

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance Information & Technology

**BRIEF DESCRIPTION:**

Approving a Supplemental Capital Budget for FY 2016 totaling \$683.3 million which includes the following changes: 1) adds \$15 million from development impact fees and appropriates these funds to individual projects; 2) replaces \$32 million from a General Fund allocation included in the original FY 2016 Capital Budget which was not advanced to the ballot with up to \$26 million from a voter approved General Fund allocation based on population growth and appropriates these amounts to individual projects; 3) authorizes the swap of One Bay Area Grant (OBAG) funds for Light Rail Vehicle (LRV) base procurement and revenue bonds for the Masonic Streetscape project and approves the related accounting adjustment of \$10.2 million; 4) appropriates \$8 million from General Fund Baseline available above the original FY 2016 budget to pay to certify Option 1 of the LRV procurement contract; and 5) authorizes an accounting correction to the original supplemental appropriation for the Series 2013 and Series 2014 revenue bonds.

**SUMMARY:**

- On April 15, 2014, the Board approved the Fiscal Year (FY) 2015 and FY 2016 Capital Budget in the amounts of \$562.9 million and \$669.0 million respectively, including \$32 million in estimated revenue in FY 2016 from an allocation of General Fund which subsequently was not advanced to the ballot.
- As a result of the November 2014 election and the City's economy, changes are required to the FY 2016 Capital Budget.
- In order to meet the schedule for the Masonic Streetscape Project, a swap of funding is required, namely, using \$10.2 million in One Bay Area grant (OBAG) funds for the base LRV base procurement and \$10.2 million in revenue bonds for the Masonic Streetscape Project.
- On January 20, 2015 the SFMTA Board approved an amendment to the LRV procurement contract to exercise Option 1 for an additional 40 LRVs for an amount not to exceed \$176 million. In order to certify the contract, \$8 million is required which will need to be appropriated from General Fund Baseline available above the original FY 2016 budget.
- Finally, a correction is required to a portion of the original supplemental appropriation for the Series 2013 and 2014 Revenue Bonds by transferring \$30 million from the Parking and Traffic/Sustainable Street accounting sub fund to the Parking Garage accounting sub fund to ensure appropriate accounting.

**ENCLOSURES:**

1. SFMTAB Resolution

**APPROVALS:**

**DATE**

DIRECTOR \_\_\_\_\_

3/30/15

SECRETARY \_\_\_\_\_

3/30/15

**ASSIGNED SFMTAB CALENDAR DATE:** April 7, 2015

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### **PURPOSE**

Approving a Supplemental Capital Budget for FY 2016 totaling \$683.3 million which includes the following changes: 1) adds \$15 million from development impact fees and appropriates these funds to individual projects; 2) replaces \$32 million from a General Fund allocation included in the original FY 2016 Capital Budget which was not advanced to the ballot with up to \$26 million from a voter approved General Fund allocation based on population growth and appropriates these amounts to individual projects; 3) authorizes the swap of One Bay Area Grant (OBAG) funds for Light Rail Vehicle (LRV) base procurement and revenue bonds for the Masonic Streetscape project and approves the related accounting adjustment of \$10.2 million; 4) appropriates \$8 million from General Fund Baseline available above the original FY 2016 budget to pay to certify Option 1 of the LRV procurement contract; and 5) authorizes an accounting correction to the original supplemental appropriation for the Series 2013 and Series 2014 revenue bonds.

### **GOAL**

This item supports all of the Strategic Plan Goals:

- Create a safer transportation experience for everyone
- Make transit, walking, bicycling, taxi, ridesharing and carsharing the most attractive and preferred means of travel
- Improve the environment and quality of life in San Francisco
- Create a workplace that delivers outstanding service.

### **DESCRIPTION**

#### ***Background***

On April 15, 2014, the SFMTA Board approved the Fiscal Year (FY) 2015 and FY 2016 Capital Budget in the amounts of \$562.9 million and \$669.0 million respectively, including \$32 million from a potential General Fund allocation which subsequently was not advanced to the November 2014 ballot. On July 30, 2014, the SFMTA Board was advised of technical changes which resulted in a Revised FY 2015 and FY 2016 Capital Budget of \$579.5 million and \$666.6 million respectively. The FY 2016 Capital Budget will total \$683.3 million as a result of this Supplemental.

The FY 2016 Capital Budget requires the following five amendments:

- Adding \$15 million in development impact fees reflecting increases in fee collection and the transfer of certain streetscape projects from the Department of Public Works (DPW) to SFMTA and appropriating these funds to individual projects as described below; and
- Replacing the \$32 million in estimated revenue from a General Fund allocation which was not advanced to the voters in November 2014 with up to \$26 million approved by the voters from a General Fund allocation based on population growth (Proposition B) and appropriating these amounts to individual projects as described below; and
- Swapping the funding sources between the Masonic Streetscape Project and base LRV procurement, namely, using One BayArea grant (OBAG) funds for the base LRV procurement and revenue bonds for the Masonic Streetscape Project (approved by the Board at the March 17, 2015 meeting); and

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- Appropriating \$8 million from General Fund Baseline above original FY 2016 Operating Budget projections to certify Option 1 of the LRV procurement contract; and
- Correcting a portion of the original supplemental appropriation accounting structure for a portion of the Series 2013 and 2014 Revenue Bonds. The original supplemental appropriation included parking garage projects in an inaccurate accounting fund which needs to be corrected.

With respect to Proposition A, the \$500 million San Francisco Transportation and Road Improvement Bond to support transportation infrastructure projects, which was also approved by the voters in November, 2014, the SFMTA will request approval to appropriate funds from this bond measure at a future date.

The following section describes each of the five amendments.

**Amendment 1: Adding \$15 Million in Development Impact Fees and Appropriating These Funds To Individual Projects**

Development fees are administered by the Interagency Plan Implementation Committee (IPIC) which was established in October of 2006 by the Board of Supervisors to formalize interagency coordination for Area Plan-identified community improvements. The Planning Department, as designated by the legislation, has taken the lead in coordinating the IPIC and SFMTA is a member of IPIC. The IPIC makes recommendations for Area Plans with respect to capital project implementation, funding and programming.

Revenue estimates for the fees collected from citywide area plans have been higher than originally anticipated for FY 2016; therefore, more funds are available for capital projects than originally projected. The proposed Supplemental FY 2016 Capital Budget also includes projects which were previously included in the Department of Public Work's (DPW) budget, however, it has been determined that SFMTA will be implementing these projects and therefore the SFMTA is the appropriate department to receive the funding. Of the \$15 million, \$2.4 million is being transferred from DPW and \$12.6 million is from additional collected fees. This supplemental appropriation will fund the following projects outlined in the table below:

<b>Project Name (\$ millions)</b>	<b>Previously in DPW Budget (FY16)</b>	<b>New Revenue</b>	<b>SFMTA FY16 Supplemental Amount</b>
<b>Eastern Neighborhoods</b>		<b>\$11.40</b>	<b>\$11.40</b>
16th Street		\$5.90	\$5.90
Folsom St/Howard St		\$4.50	4.50
Pedestrian Enhancement and Bicycle Fund		\$1.00	1.00
<b>Market Octavia</b>	<b>2.40</b>	<b>0.90</b>	<b>3.30</b>
Muni Forward projects - Rapid Network projects that serve the Market Octavia Plan		0.30	0.30

Project Name (\$ millions)	Previously in DPW Budget (FY16)	New Revenue	SFMTA FY16 Supplemental Amount
Area include improvements to the J Church, the K Ingleside, the L Taraval, the M Ocean View, the N Judah, the 5 Fulton, the 9 San Bruno, the 14 Mission, and the 71 Haight			
Page Street Green Connections	1 .05	.45	1.50
Streetscape Enhancement fund	.85	.15	1.00
Van Ness and Mission Pedestrian Improvements with BRT	0.50		0.50
<b>Visitacion Valley</b>		<b>0.30</b>	<b>0.30</b>
Pedestrian, Bicycle, and Streetscape Improvements		0.30	0.30
<b>Grand Total</b>	<b>2 .40</b>	<b>12 .32</b>	<b>15.00</b>

Descriptions of all of the projects that will receive supplemental development impact fees are provided below.

**Eastern Neighborhoods (EN)**

*16th Street*

The 22 Fillmore corridor along 16th Street faces significant congestion and other obstacles that frequently prevent efficient transit vehicle movement. Additionally, the Mission Bay neighborhood, which is currently experiencing a large amount of commercial and residential development, lacks a direct and efficient transit connection to the Mission District and central San Francisco. This project will build transit-only lanes, transit bulbs, new traffic and pedestrian signals, and new streetscape amenities. The project will also include extending the overhead contact system (OCS) on 16<sup>th</sup> Street from Kansas Street to Third Street to allow for zero-emission transit service into Mission Bay. The changes will result in 25% reduced travel times and improved reliability on the 22 Fillmore corridor, primarily along 16th Street between the intersection of Church Street and Market Street and the Mission Bay neighborhood, which represents a new terminal location for the route.

The 16th Street project was included as part of the recently adopted Transit Effectiveness Project (now called Muni Forward), which was reviewed in a Final Environmental Impact Report (FEIR). The TEP FEIR was certified by the San Francisco Planning Commission on March 27, 2014, and adopted by the SFMTA Board of Directors on March 28, 2014. The \$5.9 million allocated to this project would fund primarily planning and outreach for the items described in the paragraph above. Any changes in the scope of the project resulting from the planning and outreach activities will be evaluated to determine if there is a need for further CEQA review and documentation. Approval of the allocation by the SFMTA Board does not constitute approval for project construction.

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### *Folsom St/Howard St*

The Folsom Street Improvement Project envisions the transformation of Folsom Street to a more pedestrian-friendly, multimodal street. This project has been described in many different contexts. Both the East SOMA and Western SOMA Area Plans describe Folsom Street as a new civic boulevard, as one of the key infrastructure projects identified in the East SOMA that would serve as the neighborhood main street for the neighborhood. The Eastern Neighborhood (EN) Trips project, further developed conceptual streetscape and circulation designs for Folsom along with Howard, between 5th Street and 12th Street. EN Trips identified two prototype configurations including converting both Howard and Folsom Street to two-way streets. Robust bike facilities (including a grade separated option), corner bulbs, bus bulbs, mid-block crossings, along with other streetscape improvements are considered in both prototypes.

The Folsom Street Improvement Project pilot (4th to 11th Street) was reviewed under CEQA in a Categorical Exemption Certificate of Determination, dated November 1, 2013 (Case No. 2013.1461E). This pilot project has been implemented. The permanent project is being reviewed in the Central SoMA EIR, which is expected to be completed and considered for certification in 2016. The \$4.5 million allocated to this project would primarily fund additional planning and outreach for the items described in the paragraph. Construction of a permanent project would require additional review and approval by the SFMTA Board.

### *Pedestrian Enhancement and Bicycle Fund*

The Eastern Neighborhoods Area Plan, reviewed in the Eastern Neighborhoods Area Plan and Rezoning EIR, certified by the San Francisco Planning Commission on August 7, 2008, calls for pedestrian, bicycle, and streetscape improvements on key streets throughout the Plan area. The Pedestrian Enhancement and Bicycle Fund sets aside funding to enhance ongoing infrastructure projects that may not otherwise include pedestrian, bicycle, or greening improvements. The fund enables money to be nimbly allocated when opportunities or particular needs arise, taking advantage of the efficiencies that come with conducting these improvements alongside repaving or larger construction projects but specific locations for these improvements have not been determined.

## **Market Octavia (MO)**

### *Muni Forward*

Muni Forward brings together many projects and planning efforts to create a safer and more reliable experience both on and off transit. Focus areas include creating a Rapid Network, improving reliability, making the system smarter, and enhancing safety and access. Rapid Network projects that serve the Market Octavia Plan Area include improvements to the J Church, the K Ingleside, the L Taraval, the M Ocean View, the N Judah, the 5 Fulton, the 9 San Bruno, the 14 Mission, and the 71 Haight. Portions of several of these projects are on a fast track schedule.

Improvements to these lines were reviewed in the TEP FEIR. The \$0.3 million allocated to these MUNI Forward projects would fund the items described in the paragraph above. Several of these projects have received prior approval for implementation by the SFMTA Board. For those projects that have not been approved and where final designs have not been completed, project implementation would require additional approval by the SFMTA Board.

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### *Page Street Green Connections*

Page Street is part of both the City's Bicycle Network and the citywide Green Connections Project, which identifies a network of existing streets and paths that will increase access to parks, open space, and the waterfront. Enhancements to Page Street will be designed to emphasize its role in connecting community amenities and recreational opportunities and will improve the bicycle and pedestrian infrastructure along the street. Page Street is also called out in the Market Octavia Plan and the Octavia Boulevard Circulation Study as a high priority for bicycle and pedestrian improvements.

The elements included in the Page Street Green Connections Project will include improvements reviewed in the Green Connections Project on Page Street. The Green Connections Project overall was evaluated in the Addendum to the Better Streets Plan Final Mitigated Negative Declaration (FMND) (Case No. 2014.0060E), published on March 12, 2014. This Addendum determined that no supplemental environmental review for the Green Connections Project was needed as the environmental impacts from the Green Connections Project had been fully evaluated as part of the Better Streets Plan environmental review.

When detailed designs are available for the Page Street Green Connections Project, they will be evaluated to determine if any additional environmental review is needed, based on the consistency of the design with the concepts included in the Better Streets Plan and the Green Connections Project.

### *Streetscape Enhancement Fund*

The Market and Octavia Plan calls for pedestrian, bicycle, and streetscape improvements on key streets throughout the Plan Area. The Streetscape Enhancement Fund sets aside funding for ongoing pedestrian, bicycle, or greening improvements projects.

The FEIR for the Market and Octavia Area Plan, certified by the Planning Commission on April 5, 2007, programmatically reviewed pedestrian, bicycle and streetscape improvements. The \$1.0 million allocated to this fund would enable monies to be nimbly allocated when opportunities or particular needs arise, taking advantage of the efficiencies that come with conducting these improvements alongside repaving or larger construction projects. However, specific projects for these improvements have not been determined. As projects are defined, they will be brought to the SFMTA Board for review and approval as needed

### *Van Ness and Mission Pedestrian Improvements with BRT*

The intersection of Van Ness and Mission was identified in the Market Octavia Plan as a high priority for pedestrian improvements. This intersection is overlapped by many larger transportation and streetscape improvement projects: the Van Ness BRT, the Muni Forward project which includes rapid networks serving this intersection, the Mission Streetscape Design project, and a proposed bicycle connection. It is also the location of several major development projects in the Planning Department pipeline. Funds for landscape projects and pedestrian amenities will allow for a Complete Streets approach to this intersection in conjunction with the other planned transit improvements. Staff will continue to design and develop pedestrian and bicycle safety improvements at this intersection, and will return to the SFMTA with a proposal later this year.

**Visitacion Valley**

*Pedestrian, Bicycle, and Streetscape Improvements*

Planning, Recreation and Park, and the SFMTA began a community engagement process this past year to inform and involve the Visitacion Valley community in determining which pedestrian, bicycle and streetscape improvements to fund. Through the initial meeting with the community, many ideas were proposed beyond those that had previously been proposed by various City departments. As such, further analysis and vetting potential projects for Visitacion Valley fee funding is needed. Based on initial discussions with the community and IPIC projects could include, but would not be limited to: Green Connections improvements (discussed above), traffic calming on Arleta Avenue, enhanced pedestrian crossings on Bayshore Boulevard, Blanken tunnel improvements, enhanced pedestrian crossings at Harney Way between Executive Park and the State Candlestick Point Park, and transit stop streetscape improvements along the 8X and other Visitacion Valley MUNI lines.

The San Francisco Planning Commission and the former San Francisco Redevelopment Agency certified an FEIR for the Visitacion Valley Redevelopment Program, Case File No. 2006.1308E which cleared the fee program on December 18, 2008. On May 27, 2014, the Planning Department issued an Addendum. The \$0.3 million allocated to this project would primarily fund additional planning and outreach for the items described in the above paragraph. Construction of permanent projects would require additional review and approval by the SFMTA Board.

**Amendment 2: Replacing the \$32 million in estimated revenue and related projects from a General Fund Allocation which was not advanced to the ballot in November 2014 with up to \$26 million approved by the voters from a General Fund Allocation based on Population Growth (Proposition B) and appropriates these amounts to individual projects**

The original FY 2016 Capital Budget approved by the SFMTA Board of Directors included \$32 million from a general fund allocation which is not advanced to the November 2014 ballot for the following program of projects:

- Bicycle Program: \$3.25 million;
- Pedestrian Program: \$1.0 million;
- Signals Program: \$8.6 million;
- Transit Optimization: \$4.0 million;
- Accessibility program: \$400K; and
- Fleet Program: \$13.8 million

The above programs will be replaced with up to \$26 million from the new General Fund allocation based on population growth which the voters approved in November 2014 and any gaps will be filled with other sources if required and available.

These General Fund Allocation based on Population Growth are restricted as follows: 75% to support projects that make transit system improvements and improve transit reliability, frequency of service, capacity, or state of good repair; and 25% to improve street safety for all users.

<b>Project</b>	<b>Amount (millions)</b>
Transit System Improvements	Up to \$19.5
Street Safety Improvements	Up to \$6.5
<b>Total</b>	<b>up to \$26 million</b>

**Transit System Improvements include the following projects**

<b>Project</b>	<b>Up to Amount</b>
60 ft. Motor Coach Vehicles (up to 5 vehicles)	\$6.0 million
40 ft. Motor Coach Vehicles (up to 13 vehicles)	\$13.5 million

Project descriptions are below:

As part of its regular daily passenger transit service, the SFMTA operates a fleet of 367 40-foot diesel/diesel hybrid buses and 124 60-foot diesel buses. Vehicles in service operate 24 hours per day, 365 days a year. These vehicles typically have a useful life of 12 years and some of these vehicles have reached or are near the end of their useful life.

Under the planned procurement, the SFMTA will purchase up to 200 new 40-foot hybrid buses and 224 new 60-ft hybrid buses, together with associated services, spare parts, special tools, training and documentation. The procurement will be phased over the next five years. The new buses are expected to have a 12-year life, which assumes that the cars will undergo a mid-life overhaul. SFMTA requires new buses for five reasons:

- 186 40-foot hybrid buses to replace the straight diesel buses that have reached or will reach the end of their useful life over the next five years;
- 14 40-foot buses to meet the demand for expanded service to support Muni Forward;
- 124 60-foot buses to replace the straight diesel buses that have reached or will reach the end of their useful life over the next five years;
- 100 60-foot buses to meet the demand for expanded service to support Muni Forward; and
- To replace the old straight diesel propulsion system with the new more fuel-efficient hybrid technology propulsion system.

These buses will be housed at Woods, Kirkland and Islais Creek. These funds will fill the gaps required to purchase additional motor coaches.

On November 5, 2014, the Planning Department determined that the contract to purchase motor coaches does not constitute a project under CEQA Guidelines Sections 15060(c) and 15378 because there is no direct or indirect physical change in the environment. A copy of the determination is on file with the Secretary for the SFMTA Board of Directors.

On December 2, 2014, the SFMTA Board of Directors approved Resolution No. 14-172 approving the procurement of the motor coaches. On December 14, 2014, the Board of Supervisors approved Resolution 471-14 approving this procurement.



**Street Safety Improvements include the following projects**

<b>CIP Program</b>	<b>Program/Project</b>	<b>Up To Amount</b>
Pedestrian	WalkFirst projects	\$1.0 million
Bicycle	Bicycle Spot and Facility Improvements	\$1.0 million
Pedestrian, Traffic Calming and Traffic Signals	Follow the Paving	\$1.5 million
Traffic Signals	Signal Controllers	\$1.5 million
Traffic Signals	Red Light Camera upgrade	\$1.0 million
School Safety Projects	School Related Improvements	\$500,000
<b>TOTAL</b>		<b>Up to \$6.5 million</b>

Project descriptions are below and as projects are defined, they will be brought to the SFMTA Board for review and approval as needed:

1. WalkFirst Projects – \$1 million. To improve pedestrian safety on these high injury corridors, the WalkFirst Investment strategy identified a suite of countermeasures that comprise quick, inexpensive, and effective tools:

- Continental crosswalks and marking unmarked crosswalks,
- Advance stop or yield lines,
- Parking prohibitions and painted safety zones ("temp bulbs"),
- Temporary pedestrian medians and refuge islands;
- Temporary chokers, road diets and reducing lane widths;
- Protected left turns and turn prohibitions (no turn on red, no left and/or right turns);
- Pedestrian warning signage; and,
- Signal timing changes, including leading pedestrian intervals and slower walk speeds.

The locations that will be targeted are prioritized with the following criteria, among others:

- On a High Injury corridor
- Number of overall collisions
- Number of collisions that result in fatality or serious injury
- Collisions involving children and seniors
- Location in a Community of Concern

With this additional funding and other sources, more than 100 prioritized intersections on the High Injury Corridors will be improved.

2. Bicycle Spot and Facility Improvements - \$1.0 million. The bicycle spot and facility improvements will construct bicycle treatments at intersections and corridors to make it safer and improve network connectivity for people who bike. Treatments will include two-stage left turns, intersection crossing guidance, buffered bike lane treatments or other tools.

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The locations that will be targeted are prioritized by the following criteria, among others:

- Level of Traffic Stress
- Overall Mode Share and Bicycle Ridership
- Connectivity Gaps in the Bicycle Network.

Sample locations that may be improved include:

- 8th/ Grove/ Hyde
- Stanyan at JFK
- 10th and Fulton
- 16th/ Harrison/ Treat
- Arguello at Fulton
- Sloat from Skyline to Great Highway
- Terry Francois from 3rd to Mariposa
- 10th St, Market to Folsom

The San Francisco Planning Commission certified the FEIR for the San Francisco Bicycle Plan (Case No. 2007.0347E), on June 25, 2009. [http://sfmea.sfplanning.org/2007.0347E\\_FEIR1.pdf](http://sfmea.sfplanning.org/2007.0347E_FEIR1.pdf). Specific projects, when known, will be reviewed by the Planning Department or SFMTA to determine if additional environmental review is required.

3. Potential FY16 Follow the Paving project - \$1.5 million. The Follow the Paving project coordinates bicycle, pedestrian and signal improvements in coordination with paving and utility. Sample projects include construction of new signal conduit, expanded bulbs, upgraded crosswalks, or innovative bicycle treatments such as protected or raised cycletracks. Projects are prioritized based on timing and funding availability. Locations will be vetted with the existing paving schedule and coordinated by DPW.

4. Signal Controllers – \$1.5 million. New controller and cabinets will be installed at about 75 locations throughout San Francisco to upgrade to the current generation technology. New controllers will allow for retiming of signals for safety improvements and transit signal priority, as well as increasing the general reliability of the signal system. Replacement of controllers and cabinets will be retimed and reprogrammed (no construction is required). Locations will be prioritized for high injury and transit corridors.

5. Red light Camera Upgrade – \$1.0 million. Upgrade cameras to digital technology at 15 approaches and add 4 new approaches. Current system based on what film technology has reached the end of its useful life.

6. School Related Improvements – \$500 K. To fund one Associate Engineer position and implementation costs to install safety and improvements (signs, markings, signals) around K–12 school sites and to work with the schools and the public to identify, plan, design and install these improvements.

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**Amendment 3: Swapping \$10.2 million in funding between the Masonic Streetscape Project and the Base LRV procurement project**

The Masonic Streetscape Project, approved by the SFMTA Board on September 18, 2012, was originally planned to be partially funded with federal highway funds under the One Bay Area Grant (OBAG). On June 25, 2013, the San Francisco County Transportation Authority (SFCTA) recommended the Masonic Streetscape Project for the One Bay Area Grant (OBAG) to the San Francisco Bay Area Metropolitan Transportation Commission (MTC). MTC then approved OBAG funding for the project at their September 25, 2013 Commission meeting.

However, lower federal funding capacity for Federal Fiscal Year 2016 will likely result in a funding delay in OBAG funds which would impact the timeline of the Masonic Streetscape Project. Therefore, in order to keep this project on schedule, it has become necessary to use \$10.2M of Revenue Bonds in lieu of the OBAG funds. In turn, the OBAG funds will be allocated to the base LRV procurement project where funding is needed after Fiscal Year 2016. The LRV procurement project is eligible for the OBAG funds.

Both the SFCTA and MTC would have to approve this swap and on March 17, 2015 the SFMTA Board approves this swap and agreed to comply with timely use of fund provision and limitations associated with using OBAG funds. Additionally, the original supplemental appropriation for the Revenue Bonds will need to be amended to reflect this swap to correctly show the accounting between transit and streetscape projects.

On June 28, 2012, the Planning Department issued an Addendum to the 2009 Bicycle Plan FEIR for the Masonic Avenue Streetscape project.

**Amendment 4: Appropriate \$8 million from General Fund Baseline available above the original FY 2016 budget for Option 1 of the LRV Procurement Contract Certification**

On January 20, 2015 the SFMTA Board approved programming of up to \$210 million to exercise the first option for 40 additional light rail vehicles and the execution of an amendment to the LRV procurement contract of \$176 million. In order to certify the contract amendment \$8 million is required. It is proposed that the source for this is the General Fund Baseline above the original FY 2016 budget that the Controller has projected for FY 2016. It should be noted that these funds will not be eligible to be reimbursed from Cap and Trade Funds, which were projected as the funding source for Option 1 of the LRV procurement contract, as the recently approved legislation for this funding source does not allow for retroactive reimbursement for contract certification amounts. Therefore, it is recommended that the supplemental appropriation include \$8 million to certify the contract amendment for Option 1 of the LRV Procurement Contract.

The Planning Department has determined that the replacement and expansion vehicle portions of the light rail vehicle procurement are statutorily exempt under Section 21080(b)(11) of the California Resources Code and Section 15275(a) of the implementing CEQA Guidelines because those portions of the procurement involve an increase of service on rail lines already in use. The need for additional vehicles for the Central Subway Project was included under the Central Subway

Final Supplemental EIS/EIR, Case No. 1996.281E. The Planning Department’s determination is on file with the Secretary to the SFMTA Board of Directors

**Amendment 5: SFMTA FY 2013 and FY 2014 Revenue Bond – Revision to Original Supplemental Appropriation**

On September 3, 2013, the Board of Directors approved the issuance of \$150 million in revenue bonds to finance various transportation projects. On September 24, 2013, the Board of Supervisors concurred. The \$150 million was split into two issuances: \$75 million in 2013 (Series 2013) and \$75 million in 2014 (Series 2014).

Revisions to the original supplemental appropriation of the accounting sub funds related to the Series 2013 and 2014 revenue bonds is required to align the accounting with the projects funded from the revenue bonds. This requires transferring \$30 million to the Parking Garage accounting sub fund (5X) from the Parking and Traffic/Sustainable Street accounting sub fund (5N).

Additionally, as discussed above in Amendment 3, a transfer of \$10.2 million from the Transit accounting fund (5M) to the Parking and Traffic accounting fund (5N) will allow revenue bonds to be used for the Masonic Streetscape Project and OBAG funds to be used for the base LRV procurement.

The following table summarizes the original \$150 million allocation by accounting sub fund and the requested revised allocation to accurately align the accounting sub fund to the projects funded.

Project	Original Approved Supplemental Appropriation Amount (millions)	Original Approved Supplemental Appropriation Accounting	Revised Amount (millions)	Explanation and Revised Accounting Sub Fund
Transit Projects	90.0	Transit Accounting Subfund (5M)	79.8	Transit Accounting Subfund (5M) – Reflects \$10.2 million to be used for Masonic Streetscape Project instead of LRV Base Procurement
Bicycle and Pedestrian Projects	30.0	Parking and Traffic Accounting Subfund (5N)	40.2	Parking and Traffic Accounting Subfund (5N) – Reflects \$10.2 million to be used for Masonic Streetscape Project
Parking Garage	30.0	Parking and Traffic Accounting Subfund (5N)	0.0	Incorrect accounting subfund used for the parking garage projects

Project	Original Approved Supplemental Appropriation Amount (millions)	Original Approved Supplemental Appropriation Accounting	Revised Amount (millions)	Explanation and Revised Accounting Sub Fund
Parking Garage	0.0	Parking Garage Accounting Subfund (5X)	30.0	Parking Garage (5X) – Corrects account subfund for the parking garage projects
<b>TOTAL</b>	<b>150.0</b>		<b>150.0</b>	

**Summary**

The chart below summarizes the original FY 2016 Capital Budget, the Revised 2016 Capital Budget and the Supplemental FY 2016 Capital Budget based on all the amendments identified above.

Capital Program (in millions)	FY 2016 Original Budget (April 15, 2014)	FY 2016 Revised Budget (July 18, 2014)	FY 2016 Supplemental Budget (April 7, 2015)
Accessibility	1.1	1.1	0.7
Bicycle	30.8	19.8	23.8
Central Subway	191.6	190.9	190.9
Facility	1.0	1.0	0.0
Fleet	314.5	314.5	328.2
Parking	6.9	6.1	6.1
Pedestrian	8.2	8.7	10.8
School	4.5	4.5	5.0
Security	10.1	10.1	10.1
Taxi	0.6	0.6	0.6
Traffic Calming	6.7	6.7	7.4
Traffic/signals	27.8	23.4	18.0
Transit Fixed Guideway	11.2	16.7	16.7
Transit Optimization/Expansion	54.2	62.7	65.1
<b>TOTAL</b>	<b>669.10</b>	<b>666.6</b>	<b>683.3</b>

**Published Notice**

Advertisements were placed in the City’s official newspaper, the San Francisco Chronicle, to provide published notice for the April 7, 2015, Board meeting. The advertisements ran in the San Francisco Chronicle starting on March 9, 2015, for five consecutive days.

**ALTERNATIVES CONSIDERED**

The alternative considered to this Budget Supplemental is waiting until the next two year budget cycle to make these amendments. That option would cause delay to the projects which are projected to be funded these sources. Not making the accounting adjustments required, the financial records will not be correct.

**FUNDING IMPACT**

The following table summarizes the financial impact of the five amendments included in the supplemental appropriation for the FY 2016 capital budget:

<b>Amendment</b>	<b>Description</b>	<b>Net Financial impact to FY 2016 Capital Budget</b>
1	Adding \$15 million in Development Impact Fees and appropriating these funds to individual projects	+ \$15 million
2	Replacing the \$32 million in estimated revenue from a General fund allocation which was not advanced to the ballot in November 2014 with up to \$26 million approved by the voters from a General Fund allocation based on population growth (Proposition B) and appropriating these amounts to individual projects	(\$32 million) + up to \$26 million
3	Swapping \$10.2 million in funding between the Masonic Streetscape Project and the Base LRV procurement project	No net financial impact
4	Appropriate \$8 million from General Fund Baseline available above the original FY 2016 budget for Option 1 of the LRV Procurement Contract Certification	+ 8 million
5	SFMTA FY 2013 and FY 2014 Revenue Bond – Revision to Original Supplemental Appropriation	No net financial impact

The accounting transactions changes require SFMTA Board approval before they can be approved by the BOS as the BOS approved the original accounting and they will want SFMTA Board of Directors concurrence of these accounting revisions before they take action. Additionally, the Bond Oversight Committee (BOC) recommends approval of the accounting changes related to the revenue bond given the size of these changes.

**ENVIRONMENTAL REVIEW**

Environmental review for previously approved projects is noted above in the description of each project.

Funding allocated to certain projects listed above includes money for further design and environmental planning work. The SFMTA will not proceed with any project 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 Chapter 31, (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.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The Board of Supervisors will consider the supplemental appropriation during their budget deliberations of the overall City budget.

The City Attorney has reviewed this calendar item.

The SFMTA reallocation of OBAG fund swap will require additional approvals by both the Metropolitan Transportation Commission and the San Francisco County Transportation Authority.

**RECOMMENDATION**

Approving a Supplemental Capital Budget for FY 2016 totaling \$683.3 million which includes the following changes: 1) adds \$15 million from development impact fees and appropriates these funds to individual projects; 2) replaces \$32 million from a General Fund allocation included in the original FY 2016 Capital Budget which was not advanced to the ballot with up to \$26 million from a voter approved General Fund allocation based on population growth and appropriating these amounts to individual projects; 3) authorizes the swap of One Bay Area Grant (OBAG) funds for Light Rail Vehicle (LRV) base procurement and revenue bonds for the Masonic Streetscape project and approves the related accounting adjustment of \$10.2 million; 4) appropriates \$8 million from General Fund Baseline available above the original FY 2016 budget to certify Option 1 of the LRV procurement contract; and 5) authorizes an accounting correction to the original supplemental appropriation for the Series 2013 and Series 2014 revenue bonds.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS  
RESOLUTION No. \_\_\_\_\_

WHEREAS, the SFMTA Board approved the Fiscal Year (FY) 2015 and FY 2016 Capital Budget in the amounts of \$562.9 million and \$669.0 million respectively, including \$32 million in estimated revenue from a possible additional General Fund support from the City for transportation and street improvement; and,

WHEREAS, On July 30, 2014, the SFMTA Board was advised of technical changes which required preparation of a Revised FY 2015 and FY 2016 Capital Budget of \$579.5 million and \$666.6 million respectively; and,

WHEREAS, The following amendments to the FY 2016 Capital Budget are required which will result in a total Capital Budget of \$683.3 million for FY 2016 incorporating the following changes:

- Adding \$15 million in development impact fees reflecting increases in fee collection and the transfer of certain streetscape projects from the Department of Public Works (DPW) to SFMTA and appropriating these funds to the individual projects below;
  - Eastern Neighborhoods -\$11.40 million
    - 16th Street-\$5.62 million
    - Folsom St/Howard St-\$4.50 million
    - Pedestrian Enhancement and Bicycle Fund-\$1.00 million
  - Market Octavia- \$3.30 million
    - Muni Forward-\$0.30 million
    - Page Street Green Connections-\$1.50 million
    - Streetscape Enhancement fund-\$1.00 million
    - Van Ness and Mission Pedestrian Improvements with BRT-\$0.50 million
  - Visitacion Valley -\$0.30 million
    - Pedestrian, Bicycle, and Streetscape Improvements-\$0.30 million; and
- Replacing the \$32 million in estimated revenue from a General fund allocation which was not advanced to the voters in November 2014 with up to \$26 million approved by the voters from a General Fund allocation based on population growth (Proposition B) and appropriates these amounts to individual projects as follows:
  - 60 ft. Motor Coach Vehicles (up to 5 vehicles) - up to \$6.0 million
  - 40 ft. Motor Coach Vehicles (up to 13 vehicles) - up to \$13.5 million
  - WalkFirst projects-up to \$1.0 million
  - Bicycle Spot and Facility Improvements-up to \$1.0 million
  - Follow the Paving- up to \$1.5 million
  - Signal Controllers - up to \$1.5 million
  - Red Light Camera upgrade-up to \$1.0 million
  - School Related Improvements- up to \$500,000; and
- Swapping the funding sources between the Masonic Streetscape Project and base LRV procurement, namely, using One BayArea grant (OBAG) funds for the base LRV procurement and revenue bonds for the Masonic Streetscape Project; and
- Appropriating \$8 million from General Fund Baseline available above the original FY 2016 budget projections to certify Option 1 of the LRV procurement contract; and
- Correcting a portion the original supplemental appropriation accounting structure for a portion of the Series 2013 and 2014 Revenue Bonds; and,



WHEREAS, On June 25, 2013, the San Francisco County Transportation Authority (SFCTA) recommended the Masonic Streetscape Project for the One Bay Area Grant (OBAG) to the San Francisco Bay Area Metropolitan Transportation Commission (MTC); and

WHEREAS, On January 20, 2015 the SFMTA Board approved the execution of an amendment to the LRV procurement contract to exercise Option 1 to procure an additional 40 LRVs for an amount not to exceed \$176 million and, in order to certify the contract, \$8 million is required; and

WHEREAS, The City Controller has projected that the General Fund Baseline for FY 2016 will be higher by \$8 million than included in the original FY 2016 budget; and

WHEREAS, Advertisements were placed in the City's official newspaper, the San Francisco Chronicle, to provide published notice of the April 7, 2015 Board action which ran starting on March 9, 2015, for five consecutive days; and

WHEREAS, On March 28, 2014, the SFMTA Board of Directors approved the Transit Effectiveness Project (TEP) Final Environmental Impact Report (FEIR) and approved various Service-Related Capital Improvements and Travel Time Reduction Proposals to improve transit performance along various Municipal Railway routes as a part of the Muni Forward program, and these projects were analyzed in the Transit Effectiveness Project Final Environmental Impact Report (FEIR) certified by the San Francisco Planning Commission in Motion No. 19105 on March 27, 2014; and

WHEREAS, Approval for TEP Service-Related Capital Improvements and Travel Time Reduction Proposals for the projects included in this Resolution, including improvements on 16th Street and for Market and Octavia, relies on said FEIR; and,

WHEREAS, As part of the Resolution No. 14-041, the SFMTA Board of Directors adopted findings under the California Environmental Quality Act (CEQA), the CEQA Guidelines, and Chapter 31 of the Administrative Code (CEQA Findings) and a Mitigation Monitoring and Reporting Program (MMRP), which Resolution, CEQA Findings, and MMRP are on file with the Secretary to the SFMTA Board of Directors and are incorporated herein by reference as though fully set forth; and

WHEREAS, On July 15, 2014, the SFMTA approved Resolution 14-120, authorizing the procurement of up to 260 light rail vehicles under SFMTA Contract 2013-19 and the Board of Supervisors approved Resolution 332-14 approving the Contract, which approval was found statutorily exempt under CEQA in the Central Subway Final Supplemental EIS/EIR, Case No. 1996.281E ; and

WHEREAS, On January 20, 2015, the SFMTA Board approved programming of up to \$210 million to exercise the first option for 40 additional light rail vehicles and the execution of an amendment to the LRV procurement contract of \$176 million; and

WHEREAS, On December 2, 2014 the SFMTA approved Resolution 14–172 authorizing the procurements of up to 200 new 40-foot hybrid buses and 224 60-foot hybrid buses and on December 14, 2014, the Board of Supervisors approved Resolution 471–14 in SFMTA Contract CPT 713 which the San Francisco Planning Department found was not a project under CEQA Guidelines sections 15060(c) and 15378; and

WHEREAS, On September 18, 2012, the SFMTA Board of Directors approved the Masonic Streetscape Improvement Project; and

WHEREAS, Improvements included in the Market and Octavia Streetscape fund were reviewed in the Market and Octavia Area Plan FEIR, certified by the San Francisco Planning Commission certified on April 5, 2007, in Case No. 2003.0347E; and

WHEREAS, Visitacion Valley Pedestrian, Bicycle, and Streetscape Improvements were reviewed in the Visitacion Valley FEIR, certified by the San Francisco Planning Commission and the former San Francisco Redevelopment Agency on December 18, 2008 in Case number 2006.1308E; and

WHEREAS, Where noted, the SFMTA has reviewed and considered each of the FEIRs, together with any addenda, listed above, and any additional environmental documentation in the files of the SFMTA, and finds that the analysis in the environmental documents listed above supports the allocation of funds as listed in this Resolution and no additional environmental review is required under CEQA; and

WHEREAS, The SFMTA will not proceed with any project 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; now therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approves a Supplemental Appropriation for the FY 2016 Capital Budget which will result in a total Capital Budget for \$683.3 million for FY 2016 incorporating the following changes:

- Adding \$15 million in development impact fees and appropriating these funds to the individual projects below:
  - Eastern Neighborhoods -\$11.40 million
    - 16th Street-\$5.62 million
    - Folsom St/Howard St-\$4.50 million

- Pedestrian Enhancement and Bicycle Fund-\$1.00 million
- Market Octavia- \$3.30 million
  - Muni Forward-\$0.30 million
  - Page Street Green Connections-\$1.50 million
  - Streetscape Enhancement fund-\$1.00 million
  - Van Ness and Mission Pedestrian Improvements with BRT-\$0.50 million
- Visitacion Valley -\$0.30 million
  - Pedestrian, Bicycle, and Streetscape Improvements-\$0.30 million; and
- Replacing the \$32 million in estimated revenue from a General fund allocation which was not advanced to the voters in November 2014 with up to \$26 million approved by the voters from a General Fund allocation based on population growth (Proposition B) and appropriating these amounts to individual projects as follows:
  - 60 ft. Motor Coach Vehicles (up to 5 vehicles) - up to \$6.0 million
  - 40 ft. Motor Coach Vehicles (up to 13 vehicles) - up to \$13.5 million
  - WalkFirst projects-up to \$1.0 million
  - Bicycle Spot and Facility Improvements-up to \$1.0 million
  - Follow the Paving- up to \$1.5 million
  - Signal Controllers - up to \$1.5 million
  - Red Light Camera upgrade-up to \$1.0 million
  - School Related Improvements- up to \$500,000; and
- Swapping the funding sources between the Masonic Streetscape Project and base LRV procurement, namely, using One BayArea grant (OBAG) funds for the base LRV procurement and revenue bonds for the Masonic Streetscape Project; and
- Appropriating \$8 million from General Fund Baseline available above the original FY 2016 budget projections to certify Option 1 of the LRV procurement contract; and
- Correcting the original supplemental appropriation accounting structure for a portion of the Series 2013 and 2014 Revenue Bonds to reflect the appropriate accounting for the parking garage related projects which were incorrectly accounted for in the original supplemental appropriation.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 7, 2015.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency