

SFMTA Bond Oversight Committee

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January 31, 2024

SFMTA Board of Directors

Amanda Eaken, Chair
Stephanie Cajina, Vice Chair
Steve Heminger, Director
Dominica Henderson, Director
Fiona Hinze, Director
Lydia So, Director

Dear SFMTA Board of Directors:

On behalf of the San Francisco Municipal Transportation Agency (SFMTA) Bond Oversight Committee (BOC), we are pleased to present the Fiscal Year 2022-2023 (FY23) Annual Report.

The BOC was created by the SFMTA Board of Directors by Resolution #11-154 on December 6, 2011. The purpose of the BOC is to provide independent oversight with respect to the expenditure of SFMTA revenue bond proceeds.

Pursuant to its Bylaws, the BOC is required to provide its Annual Report to the SFMTA Board of Directors by the January 31st following the end of the previous fiscal year. The attached report describes BOC activities during FY23, and a description of any notable BOC actions since the end of the fiscal year.

We would be pleased to respond to any questions that you may have.

Sincerely,

Chair, Tajel Shah

cc: Jeffrey Tumlin, Director of Transportation
Benjamin Rosenfield, Controller

Attachment: Fiscal Year 2022-2023 Annual Report

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Annual Report to the SFMTA Bond Oversight Committee

July 1, 2022 to June 30, 2023

(Fiscal Year 2022-23)

Budget, Financial Planning, and Analysis

Finance & Information Technology Division

December 6, 2023



SFMTA

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Section 1. Introduction

The San Francisco Municipal Transportation Agency (SFMTA) or “Agency” Bond Oversight Committee (BOC) was created by the SFMTA Board of Directors. Under its Bylaws, the BOC is required to provide an annual report to the SFMTA Board of Directors by January 31 of each year for the previous fiscal year. This report covers activities for Fiscal Year 2022-2023 (FY23).

Section 2. Background

The Board of Directors of the SFMTA created the BOC on December 6, 2011, by Resolution #11-154. The Resolution creating the BOC is available on the SFMTA website under Policies at the following link: <https://www.sfmta.com/investor-relations> under the “Enabling Legislation” section.

The BOC was established to provide independent public oversight regarding the expenditure of bond proceeds for projects funded by the SFMTA’s revenue bonds and other forms of indebtedness to ensure that bond proceeds are being spent for authorized purposes in accordance with law. The purpose of the BOC is to ensure accountability and transparency for SFMTA debt financed projects, and to ensure that prudent internal controls and practices are established and implemented by the SFMTA. The BOC also informs the SFMTA Board of Directors and the public on the status of the projects funded by debt.

The BOC’s authority does not include the approval of projects included in any financing or the selection process of any vendor hired by the SFMTA to execute bond-funded projects or issue debt.

The BOC consists of seven members as follows: (1) three members recommended by the SFMTA Board Chair and approved by the SFMTA Board of Directors; (2) two members of the Citizens’ Advisory Council; (3) one member appointed by the SFMTA’s Director of Transportation; and (4) one member appointed by the San Francisco Controller.

The three current members appointed by the SFMTA Board are Tajel Shah (Chair), Steve Heminger, and one vacant seat. The two current members appointed by the Citizens’ Advisory Council are John Lisovsky (Vice Chair) and Yensing Sihapanya. Nikolai Sklaroff was appointed by the SFMTA Director of Transportation. Vishal Trivedi was appointed by the San Francisco Controller.

In FY23, the BOC convened four times: on September 7, 2022, December 7, 2022, March 8, 2023, and June 7, 2023.

All Committee proceedings are subject to the California Public Records Act (Section 6254, et seq., of the Government Code of the State of California) and the City's Sunshine Ordinance (Chapter 67 of the Government Code of the State of California). Meeting Agenda, Minutes, reports, and other documents related to the proceedings of the Committee are a matter of public record and are available on the SFMTA's website at:

<http://sfmta.com/about-sfmta/organization/committees/bond-oversight-committee-boc>.

Section 3. Auditor Review

[Note: the final report from the auditor, Crowe LLP (Crowe), is being prepared and will not be available in time for BOC's December 6, 2023 meeting. Therefore, at this meeting, staff will get direction from the BOC on how to proceed once the final report is received and on how staff should share the auditor's report with the SFMTA Board of Directors and the public. Placeholder language below will be updated as needed for the BOC approved Annual Report.]

The For information about any changes to the Policies and Procedures, please see Section 9 below. Additionally, the Policies and Procedures can be found at the following link: https://www.sfmta.com/system/files/finance/revenue_bond_policies_and_procedures_9.18.18.pdf.

["The auditor found that the SFMTA complied with the requirements of the sources and uses of funds as it relates to the 2013, 2014, 2017, and 2021C bonds along with annual reporting as prescribed in the Bond Oversight Committee bylaws."]

Section 4. Bond Oversight Committee Bylaws

BOC meetings are conducted in accordance with its Bylaws. A copy of the current BOC Bylaws is available on the SFMTA website: <https://www.sfmta.com/committees/sfmta-bond-oversight-committee-boc>.

Section 5. Revenue Bonds

The SFMTA Board of Directors has authorized the issuance of a total of \$483.7 million in Revenue Bonds for projects. The SFMTA has also issued an additional \$212.9 million of Revenue Bonds that were used to refund previously issued debt and will reduce SFMTA interest costs. \$38.0 million of bond refunding was completed in July of 2012. The remaining \$174.9 million of bond refunding was done during Fiscal Year 2021 with Revenue Bond Series 2021A and 2021B.

Revenue Bond proceeds are invested in the City Treasury and interest earned on these funds is credited to the bond account to be available for bond-funded projects. Information related to SFMTA indebtedness and detailed information on issuances is available at the following link: <http://www.sfmta.com/about-sfmta/investor-relations>.

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The table below displays the bond principal amounts available for projects for each bond series.

Bond Series	Bond Amounts for Projects
2012B Bond	\$25,700,000
2013 Bond	75,000,000
2014 Bond	75,000,000
2017 Bond	190,000,000
2021C Bond	118,000,000
Total	\$483,700,000

A. Series 2012A and 2012B Revenue Bonds

In July 2012, SFMTA issued \$63.7 million of its Revenue Bonds, comprised of two series of bonds: (1) Series 2012A and (2) Series 2012B.

The Series 2012A allocated \$38.0 million for the purpose of refunding bonds previously issued by San Francisco Parking Authority and three non-profit parking corporations. The refunding transaction resulted in net present value savings of \$6.7 million, representing 15.8 percent debt service savings.

The Series 2012B allocated \$25.7 million to finance a portion of the costs of various capital projects for the SFMTA. The SFMTA Board of Directors and the Parking Authority Commission approved the issuance of these bonds on December 6, 2011, and May 1, 2012 (Resolution Numbers 11-150, 11-151, 12-065). The San Francisco Board of Supervisors concurred with the issuance on April 10, 2012 (Resolution Number 120-12).

B. Series 2013 Revenue Bonds

In December 2013, the SFMTA issued \$75.0 million of its Revenue Bonds, Series 2013 (2013 Bonds). The SFMTA Board of Directors approved the issuance of the 2013 Bonds on September 3, 2013, and October 15, 2013 (Resolution Numbers 13-206, 13-234) and the San Francisco Board of Supervisors concurred with the issuance on September 24, 2013 (Resolution Number 337-13). The 2013 Bonds were issued to finance various transportation capital projects.

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C. Series 2014 Revenue Bonds

In December 2014, the SFMTA issued \$75.0 million of its Revenue Bonds, Series 2014 (2014 Bonds), to finance various transportation capital projects. The SFMTA Board of Directors approved issuing the 2014 Bonds on September 3, 2013, and October 21, 2014 (Resolution Numbers 13-206, 14-154) and the San Francisco Board of Supervisors concurred with the issuance on September 24, 2013 (Resolution Number 337-13).

D. Series 2017 Revenue Bonds

In June 2017, the SFMTA issued \$190.0 million of its Revenue Bonds, Series 2017 (2017 Bonds) to finance Mission Bay Transportation Capital Improvements, procurement of new Muni vehicles, and the Van Ness Transit Improvement Project. The SFMTA Board of Directors approved issuing the 2017 Bonds on April 5, 2016 (Resolution Number 16-044) and the San Francisco Board of Supervisors concurred with the issuance on June 7, 2016 (Resolution 16-231).

E. Series 2021C Revenue Bonds

In June 2021, the SFMTA issued \$118.0 million of its Revenue Bonds, Series 2021C (2021 Bonds) to finance several Green Projects, as defined by Green Transaction Evaluation by S&P Global Ratings, totaling \$96.0 million as well as a \$22.0 million Parking Meter Replacement Project. The SFMTA Board of Directors approved issuing the 2021C Bonds on December 15, 2021 (Resolution Number 211215-110) and the San Francisco Board of Supervisors concurred with the issuance on February 9, 2021 (Resolution 60-21).

F. Bond Expenditures

As of June 30, 2023, the remaining bond funds for each series and percentage spent are shown in Table 1 as follows. Encumbered funds are considered unexpended and are not separated out.

Table 1: Bond Project Expenditures

Bond Series	Project Bond Proceeds	Expended	Unexpended	Percent Expended
2012B	25,700,000	25,700,000	-	100.0%
2013	75,000,000	74,591,146	408,854	99.5%
2014	75,000,000	73,678,698	1,321,302	98.2%
2017	190,000,000	188,918,433	1,081,567	99.4%
2021C	118,000,000	54,377,628	63,622,372	46.1%
Total	\$ 483,700,000	\$ 417,265,905	\$ 66,434,095	86.3%

Section 6. Commercial Paper Program

The SFMTA established a \$100.0 million Commercial Paper (CP) Program on September 10, 2013. The CP Program was approved by the SFMTA Board of Directors on June 4, 2013 (Resolution Number 13-071) and the San Francisco Board of Supervisors concurred on June 10, 2013 (Resolution Number 246-13). The CP Program was intended to finance, on a short-term basis, the costs of transportation capital projects in advance of the issuance of Revenue Bonds. Commercial Paper can also be issued in anticipation of the receipt of grants. By providing continuous flows of funds to SFMTA capital projects, the CP Program can lower project costs by limiting schedule slippage.

At its November 6, 2013, meeting, the BOC reviewed the SFMTA's Commercial Paper Policies and Procedures to guide the use of CP. The procedures were jointly developed by the SFMTA and the Controller's Office of Public Finance. The Policies and Procedures were intended to define the steps to issue Commercial Paper and the related procedures and accounting to ensure appropriate internal controls and accountability. The BOC has no oversight responsibility for the use of CP on a day-to-day basis. One CP note for \$41.0 million was issued on January 18, 2017, and repaid in 90 days. No CP notes are outstanding. Detailed information is available at the following link: <http://www.sfmta.com/about-sfmta/investor-relations>.

The SFMTA decided to terminate the Commercial Paper Program in July of 2020 at the discretion of the SFMTA Chief Financial Officer. The annual cost of maintaining the program exclusive of borrowing costs was approximately \$500,000 per year. There were no outstanding Commercial Paper issuances at the time of termination.

Section 7. Project Delivery & Management of Bond Funds

This section summarizes bond expenditures by bond series. The first three series of project revenue bonds aggregated related project by program. These included series 2012B, 2013, and 2014 revenue bonds. The 2017 and 2021C revenue bonds funded fewer projects with larger amounts of bonds. The main difference between the 2017 and 2021C bonds is that the latter series includes projects with a recognized by Green Transaction Evaluation by S&P Global Ratings.

The following are the SFMTA's ongoing general practices of ensuring that revenue bond funds are spent as quickly as possible once programmed to projects:

- i) Determine if the bond-funded projects are complete so their unexpended funds can be reprogrammed to other projects.
- ii) Determine if their revenue bond funds are being spent in a timely manner.
- iii) For projects that are active but cannot spend revenue bond funds quickly, identify alternative funding sources.
- iv) Reprogram available funds from above to projects eligible for bond funds that can draw down funds faster.

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Please see Appendix 3 for a listing of all revenue bond funded projects for all bond series.

A. Series 2012B Revenue Bond Funded Programs

The Series 2012B Bonds were authorized in July 2012 for a total of \$25.7 million in project funds. Of the \$25.7 million, \$5.0 million was designated for parking garage projects and \$20.7 million for state-of-good-repair improvements to existing assets as well as accessibility and reliability of the transportation system including transit, bicycle, pedestrian, and signal improvements. The Series 2012B bond funds were fully expended by October 2016 and funded a total of 15 projects.

Program Summary

The following section summarizes the programs included in the 2012B Revenue Bonds.

<u>Program Title & Funding</u>	<u>Program Description</u>
<p>Muni Metro Sunset Tunnel Rail Rehabilitation</p> <p>Bond Funding: \$2,210,474</p>	<p>The Muni Metro Sunset Tunnel Rail Rehabilitation upgrades and reconstructs aging N-Line railway infrastructure in the Sunset Tunnel, which includes replacing track work, overhead catenary system components, feeder cables, the curve signal system, and firefighting standpipe components; cleaning drain lines; and adding conduit for a future emergency blue light telephone system.</p>
<p>Muni Metro Turnback Rehabilitation</p> <p>Bond Funding: \$2,097,478</p>	<p>The Muni Metro Turnback (“MMT”) extends the Muni Metro Light Rail Transit Line underground approximately one mile from Embarcadero Station to a tunnel portal connecting to the Mission Bay surface line. The MMT includes 800 feet of bored tunnel, cut-and-cover structure, and an extensive underground turnback complex with two pocket tracks. The MMT was designed to improve turnback operations, reduce headways, and provide underground train storage to increase system capacity. The turnback and pocket track just east of Embarcadero Station have been damaged over time by water intrusion from the San Francisco Bay. The worn track has in the past caused service delays. The MMT Rehabilitation is designed to improve service reliability by reducing train and control failures and to improve safety. It is also expected to reduce on-going maintenance costs.</p>
<p>Muni Green Light Rail Facility Rehabilitation</p> <p>Bond Funding: \$8,318,051</p>	<p>The Muni Green Light Rail Facility Rehabilitation project enhances system reliability while reducing the need for excess maintenance. The project calls for the replacement of approximately 11,200 track-feet of worn rails and track switches at the SFMTA’s Green Light Rail Facility, where more than 89 LRVs are regularly stored, and possible improvements to the facility.</p>

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<p>Muni System Radio Replacement Project</p> <p>Bond Funding: \$62,197</p>	<p>This project replaces and modernizes SFMTA’s radio communication system using 700 MHz voice and 800 MHz data channels as the basis for the communication network. The new system will use four base station sites and will meet the regional Intelligent Transportation Standard and the P25 interoperability criteria.</p>
<p>Muni Metro System Public Announcement and Public Display System Replacement</p> <p>Bond Funding: \$6,175,500</p>	<p>The Muni Metro System Public Announcement and Public Display System Replacement project improves customer experience within the Muni Metro system by replacing existing 28-year-old subway Public Address System & Platform Display systems with new devices. Specific improvements include the installation of LED passenger information displays at nine stations, for a total of 108 signs. Station improvements will also include speakers, microphones, ambient noise sensors and a digital voice announcement system.</p>
<p>Parking Garage Projects</p> <p>Bond Funding: \$5,000,000</p>	<p>This program assesses the condition of 18 garages and provides partial funding for waterproofing and ventilation projects.</p>
<p>Systemwide Transit Access and Reliability Program</p> <p>Bond Funding: \$1,836,300</p>	<p>This program supports non-motorized connectivity to transit by providing the funds to plan, design and construct safe, transit-complementary pedestrian and bicycle infrastructure. The program includes the pedestrian crosswalks, sidewalk bulb-outs, bikeways and bicycle parking, and targeted traffic calming projects.</p>

Financial Summary

Series 2012B Revenue Bonds are fully expended and there are no FY 2022-2023 Milestones to report.

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Table 2: 2012B Revenue Bonds Funded Project Delivery Milestones

Program Title	Amount	Expended	Unexpended	Percent Expended
Muni Metro Sunset Tunnel Rail Rehabilitation	2,210,474	2,210,474	-	100.0%
Muni Metro Turnback Rehabilitation	2,097,478	2,097,478	-	100.0%
Muni Green Light Rail Facility Rehabilitation	8,318,051	8,318,051	-	100.0%
Muni System Radio Replacement Project	62,197	62,197	-	100.0%
Muni Metro System Public Announcement and Public Display System Replacement	6,175,500	6,175,500	-	100.0%
Parking Garage Projects	5,000,000	5,000,000	-	100.0%
Systemwide Transit Access and Reliability Program	1,836,300	1,836,300	-	100.0%
Total 2012B	\$ 25,700,000	\$ 25,700,000	\$ -	100.0%

B. Series 2013 Revenue Bond Funded Programs

On December 4, 2013, the SFMTA issued \$75.0 million in Revenue Bonds, Series 2013 (2013 Bonds) to fund various transportation system, safety, traffic signal, garage, and street and facility improvements. As of June 30, 2023, the 2013 Bonds has funded 38 projects. A total of \$74.6 million of bond funds have been expended leaving an unexpended balance of \$0.4 million.

Bonds are 99.5% expended and there are no FY 2022-2023 Milestones to report.

Program Update

The following section summarizes the programs included in the Series 2013 Revenue Bonds.

<u>Program Title</u>	<u>Program Description</u>
<p>Pedestrian Safety & Traffic Signal Improvements</p> <p>Bond Funding: \$5,242,680</p>	<p>This program promotes walking and improve the safety and usability of City streets by providing the funds required to plan, design and construct pedestrian and traffic signal infrastructure. The program includes the installation of red-light photo enforcement equipment; pedestrian islands in the medians of major thoroughfares; sidewalk bulb-outs and sidewalk widening; installation of traffic and pedestrian signals which include countdown and accessible pedestrian signal equipment; and targeted traffic calming projects.</p>
<p>Transit System Safety and Other Improvements</p> <p>Bond Funding: \$10,028,481</p>	<p>The Transit System Safety and Other Transit Improvements program improves the safety of the Muni transit system. It includes project development and capital costs for: (i) the replacement of the communication and dispatching system to provide interoperable digital voice communications for SFMTA staff and the Public Works Emergency Radio System; (ii) new vehicle on-board and fixed route components that will provide information for core operational capabilities including Computer Aided Dispatch and Automatic Vehicle Location, vehicle health</p>

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	<p>monitoring, on-board ADA-compliant traveler information, transit signal priority, and automated fare collection; (iii) training equipment and simulators for Muni operators; (iv) replacement of fire-safety mandated emergency telephones including phone switches, phone stations, blue-light units, raceways, communication cables, uninterrupted power supply units, networking system, operator consoles and management servers; and (v) transit improvements including signal changes, bus bulbs, striping changes and other localized uses of the transit priority toolkit.</p>
<p>Street Capital Improvements</p> <p>Bond Funding: \$9,196,318</p>	<p>The Street Capital Improvements program focuses on the development of safe and complete streets through integrated major corridor capital projects. It includes project development and capital costs for: the construction of bicycle facilities and improvements to the existing bicycle network; bicycle sharing, new bicycle lanes and paths, bicycle parking facilities, bicycle boxes, bicycle boulevards, buffered bicycle lanes, cycle tracks, bicycle signals, and “green wave” traffic signal coordination; curb extensions, storm water management features, traffic signal timing changes, signs, installation of pedestrian signals, including countdown and accessible pedestrian signal equipment, sidewalk extensions, medians, refuge islands, and bulb outs.</p>
<p>Facility Improvements</p> <p>Bond Funding: \$22,008,699</p>	<p>The Facility Improvements program includes safety and seismic upgrades to SFMTA parking garages and expansion of Muni operations and maintenance facilities, including projects intended to maintain the state of good repair of certain existing garages and SFMTA operations facilities, to improve working conditions for staff, and to otherwise expand existing facilities.</p>
<p>Transit Fixed Guideway Improvements</p> <p>Bond Funding: \$14,359,632</p>	<p>Transit Fixed Guideway Improvements is a capital program that addresses certain transit operational issues and maintenance needs and increases system reliability. It includes project development and costs relating to replacement of overhead wires and related poles and traction power systems serving light rail and trolley coach lines, improvement to the transportation central control facility and systems, and replacement of trackway and related systems serving the light rail and cable car lines to mitigate excessive noise and/or vibration.</p>
<p>Muni Fleet</p> <p>Bond Funding: \$14,164,190</p>	<p>Under the Light Rail Vehicle Procurement program, SFMTA will purchase replacement light rail vehicles along with new vehicles to provide for growth in transit service.</p>

Financial Summary

Table 3: 2013 Revenue Bonds Funded Project Delivery Milestones

Program Title	Amount	Expended	Unexpended	Percent Expended
Pedestrian Safety & Traffic Signal Improvements	5,242,680	5,213,399	29,281	99.4%
Transit System Safety and Other Improvements	10,028,481	9,869,225	159,256	98.4%
Street Capital Improvements	9,196,318	9,047,052	149,266	98.4%
Facility Improvements	22,008,699	21,986,650	22,049	99.9%
Transit Fixed Guideway Improvements	14,359,632	14,310,630	49,002	99.7%
Muni Fleet	14,164,190	14,164,190	-	100.0%
Total 2013	\$ 75,000,000	\$ 74,591,146	\$ 408,854	99.5%

C. Series 2014 Revenue Bond Funded Programs

On December 10, 2014, \$75.0 million of Revenue Bonds, Series 2014 (2014 Bonds) were issued to fund various transportation system, safety, traffic signal, garage, and street and facility improvements. As of June 30, 2023, the 2014 Bonds has funded 40 projects. A total of \$73.7 million of bond funds have been expended leaving an unexpended balance of \$1.3 million.

In FY23, Of the 40 revenue bond funded projects, only one, the 1 California: Laurel Village Transit Priority Project, incurred revenue bond expenditures of \$70,371. The project is complete and its \$11,724 balance will be transferred to another project.

Program Update

The following section summarizes the programs included in the Series 2014 Revenue Bonds.

<u>Program Title</u>	<u>Program Description</u>
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<p>Pedestrian Safety & Traffic Signal Improvements</p> <p>Bond Funding: \$11,531,792</p>	<p>This program is meant to promote walking and improve the safety and usability of City streets by providing the funds required to plan, design and construct pedestrian and traffic signal infrastructure. The program includes the installation of red-light photo enforcement equipment; pedestrian islands in the medians of major thoroughfares; sidewalk bulb-outs and sidewalk widening; installation of traffic and pedestrian signals which include countdown and accessible pedestrian signal equipment; and targeted traffic calming projects.</p>
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<u>Program Title</u>	<u>Program Description</u>
<p>Transit System Safety and Other Improvements</p> <p>Bond Funding: \$15,769,724</p>	<p>The Transit System Safety and Other Transit Improvements program is designed to improve the safety of the Muni transit system. It includes: project development and capital costs for: (i) the replacement of the communication and dispatching system to provide interoperable digital voice communications for SFMTA staff and the Public Works Emergency Radio System; (ii) new vehicle on-board and fixed route components that will provide information for core operational capabilities including Computer Aided Dispatch and Automatic Vehicle Location, vehicle health monitoring, on-board ADA-compliant traveler information, transit signal priority, and automated fare collection; (iii) training equipment and simulators for Muni operators; (iv) replacement of the fire-safety mandated emergency telephones including phone switches, phone stations, blue-light units, raceways, communication cables, uninterrupted power supply units, networking system, operator consoles and management servers; and (v) transit improvements including signal changes, bus bulbs, striping changes and other localized uses of the transit priority toolkit.</p>
<p>Street Capital Improvements</p> <p>Bond Funding: \$15,274,666</p>	<p>The Street Capital Improvements program focuses on the development of safe and complete streets through integrated major corridor capital projects. It includes project development and capital costs for the construction of bicycle facilities and improvements to the existing bicycle network; bicycle sharing, new bicycle lanes and paths, bicycle parking facilities, bicycle boxes, bicycle boulevards, buffered bicycle lanes, cycle tracks, bicycle signals, and “green wave” traffic signal coordination; curb extensions, storm water management features, traffic signal timing changes, signs, installation of pedestrian signals, including countdown and accessible pedestrian signal equipment, sidewalk extensions, medians, refuge islands, and bulb-outs.</p>
<p>Facility Improvements</p> <p>Bond Funding: \$29,537,358</p>	<p>SFMTA’s Facility Improvements program includes safety and seismic upgrades to SFMTA parking garages and expansion of Muni operations and maintenance facilities, including projects intended to maintain the state of good repair of certain existing garages and SFMTA operations facilities, to improve working conditions for staff and to otherwise expand existing facilities.</p>

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<u>Program Title</u>	<u>Program Description</u>
<p>Muni Fleet</p> <p>Bond Funding: \$2,886,460</p>	Under the Light Rail Vehicle Procurement program, SFMTA will purchase replacement light rail vehicles along with new vehicles to provide for growth in transit service.

Financial Summary

Series 2014 Revenue Bonds are 98.2% expended and, aside from the completion of the 1 California project, there are no FY 2022-2023 Milestones to report.

- 1 California: Laurel Village Transit Priority Project:** As part of Muni Forward, and in conjunction with the San Francisco Department of Public Works (SFDPW) California Laurel Village Streetscape Project, a proposal has been developed to improve transit safety and reliability, as well as reduce travel time on the 1 California Muni line from Spruce Street to Laurel Street. The proposal includes four (4) bus bulbs, three (3) stop optimizations and two (2) traffic signal upgrades. By implementing this proposal, transit riders will benefit from faster and more reliable trips and experience enhanced transit safety and overall effectiveness. The project was completed and remaining funds of \$11,724 is in the process of being transferred to another project that can use them.

Table 4: 2014 Revenue Bonds Funded Project Delivery Milestones

Program Title	Amount	Expended	Unexpended	Percent Expended
Pedestrian Safety & Traffic Signal Improvements	11,531,792	11,531,792	-	100.0%
Transit System Safety and Other Improvements	15,769,724	15,719,429	50,295	99.7%
Street Capital Improvements	15,274,666	14,010,512	1,264,154	91.7%
Facility Improvements	29,537,358	29,530,504	6,854	100.0%
Muni Fleet	2,886,460	2,886,460	-	100.0%
Total 2014	\$ 75,000,000	\$ 73,678,698	\$ 1,321,303	98.2%

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D. Series 2017 Revenue Bond Funded Programs

On June 7, 2017, \$190.0 million of Revenue Bonds, Series 2017 (2017 Bonds) were allocated to various transportation system, safety, traffic signal, and street and facility improvements. As of June 30, 2023, the 2017 Bonds were allocated to four projects across three programs. A total of \$188.9 million has been expended leaving \$1.1 million remaining.

In FY23, of the four revenue bond funded projects, only the King Street Substation incurred FY23 revenue bond expenditures totaling \$87,113.

Program Update

The following section summarizes the programs and projects included in the Series 2017 Revenue Bonds.

<u>Program Title</u>	<u>Program Description</u>
<p>Mission Bay Transportation Capital Improvements</p> <p>Bond Funding: \$14,000,000</p>	<p>Construct a single-track transit loop for the Third Street Light Rail Line (T Line), including adjacent roadway surface improvements on Illinois Street, between 18th and 19th Streets. The addition of this short line to SFMTA’s T Line is designed to double the frequency of light rail transit service to Mission Bay and provide enhanced connections between Mission Bay and downtown San Francisco.</p>
<p>Van Ness Bus Rapid Transit Project</p> <p>Bond Funding: \$48,000,000</p>	<p>Construct a package of transit, streetscape, and pedestrian safety improvements along a two-mile corridor of Van Ness Avenue between Mission and Lombard Streets. Key features include conversion of two mixed-flow traffic lanes into dedicated bus lanes, consolidated transit stops, high quality stations, transit signal priority, all-door low floor boarding, elimination of most left turn opportunities for mixed traffic, and pedestrian safety enhancements.</p>
<p>Muni Fleet: LRV Procurement</p> <p>Bond Funding: \$128,000,000</p>	<p>Under the Light Rail Vehicle Procurement program, SFMTA will purchase replacement light rail vehicles along with new vehicles to provide for growth in transit service.</p>

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Financial Summary

Fiscal Year 2022-2023 Project Delivery Milestones for the 2017 Revenue Bonds:

- **King Street Substation Upgrade:** Install upgrades and additional power capacity at the King Street Power Substation to provide capacity to support light rail vehicles along the Embarcadero. Additional capacity is needed to accommodate planned system growth as well as to support special event service associated with Oracle Park and the Chase Center. By the end of FY23, the contractor completed the cutover of traction power cables from the Mobile King Substation to the permanent King Substation. Through September 2023, PG&E has energized the permanent substation and the permanent King Substation has been fully cut over and commissioned. The mobile substation has been relocated to Burke facility.

Total Revenue Bond funding is \$6,555,000 with remaining bond funds of \$197,663.

- **Procurement of New Light Rail Vehicles (LRVs):** This procurement includes the purchase of 151 LRVs to replace the existing fleet, 24 LRVs to start new revenue service on Central Subway Extension and to manage current demand, and 85 option LRVs to accommodate projected ridership increase in the coming ten years. The LRV procurement is underway, and 68 expansion vehicles were purchased before replacing the 151 Breda cars that were in operation.

Through the end of FY23, Phase 2 production continues at a pace of two (2) cars delivered per month for a total of 48 cars delivered and 42 conditionally accepted and in revenue service.

Total Revenue Bond funding is \$128,000,000 with remaining bond funds of \$883,904.

- **Van Ness Bus Rapid Transit Project:** The project entails the construction of a package of transit, streetscape, and pedestrian safety improvements along a two-mile corridor of Van Ness Avenue between Mission and Lombard Streets. Key features include conversion of two mixed-flow traffic lanes into dedicated bus lanes, consolidated transit stops, high quality stations, transit signal priority, all-door low floor boarding, elimination of most left turn opportunities for mixed traffic, and pedestrian safety enhancements. Project was completed with Revenue Service starting on April 1, 2022, with all bond funds spent.

Table 5: 2017 Revenue Bond Funded Project Delivery Milestones

Program Title	Amount	Expended	Unexpended	Percent Expended
Mission Bay Transportation Capital Improvement	14,000,000	13,802,337	197,663	98.6%
Van Ness Bus Rapid Transit Project	48,000,000	48,000,000	-	100.0%
Muni Fleet: LRV Procurement	128,000,000	127,116,096	883,904	99.3%
Total 2017	\$ 190,000,000	\$ 188,918,433	\$ 1,081,567	99.4%

E. Series 2021C Revenue Bond Funded Programs

On February 23, 2021, \$118.0 million of Revenue Bonds, Series 2021C (2021 Bonds) were allocated to several transportation system and facility improvements. As of June 30, 2023, the 2021C Revenue Bonds were allocated to five projects. A total of \$54.4 million was expended leaving \$63.6 million remaining.

In FY23, of the 5 revenue bond funded projects, 4 projects expended \$49,406,994.

Program Update

The following section summarizes the projects included in the Series 2021C Revenue Bonds.

<u>Project Title</u>	<u>Project Description</u>
Parking Meter Replacement Bond Funding: \$22,000,000	Replacement of 26,000 metered spaces in the City with updated equipment, due to end-of-life issues and need to update to current wireless technology. SFMTA is planning to install approximately 12,000 single-space meters and 2,365 multi-space pay stations; each hardware type will cover approximately 50% of metered spaces in the City.
1200-15th Street Renovation Bond Funding: \$20,000,000	This project rebuilds the existing structure at 1200-15th Street as a mixed-use development, consolidating Enforcement Operations on the first two floors and adding a mix of affordable and market rate housing on the upper floors. Enforcement space will include work areas, office space, locker rooms, and storage areas with vehicle storage provided next door at the upper floors of the existing Scott Facility.

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<u>Project Title</u>	<u>Project Description</u>
<p>Train Control System Upgrade</p> <p>Bond Funding: \$38,928,941</p>	<p>Plan, design, procure and install the next-generation communications-based train control (CBTC) system for the rail network, including surface and subway alignments. Investing in a new CBTC system will bring the train control system into a state of good repair and will result in a more efficient, reliable, and safe way to manage LRV traffic. The CBTC system will improve transit service by reducing congestion-related delays, providing more consistent travel times, reducing headways and improve overall system safety for all Muni Metro LRV lines.</p>
<p>Central Subway</p> <p>Bond Funding: \$27,655,650</p>	<p>Planning for the T Third light rail extension, including Central Subway, began in the late 1980s to provide more transit on 3rd Street and in Chinatown. After six years of construction, the first part of the T Third opened on 3rd Street in 2007, connecting neighborhoods in Mission Bay, Bayview, Hunter’s Point, and Visitacion Valley. In 2013, work on Phase 2 of the T Third line, the Central Subway, began to add 1.7 miles to the T Third, with four new stations in SoMa (two stations), Union Square and Chinatown.</p>
<p>Van Ness Bus Rapid Transit Project</p> <p>Bond Funding: \$9,415,409</p>	<p>Construct a package of transit, streetscape, and pedestrian safety improvements along a two-mile corridor of Van Ness Avenue between Mission and Lombard Streets. Key features include conversion of two mixed-flow traffic lanes into dedicated bus lanes, consolidated transit stops, high quality stations, transit signal priority, all-door low floor boarding, elimination of most left turn opportunities for mixed traffic, and pedestrian safety enhancements.</p>

Financial Summary

Fiscal Year 2022-2023 Project Delivery Milestones for the 2021C Revenue Bonds:

- **Parking Meter Replacement:** Project began with replacement of meters using 3G cellular technology. Through June 2023, approximately 2,347 paystations were installed and are in service. Total Revenue Bond funding is \$22,000,000 with \$12,727,627 spent, \$9,157,899 encumbered, and an unencumbered balance of \$114,474.
- **1200-15th Street Renovation:** No revenue bond expenditures in FY23.

- **Train Control System Upgrade:** During FY23, the project team developed and issued the Request for Proposals (RFP) for the train control system supplier. The SFMTA conducted an industry survey in Q1 to determine whether the market would be able to support requirements supporting some of the project's key objectives and performed a procurement risk analysis in Q2. The project team used these results, along with the information gathered in prior years from the SFMTA operations and maintenance workforce and an industry Request for Information, to finalize the train control system supplier RFP. Certain elements of the RFP, such as the anticipated length of the contract of 28 years, as well as the negotiated procurement process, required Board of Supervisors authorization. The Board of Supervisors granted this authorization on December 6, 2022 via ordinance. The SFMTA Board voted to issue the RFP on January 17, 2023 and the RFP was issued March 3, 2023. Total Revenue Bond funding is \$38,928,941 with remaining bond funds of \$34,071,326.
- **Central Subway:** The Central Subway achieved substantial and launched revenue service on January 7, 2023. Total Revenue Bond funding is \$27,655,650 with remaining bond funds of \$278,673.
- **Van Ness Bus Rapid Transit Project:** The project was substantially completed with Revenue Service starting on April 1, 2022, with all bond funds spent.

Table 6: 2021C Revenue Bond Funded Project Delivery Milestones

Program Title	Amount	Expended	Unexpended	Percent Expended
Parking Meter Replacement	22,000,000	12,727,627	9,272,373	57.9%
1200 15th Street Renovation	20,000,000	-	20,000,000	0.0%
Train Control System Upgrade	38,928,941	4,857,615	34,071,326	12.5%
Central Subway	27,655,650	27,376,977	278,673	99.0%
Van Ness Bus Rapid Transit Project	9,415,409	9,415,409	-	100.0%
Total 2021C	\$ 118,000,000	\$ 54,377,628	\$ 63,622,372	46.1%

As projects are not yet complete or fully closed, funds are not available for reallocation.

Section 8. Reallocation of Proceeds

The SFMTA Board of Directors and BOC are both notified when reallocations are made between authorized programs and/or projects. In Fiscal Year 2022–2023, there were no bond reallocations.

Section 9. Policies & Procedures

There were no changes to existing policies and procedures during Fiscal Year 2022–2023.

Appendix 1: Fiscal Year 2022 - 2023 Meeting Schedule

All meetings were held as a web-based video conference and conference call due to the pandemic. Meeting agendas and minutes of the SFMTA BOC meetings are posted at the following link: <http://sfmta.com/about-sfmta/organization/committees/bond-oversight-committee-boc>. Audio recordings are on file with the Committee Coordinator and can be made available upon request. Scheduled meetings are open to the public and the BOC encourages the participation of the public.

Fiscal Year 2022-2023 Bond Oversight Committee Meeting Dates

- September 7, 2022
- December 7, 2022
- March 8, 2023
- June 7, 2023

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Appendix 2: Fiscal Year 2022-23 Audit

The final report from the auditor Crowe LLP is being prepared and will not be available in time for BOC December 6, 2023 meeting. We will provide the auditor’s report to the BOC for its review once it is completed and will then make it available to the public and the SFMTA Board of Directors.

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Appendix 3: Funded Projects By Revenue Bond Series (Through June 30, 2023)

PROJECT	Bond Series					Interest	Bonds + Interest	Bonds Expended	Balance
	2012B	2013	2014	2017	2021C				
1 California: Laurel Village Transit Priority Project	-	-	186,000	-	-	-	186,000	174,276	11,724
1200 15th Street Renovation	-	-	-	-	20,000,000	-	20,000,000	-	20,000,000
14 Mission: Mission Street and South Van Ness Avenue Transit Priority Project	-	-	-	-	-	192,957	192,957	192,957	-
19 Polk: Polk Street Transit Priority Project	-	-	454,980	-	-	-	454,980	430,000	24,980
33 Stanyan Overhead Replacement Project Phase I	-	1,892,852	-	-	-	-	1,892,852	1,892,852	-
7th and 8th Street Streetscape	-	-	366,751	-	-	-	366,751	366,751	-
9th and Division Improvements	-	100,000	137,701	-	-	-	237,701	237,701	-
Above Grade PCS & Signal Visibility Improvement	-	421,718	-	-	-	-	421,718	421,718	-
Annual Traffic Calming Removal and Replacement	-	1,668	-	-	-	-	1,668	1,668	-
Balboa Streetscape	126,234	-	-	-	-	-	126,234	126,234	-
Bicycle Parking	750,000	-	-	-	-	-	750,000	750,000	-
Bicycle Strategy Capital Projects - Oak and Fell Bikeways Resurfacing	-	290,732	56,536	-	-	-	347,268	347,268	-
Bicycle Strategy Capital Projects - Polk Street Northbound Separated Bikeway	481,267	89,972	-	-	-	-	571,239	571,239	-
Bicycle Strategy Capital Projects - Wiggle Neighborhood Green Corridor	-	267,972	-	-	-	-	267,972	267,972	-
Broadway Chinatown Streetscape	-	411,335	1,867,262	-	-	-	2,278,598	2,278,598	-
C3 Blue Light Emergency Phone Replacement	-	6,016,000	3,500,000	-	-	-	9,516,000	9,516,000	-
C3 Integrated Systems Replacement	6,175,500	-	-	-	-	-	6,175,500	6,175,500	-
Central Subway	-	-	-	-	27,655,650	-	27,655,650	27,376,977	278,673
Church and Duboce Project	37,466	-	-	-	-	-	37,466	37,466	-
Columbus Ave. Streetscape Project	-	-	744,925	-	-	-	744,925	744,925	-
Contract 64 Signals	-	-	573,487	-	-	-	573,487	573,487	-
Diamond Heights Boulevard Pedestrian Safety Improvements	-	-	316,084	-	-	-	316,084	316,084	-
Elevator Safety & Reliability Project	-	-	345,569	-	-	-	345,569	345,569	-
Excelsior & South Bernal Areawides	-	231,024	-	-	-	-	231,024	231,024	-
Exploratorium Crosswalk	250,000	-	-	-	-	-	250,000	250,000	-
Franklin Street Bulbouts	48,508	-	-	-	-	-	48,508	48,508	-
Geary BRT Phase I	-	-	910,361	-	-	-	910,361	910,361	-
Geary-Gough Peter Yorke Bulbout	142,825	-	-	-	-	-	142,825	142,825	-
Gough Street Pedestrian Safety Improvements	-	405,092	-	-	-	-	405,092	405,092	-
Islais Creek Phase II Improvements	-	18,317,715	5,992,970	-	-	-	24,310,685	24,310,685	-
King Street Substation Upgrade	-	-	-	6,555,000	-	-	6,555,000	6,357,337	197,663
L Taraval Track Rail & Overhead Rehab	-	100,000	-	-	-	-	100,000	100,000	-
Lombard Street Safety Project	-	434,913	890,986	-	-	-	1,325,900	1,325,900	-
M Ocean View Track Replacement	-	111,737	-	-	-	-	111,737	111,737	-
Masonic Avenue Streetscape	-	5,734,494	10,711,390	-	-	-	16,445,884	16,445,884	-
Mission and Silver Fast Track Transit Enhancements	-	-	342,576	-	-	-	342,576	342,576	-
Mission Valencia Raised Cycletrack	-	-	139,600	-	-	-	139,600	139,600	-
Muni Green Center Rail Rehabilitation	2,100,000	-	-	-	-	-	2,100,000	2,100,000	-
Muni Green Center Roof Rehabilitation	6,218,051	-	-	-	-	-	6,218,051	6,218,051	-

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Appendix 3: Continued¹

PROJECT	Bond Series					Interest	Bonds + Interest	Bonds Expended	Balance
	2012B	2013	2014	2017	2021C				
Muni Metro Sunset Tunnel Rail Rehabilitation	2,210,474	7,500,000	-	-	-	-	9,710,474	9,710,474	-
Muni Metro Turnback Rail Rehabilitation	1,635,366	-	-	-	-	-	1,635,366	1,635,366	-
Muni Metro Turnback Water Intrusion Mitigation	462,112	-	-	-	-	-	462,112	462,112	-
Muni Metro Twin Peaks Tunnel Rail Replacement	-	4,706,041	-	-	-	-	4,706,041	4,706,041	-
Muni System Radio Replacement Project	62,197	-	-	-	-	-	62,197	62,197	-
Operator Restrooms (Operator Convenience Facilities Phase I)	-	1,529,751	-	-	-	-	1,529,751	1,529,751	-
Operator Restrooms (Operator Convenience Facilities Phase II)	-	1,139,185	3,517,431	-	-	-	4,656,616	4,649,761	6,854
Parking Garage Project - Elevator Modernization Condition Assessment of 7 Garages	-	-	389,076	-	-	-	389,076	389,076	-
Parking Garage Project - Ellis O'Farrell Seismic Upgrade	-	-	174,316	-	-	-	174,316	174,316	-
Parking Garage Project - Golden Gateway Garage Ventilation	-	-	2,741,064	-	-	-	2,741,064	2,741,064	-
Parking Garage Project - Japan Center Garage Ventilation	-	-	2,314,411	-	-	-	2,314,411	2,314,411	-
Parking Garage Project - Lombard Garage Waterproofing	-	-	5,044,266	-	-	-	5,044,266	5,044,266	-
Parking Garage Project - Sutter Stockton Garage Ventilation	-	-	1,725,231	-	-	-	1,725,231	1,725,231	-
Parking Garage Projects - Condition Assessment, Waterproofing & Ventilation	5,000,000	1,000,000	36,421	-	-	-	6,036,421	6,036,421	-
Parking Meter Replacement	-	-	-	-	22,000,000	-	22,000,000	12,727,627	9,272,373
Pedestrian Countdown Signals (Construction)	-	-	2,055,228	-	-	-	2,055,228	2,055,228	-
Pedestrian Countdown Signals (Design)	-	510,933	-	-	-	-	510,933	510,933	-
Persia Triangle Street Improvements	-	424,103	-	-	-	-	424,103	424,103	-
Polk Street Signal Upgrade	-	-	350,733	-	-	-	350,733	350,733	-
Polk Streetscape	-	-	2,841,837	-	-	-	2,841,837	2,841,837	-
Procurement of Light Rail Vehicles	-	14,164,190	2,886,460	128,000,000	-	2,453,271	147,503,921	144,705,284	2,798,637
PX Parcs Replacement -20 Garage	-	-	7,256,604	-	-	-	7,256,604	7,256,604	-
Radio Replacement	-	2,000,000	11,000,000	-	-	-	13,000,000	13,000,000	-
Safe Routes to School Projects - Alamo Elementary	-	87,800	-	-	-	-	87,800	87,800	-
Safe Routes to School Projects - Denman	-	30,292	456,207	-	-	-	486,500	486,500	-
Safe Routes to School Projects - Tenderloin	-	275,266	178,945	-	-	-	454,211	454,211	-
SFgo Van Ness Corridor Management	-	-	2,036,593	-	-	331,274	2,367,867	2,315,078	52,789
Terry Francois Blvd Bikeway	-	-	-	-	-	123,225	123,225	123,225	-
Traffic Calming Improvements - Applications	-	238,364	-	-	-	-	238,364	238,364	-
Traffic Calming Improvements - Area Wide	-	796,981	-	-	-	-	796,981	796,981	-
Traffic Calming Improvements - Backlog Spot Improvements	-	764,532	178,642	-	-	-	943,174	943,174	-
Traffic Calming Improvements - Site Specific	-	492,380	-	-	-	-	492,380	492,380	-
Traffic Calming Program Implementation	-	-	781,825	-	-	-	781,825	781,825	-
Train Control System Upgrade	-	-	-	-	-	-	-	-	-
Transit Spot Improvement - 24th Street & Castro Bus Bulb Construction	-	273,954	-	-	-	-	273,954	273,954	-
Transit Spot Improvement - Columbus Bus Bulbs	-	400,745	91,168	-	-	-	491,914	491,914	-
Transit Spot Improvement - Evans at Phelps	-	-	71,000	-	-	-	71,000	57,408	13,592
Transit Spot Improvement - Muni Forward – 5 Fulton Mid Route Phase I	-	455,055	-	-	-	-	455,055	455,055	-
Transit Spot Improvement - Muni Forward – 5 Fulton Outer	-	723,470	-	-	-	-	723,470	723,470	-
UCSF Platform Extension	-	-	-	-	-	-	-	-	-
Van Ness Bus Rapid Transit Project	-	2,280,898	124,000	48,000,000	9,415,409	3,296,648	63,116,956	63,086,936	30,019
Total	\$ 25,700,000	\$ 74,621,166	\$ 73,788,637	\$ 182,555,000	\$ 79,071,059	\$ 6,397,375	\$ 442,133,237	\$ 409,445,933	\$ 32,687,304

¹ Excludes \$1,590,198 of bonds remaining to be allocated from Series 2013 (\$378,834) and Series 2014 (\$1,211,364).