

**THIS PRINT COVERS CALENDAR ITEM NO.: 16**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

SFMTA Fiscal and Management Update including the presentation of the Agency’s infrastructure investment needs framed by the Fiscal Year 2020 State of Good Repair Report.



**SUMMARY:**

- The Agency recently completed the annual *State of Good Repair Report* (SGR Report) for its \$15.6 billion in assets outlining the prioritization, planning, and delivery practices related to maintaining San Francisco’s Transportation system in a state of good repair.
- The SGR Report for Fiscal Year 2020 shows a \$3.83 billion asset backlog requiring an annual investment of \$659 million over the next 20 years. The SFMTA has averaged \$234 million over the past decade. Current investment levels are insufficient to address replacement needs and aging assets; the backlog increases each year and condition trends are declining.

**ENCLOSURES:**

1. SFMTA Fiscal Year 2020 State of Good Repair Report
2. Presentation

**APPROVALS:**

	<b>DATE</b>
DIRECTOR 	July 13, 2021
SECRETARY 	July 13, 2021

**ASSIGNED SFMTAB CALENDAR DATE:** July 20, 2021

## **PAGE 2.**

### **PURPOSE**

This update provides the SFMTA Board of Directors the SFMTA Fiscal Year 2020 State of Good Repair Report.

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

The proposed project will support the following goals and objectives of the SFMTA Strategic Plan:

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.

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

Objective 3.5: Achieve financial stability for the agency.

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.
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. Bicycling shall be promoted by encouraging safe streets for riding, convenient access to transit, bicycle lanes, and secure bicycle parking.
6. Parking policies for areas well served by public transit shall be designed to encourage travel by public transit and alternative transportation.
7. New transportation investment should be allocated to meet the demand for public transit generated by new public and private commercial and residential developments.

**PAGE 3.**

8. 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.

**DESCRIPTION**

On September 24, 2018, the SFMTA Director of Transportation approved an amendment to the Agency's Capital Plan and Program Policies to include Asset Management and State of Good Repair sections. The amended policies define Asset Management and State of Good Repair for the SFMTA. Capital Plan and Program Policy 17.6 states that the Agency shall prepare an annual State of Good Repair Report detailing capital investment impacts on Agency asset classes. State of Good Repair is defined when an asset condition results in the operation of that asset at a full level of performance.

The Asset Management and State of Good Repair policies fulfill a legislative and regulatory requirement set forth in July 2012 through the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) and reinforced in the Fixing America's Surface Transportation Act (FAST) signed in December 2015. Asset Management and State of Good Repair policies are implemented through the SFMTA's 2018 Transit Asset Management Plan.

The 2018 Transit Asset Management Plan outlines activities across the agency that contribute to asset management practice. Asset management refers to the coordinated series of actions that monitor and maintain infrastructure in a state of good repair. This involves balancing risk, cost, opportunities, and performance to realize the value of an asset over the entire lifecycle of the infrastructure. FTA requires the transit asset management plan to be updated every four years with the next update anticipated to be completed by October 2022.

**Fiscal Year 2020 State of Good Repair Report**

Since 2015, the SFMTA has been publishing an annual State of Good Repair Report (SGR Report). The SGR Report is designed to provide a comprehensive analysis of the Agency's rehabilitation and replacement needs and investments. It is also intended to provide greater transparency regarding the agency's asset management practices, project delivery methods, and project prioritization criteria meant to keep the transportation system in a state of good repair.

The SFMTA FY 2020 State of Good Repair report is the eighth consecutive report detailing the condition of SMFTA's \$15.6 billion in capital assets. The analysis for the report begins after each calendar year, when the prior fiscal year is closed, and project completed with the fiscal year are identified to update the condition of capital assets in the Agency's Capital Asset Inventory.

At present the SFMTA has a total of \$13.18 billion in capital replacement and rehabilitation need over the next 20 years in report year dollars. Deferred investments, meaning the value of assets that are beyond their useful life is currently measured at \$3.83 billion. This represents the Agency's current backlog. To eliminate the backlog and stay current on future capital infrastructure

**PAGE 4.**

replacement, SFMTA will need to invest \$659 million annually in the state of good repair of the transportation. Over the past eleven years, SFMTA has averaged a \$234 million annual state of good repair investment. Continued deferred investment will result in the continued growth of the backlog.

Current investment levels are insufficient to address replacement needs and aging assets; the asset replacement backlog increases each year and condition trends are declining. The SFMTA has demonstrated the ability to reverse these trends in focused areas with positive results; however, the overall system continues to decline. Upcoming efforts which are not reflected in the report include the facilities rehabilitation related to the SFMTA's Building Progress Program and the Subway Renewal Program which has made significant investments in transit infrastructure during the pandemic related shutdown.

Due to the impacts to revenue sources from COVID-19, it is critical that a higher percentage of our capital investment addresses state of good repair needs than expansion needs when possible. Also, restoration of operating resources dedicated to preventative maintenance programs will ensure aging assets are operating at a desired level of performance as our City and transportation system return to pre-COVID levels.

**STAKEHOLDER ENGAGEMENT**

This is an informational item.

**ALTERNATIVES CONSIDERED**

This is an informational item.

**FUNDING IMPACT**

This is an informational item.

**ENVIRONMENTAL REVIEW**

This is an informational item. Environmental review is not required.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

This is an informational item.

**RECOMMENDATION**

This is an informational item; a recommendation is not required.