

THIS PRINT COVERS CALENDAR ITEM NO. : 13

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Approving the SFMTA's FY 2019 Capital Budget in the amount of \$514 million and the FY 2020 Capital Budget in the amount of \$631 million, funding projects within ten capital programs, and addressing infrastructure needs related to transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility.



SUMMARY:

- Charter Section 8A.106 requires the SFMTA to submit a two-year budget to the Mayor and Board of Supervisors by May 1 of each even-numbered year.
- On August 15, 2017, the SFMTA Board of Directors approved the Agency's 20-Year Capital Plan for FY 2017 through FY 2036. The 20-Year Capital Plan serves as the basis for developing the fiscally constrained five-year Capital Improvement Program (CIP) and the two-year Capital Budget.
- On January 23, 2018, the SFMTA Board of Director reviewed the key priorities and strategies to both develop and implement the proposed FY 2019 and FY2020 Capital Budget.
- The two-year Capital Budget balances all anticipated revenue and expenditures totaling \$1,144 billion for capital improvement projects.

ENCLOSURES:

1. SFMTAB Resolution
2. Capital Budget Book

APPROVALS:

	DATE
DIRECTOR 	<u>3/26/2018</u>
SECRETARY 	<u>3/26/2018</u>

ASSIGNED SFMTAB CALENDAR DATE: April 3, 2018

PURPOSE

To approve the SFMTA's FY 2019 Capital Budget in the amount of \$514 million and the FY 2020 Capital Budget in the amount of \$631 million, funding projects within 10 capital programs, and addressing infrastructure needs related to transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

The two-year Capital Budget is designed to be a tool to advance elements of the SFMTA Strategic Plan that require capital investment. Adoption of the two-year Capital Budget will therefore advance many of the goals and objectives within the Strategic Plan including:

Goal 1: Create a safer transportation experience for everyone

Objective 1.3 – Improve the safety of the transportation system.

Goal 2: Make transit, walking, bicycling, taxi, ridesharing, and carsharing the preferred means of travel

Objective 2.1: Improve customer service and communications.

Objective 2.2 – Improve transit performance.

Objective 2.3 – Increase use of all non-private auto modes.

Objective 2.4 – Improve parking utilization and manage parking demand.

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

Objective 3.1 – Reduce the Agency's and the transportation system's resource consumption, emissions, waste, and noise.

Objective 3.3 – Allocate capital resources effectively.

Objective 3.4 – Deliver services efficiently.

Objective 3.5 – Reduce capital and operating structural deficits.

Goal 4: Create a workplace that delivers outstanding service.

Objective 4.1 – Improve internal communications.

Objective 4.2 – Create a collaborative and innovative work environment.

Objective 4.3 – Improve employee accountability.

Objective 4.4 – Improve relationships and partnerships with our stakeholders.

The adoption of the Capital Budget also supports all principles in the City's Transit First Policy, including:

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.
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

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 next 20 years. The 20-year Capital Plan serves as the basis for developing the fiscally constrained five-year Capital Improvement Program (CIP), the first two years of which comprise the two-year Capital Budget. Given limited funding availability, the SFMTA prioritizes the capital projects that can be advanced during each two-year Capital Budget.

The SFMTA has prepared a two-year balanced Operating Budget and Capital Budget for FY 2019 and FY 2020 for submittal by May 1, 2018, to the Mayor and Board of Supervisors as required by Charter Section 8A.106. The proposed SFMTA FY 2019 and FY 2020 Capital Budget is the agency's two-year capital financial plan and consolidated capital program.

The two-year Capital Budget funds a variety of capital projects addressing infrastructure needs related to transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility. These projects continue to reflect the SFMTA Board of Directors' adopted policies and plans, including Vision Zero, Transit First, the San Francisco Pedestrian Strategy, the

SFMTA Bicycle Strategy, the City and County of San Francisco Adopted Area Plans, the SFMTA Strategic Plan, and the San Francisco County Transportation Plan. Complete project scope and funding plans will be reflected in the SFMTA FY 2019-2023 CIP currently under development.

Each project proposal included in the five-year CIP is scrutinized from a variety of perspectives before it is included in the CIP. SFMTA staff identify projects based on the following: (1) input from the community received at various meetings during the year; (2) input from the SFMTA Board of Directors, San Francisco Board of Supervisors (or the BOS sitting as the Transportation Authority Board), and other commissions and advisory committees; (3) the SFMTA Board or other City-approved plans for growth, improvements, and rehabilitation; (4) the SFMTA Board's adopted 20-Year Capital Plan and 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 proposed SFMTA FY 2019 and FY 2020 Capital Budget includes expenditure authority of \$514 million in FY 2019 and \$631 million in FY 2020. Projects funded through this two-year budget include infrastructure investments, as well as various procurements and other one-time initiatives (plans, educational programs) throughout the City.

The table below presents proposed budget figures by program.

Capital Budget by Program

CAPITAL PROGRAM (in \$ Millions)	FY19	FY20	Two-Year Total
Central Subway	43.0	41.0	84.0
Facility	32.2	53.5	85.7
Fleet	184.4	98.8	283.2
Others	6.9	10.5	17.4
Parking	0.9	0.0	0.9
Signals	6.6	27.9	34.5
Streets	40.6	54.2	94.8
Taxi	0.5	0.2	0.7
Transit Fixed Guideway	57.6	59.5	117.2
Transit Optimization	140.9	285.1	426.0
Total	\$513.6	\$630.8	\$,1,144.4

Please refer to the attached Capital Budget Book for a complete list of proposed capital projects and associated funding.

PUBLIC OUTREACH

The SFMTA held public hearings and a Town Hall meeting to hear public comment on the Budget. The Citizens' Advisory Council also held meetings to consider the FY 2019 and FY 2020 Capital Budget. SFMTA staff met with numerous stakeholder groups to brief them and solicit their feedback. Our meetings with stakeholders included a General Public Town Hall, and meetings with the San Francisco Bicycle Coalition, Walk SF, SF Transit Riders, the San

Francisco Capital Planning Committee, Pedestrian Safety Advisory Committee, the SFMTA Multimodal Accessibility Advisory Committee, and Chinatown Community Development Corporation (CCDC). Feedback from all of those meetings has helped shape the proposed Capital Budget.

ALTERNATIVES CONSIDERED

Various alternatives were considered during the development of the five-year 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.

FUNDING IMPACT

The Proposed FY 2019 and FY 2020 Budget will provide \$514 million and \$631 million respectively for capital projects. These amounts include additional revenue of \$20 million in FY 2019 and \$35 million in FY 2020 (contingent on voter approval of a June 2018 Regional Measure 3 ballot initiative to raise bridge tolls on State-owned bridges in the Bay Area), and \$37 million in FY 2020 (contingent on voter approval of a possible November 2018 San Francisco ballot initiative for new transportation funding). Should any measure not be approved, the reduction in revenues falls within the SFMTA Director of Transportation's authority to approve changes of up to five percent of the Capital Budget. For any changes in excess of five percent of the Capital Budget, the Director of Transportation shall return to the SFMTA Board for approval of the technical adjustment.

ENVIRONMENTAL REVIEW

On March 9, 2018, the SFMTA, under authority delegated by the San Francisco Planning Department, determined that the approval of the two-year Capital Budget is not a project as defined under the California Environmental Quality Act (CEQA), pursuant to Title 14 of the California Code of Regulations Section 15060(c) and 15378(b) nor is it an approval of any particular project. Some projects identified in the two year budget may have already undergone environmental review and approval and, with the necessary funding, may proceed. For projects that have not already undergone environmental review and that are subject to CEQA, the SFMTA will not seek approval for any capital project until compliance with CEQA and Chapter 31 of the San Francisco Administrative Code (the City's Environmental Review procedures) is completed and all necessary approvals obtained. The SFMTA will identify the actions and activities that would be necessary to complete the projects and thereby facilitate meaningful environmental review. If any of the projects are found to cause significant adverse environmental impacts, the SFMTA retains absolute discretion to implement one or more of the following actions to mitigate significant adverse environmental impacts: (1) modify the project, (2) select feasible alternatives which avoid significant impacts of the project, (3) require the implementation of specific measures in compliance with CEQA to mitigate significant environmental impacts of the project, as identified upon environmental evaluation in compliance with CEQA and Chapter 31 of the San Francisco Administrative Code, (4) reject the project as proposed if the economic and social benefits of the project do not outweigh unavoidable significant adverse impacts of the project, or (5) approve the project upon a finding that the economic and social benefits of the project outweigh otherwise unavoidable significant

adverse environmental impacts.

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

No other approvals are needed. The SFMTA Board and Board of Supervisors will approve contracts as necessary required for completion of capital projects.

The City Attorney has reviewed this report.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors approve the SFMTA's FY 2019 Capital Budget in the amount of \$514 million and the FY 2020 Capital Budget in the amount of \$631 million, and funding projects within ten capital programs, addressing infrastructure needs related to transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, On August 15, 2017, the SFMTA Board of Directors approved the Agency's 20-Year Capital Plan for FY 2017 through FY 2036, which represents the Agency's unconstrained capital needs for the upcoming 20 years and serves as the basis for developing the fiscally constrained five-year Capital Improvement Program (CIP) and the two-year Capital Budget; and

WHEREAS, The FY 2019-2023 CIP represents a five-year projection of the planned expenditures and anticipated revenues for the SFMTA's capital program; and

WHEREAS, The CIP includes the Capital Budget for FY 2019 and FY 2020, which consists of expenditure authority of \$514 million in FY 2019 and \$631 million in FY 2020, funding projects within 10 capital programs, and addressing infrastructure needs related to transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility; and

WHEREAS, The FY 2019 and FY 2020 Capital Budget is being prepared in accordance with City Charter Section 8A.106(b), which requires the SFMTA to certify that the Capital Budget is adequate in all respects to make substantial progress towards meeting the goals, objectives, and performance standards established pursuant to Section 8A.103 for the fiscal years covered by the budget; and

WHEREAS, The SFMTA held public hearings and Town Hall meetings to hear public comment on the two-year Capital Budget, and the SFMTA's Citizens Advisory Committee also held meetings to consider the two-year Capital Budget; and

WHEREAS, On March 9, 2018, the SFMTA, under authority delegated by the Planning Department, determined that the proposed FY 2019 and FY 2020 Capital Budget, is not a project under the California Environmental Quality Act (CEQA), pursuant to Title 14 of the California Code of Regulations Section 15060(c) and 15378(b); and

WHEREAS, The SFMTA will not proceed with any Project identified with the Capital Budget that have not already undergone environmental review and any necessary approvals or until there has been complete compliance with the California Environmental Quality Act (CEQA) and the City's Environmental Quality Regulations (San Francisco Administrative Code Section 31). If any of the Projects are found to cause significant adverse impacts, the SFMTA retains absolute discretion to: (1) modify the Project to mitigate significant adverse environmental impacts, (2) select feasible alternatives which avoid significant adverse impacts of the Project, (3) require the implementation of specific measures to mitigate the significant adverse environmental impacts of the Project, as identified upon environments evaluation in compliance with CEQA and the City's Environmental Quality Regulations, (4) reject the Project as proposed if the economic and social benefits of the Project do not outweigh otherwise unavoidable significant adverse impacts of the project, or (5) approve the Project upon a finding that the economic and social benefits of the Project outweigh otherwise unavoidable significant adverse impacts; and

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference, now, therefore, be it

RESOLVED, That in accordance with the requirements of Charter Section 8A.106(b), the SFMTA certifies that the FY 2019 and FY 2020 SFMTA Capital Budget is adequate in all respects to make substantial progress towards meeting the goals, objectives, and performance standards established pursuant to Charter Section 8A.103; and be it further

RESOLVED, That the SFMTA Board approve the SFMTA's FY 2019 Capital Budget in the amount of \$514 million and the FY 2020 Capital Budget in the amount of \$631 million, funding projects within ten capital programs, and addressing infrastructure needs related to transit reliability, street safety, state of good repair, facilities, taxi, system safety, and accessibility; and be it further

RESOLVED, That the Director of Transportation is authorized to make any necessary technical and clerical corrections to the approved Capital Budget of the SFMTA and to allocate additional revenues and/or City and County discretionary revenues in order to fund additional adjustments to the Capital Budget, provided that the Director of Transportation shall return to the SFMTA Board of Directors for approval of technical or clerical corrections that, in the aggregate, exceed a five percent increase of the total of the SFMTA's FY 2019 and FY 2020 Capital Budget.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 3, 2018.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency