking operations

#### Fleet

Purchase and rehabilitate transit vehicles including motor coaches, trolley coaches, light rail vehicles and paratransit vans

#### Parking

Plan, design, rehabilitate and construct public parking facilities or street infrastructure related to public parking

#### Security

Plan, design and construct or implement systems to improve the security of the transit system

#### Signals

Plan, design, engineer and construct traffic signals and associated infrastructure to improve mobility and safety on San Francisco streets and decrease transit travel time

#### Streets

Plan, design, engineer and construct improvements to street safety that promote walking, bicycling, and taking transit

#### Taxi

Implement systems to optimize and support the taxi system in San Francisco to provide a better rider experience and promote low-emissions taxi vehicle use

#### Transit Fixed Guideway

Plan, design, engineer and construct improvements to critical infrastructure including rail track, overhead wires, and train control technology

#### Transit Optimization and Expansion

Plan, design, engineer and construct infrastructure improvements to improve travel time and increase the capacity and reliability of the transit system