

File No. 200516

Committee Item No. 4

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date July 8, 2020

Board of Supervisors Meeting

Date _____

Cmte Board

- Motion
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- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
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- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

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Completed by: Linda Wong

Date July 2, 2020

Completed by: Linda Wong

Date _____

1 [Appropriation - Proceeds from General Obligation Bonds Transportation and Road
 2 Improvements, 2014 - Series 2020B - Municipal Transportation Agency - Street and
 Transit Projects - \$140,000,000 - FY2020-2021]

3

4 **Ordinance appropriating \$140,000,000 of proceeds from the General Obligation**
 5 **Bonds Transportation and Road Improvements, 2014 - Series 2020B Series to the**
 6 **Municipal Transportation Agency for street and transit projects in FY2020-2021;**
 7 **and placing these funds on the Controller’s Reserve pending receipt of proceeds**
 8 **of indebtedness.**

9

10 Note: Additions are single-underline italics Times New Roman;
 11 deletions are ~~strikethrough italics Times New Roman~~.
 12 Board amendment additions are double underlined.
 Board amendment deletions are ~~strikethrough normal~~.

13 Be it ordained by the People of the City and County of San Francisco:

14

15 Section 1. The sources of funding outlined below are herein appropriated to
 16 reflect the projected sources of funding for FY2020-2021.

17

18 **SOURCES Appropriation**

19	Fund /	Project & Activity /	Account	Description	Amount
20	Department ID	Authority			
21	22392 MTA TS CAP	10036244-0001 /	480111	GO Bond –	\$96,020,000
22	GOBND 2014 2020A /	21328	Proceeds	Series 2020B	
23	138678 MTACC	MT FD 10036244 GO	from Bonds	Proceeds	
24	Capital And Constr-Cp	Bond S2020B			

25

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	22972 MTA SS CAP	10036245-0001 /	480111	GO Bond –	\$43,980,000
4	GOBND 2014 2020A /	21329	Proceeds	Series 2020B	
5	207965 MTASSENCP	MS FD 10036245 GO	from Bond	Proceeds	
6	Transpt Eng-Proj-Gen	Bond S2020B			
7					
8	Total SOURCES Appropriation				\$140,000,000

11 Section 2. The uses of funding outlined below are herein appropriated to Transit
12 Improvements and Sustainable Streets at the Municipal Transportation Agency for Fiscal
13 Year 2020-2021.

15 **USES Appropriation**

16	Fund /	Project & Activity /	Account	Description	Amount
17	Department ID	Authority			
18	22392 MTA TS CAP	10036244-0001 /	567000	MT FD	\$90,320,000
19	GOBND 2014 2020A /	21328	Bldgs,Struct&	10036244 GO	
20	138678 MTACC	MT FD 10036244 GO	Imprv Proj-	Bond S2020B	
21	Capital And Constr-Cp	Bond S2020B	Budget		
22					
23					
24					
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	22972 MTA SS CAP	10036245-0001 /	567000	MS FD	\$43,980,000
4	GOBND 2014 2020A /	21329	Bldgs,Struct&	10036245 GO	
5	207965 MTASSENCP	MS FD 10036245 GO	Imprv Proj-	Bond S2020B	
6	Transpt Eng-Proj-Gen	Bond S2020B	Budget		
7					
8	22392 MTA TS CAP	10036244-0003 /	581130	0.2% Allocation	\$ 268,600
9	GOBND 2014 2020A /	21328	GF-Con-	for the	
10	138678 MTACC	MT FD 10036244 GO	Internal	Controller's	
11	Capital And Constr-Cp	Bond S2020B	Audits	Audit Fund	
12					
13	22392 MTA TS CAP	10036244-0002 /	581420	0.1% Allocation	\$136,090
14	GOBND 2014 2020A /	21328	GF-Gen-	for General	
15	138678 MTACC	MT FD 10036244 GO	Goboc 0.1%	Obligation Bond	
16	Capital And Constr-Cp	Bond S2020B	Recovery	Oversight	
17				Committee	
18				Audits	
19					
20	22392 MTA TS CAP	10036244-0002 /	573111	Cost of Issuance	\$704,860
21	GOBND 2014 2020A /	21328	Bond		
22	138678 MTACC	MT FD 10036244 GO	Issuance		
23	Capital And Constr-C	Bond S2020B	Cost-		
24			Unamortized		
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	22392 MTA TS CAP	10036244-0002 /	573111	Underwriter's	\$680,450
4	GOBND 2014 2020A /	21328	Bond	Discount	
5	138678 MTACC	MT FD 10036244 GO	Issuance		
6	Capital And Constr-C	Bond S2020B	Cost-		
7			Unamortized		
8					
9	22392 MTA TS CAP	10036244-0002 /	573112	Reserve for	\$3,910,000
10	GOBND 2014 2020A /	21328	Bond	Market	
11	138678 MTACC	MT FD 10036244 GO	Issuance	Uncertainty	
12	Capital And Constr-Cp	Bond S2020B	Cost-		
13			Unamortized		
14					
15	Total USES Appropriation				\$140,000,000
16					
17					
18					
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1 Section 4. The total appropriation of \$140,000,000 is placed on Controller's
2 Reserve pending receipt of proceeds of indebtedness.

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4 Section 5. The Controller is authorized to record transfers between funds and
5 adjust the accounting treatment of sources and uses appropriated in this ordinance as
6 necessary to conform with Generally Accepted Accounting Principles and other laws.

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8 APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

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10 By: /s/
JON GIVNER
Deputy City Attorney

By: /s/
BEN ROSENFELD
Controller

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<p>Items 4 and 5 Files 20-0516 and 20-0582</p>	<p>Department: Office of Public Finance Municipal Transportation Agency (MTA)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • File 20-0516: The proposed ordinance would appropriate \$140,000,000 in Series 2020B bond proceeds to the San Francisco Municipal Transportation Agency for street and transit projects in FY 2020-21. • File 20-0582: The proposed resolution would authorize the sale of not-to-exceed \$140,000,000 of 2014 Transportation and Road Improvement Bonds (Series 2020B). 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The proposed third bond sale is expected to occur in late July or early August 2020 upon Board of Supervisors approval of the bond issuance (File 20-0582). The projects to be funded through the proposed third bond sale include: Muni Forward Rapid Network improvements, Caltrain upgrades, accessibility improvements, and pedestrian safety improvements. With the proposed appropriation of \$140,000,000 in Series 2020B GO bond proceeds to the Municipal Transportation Agency (MTA), the sale and appropriation of 2014 Transportation and Road Improvement GO Bonds would total \$381,450,000. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • Based upon an estimated market interest rate of 3.75 percent, the Office of Public Finance projects an average annual debt service cost of approximately \$9,725,000. The total debt service over the 20-year life of the bonds is projected to be approximately \$193,313,860. Of this, \$136,090,000 represents the estimated par and the remainder of \$57,223,860 represents estimated interest. Repayment of the annual debt service of the bonds will be recovered through increases in the annual Property Tax rate, which is estimated to average \$0.00346 per \$100 of assessed value or \$3.46 per \$100,000 of assessed value over the anticipated 20-year term of the bonds. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> • Because there continues to be economic uncertainty as a result of the COVID-19 health crisis, the Office of Public Finance is monitoring the municipal bond market on a daily basis to optimally structure the sales of the bonds. • According to MTA, the projects chosen to be funded by the bonds are mostly already in construction or scheduled to go into construction in the coming months. If future delays occur, MTA is prepared to move funds to other bond eligible projects to prioritize bond expenditures, which must be reported to the Citizens’ General Obligation Bond Oversight Committee through the required quarterly reports. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • Amend the proposed ordinance to require a report on bond projects and expenditures to the Board of Supervisors prior to December 31, 2020, and for the report to be included in the legislative file. • Approve the proposed resolution and the proposed ordinance as amended. 	

MANDATE STATEMENT

City Charter Section 9.106 states that the Board of Supervisors is authorized to provide for the issuance of general obligation bonds in accordance with the Constitution of the State of California. General obligation bonds may be issued and sold in accordance with state law or any local procedure adopted by ordinance. There shall be a limit on outstanding general obligation bond indebtedness of three percent of the assessed value of all taxable real and personal property, located within the City and County.

City Charter Section 9.105 states that amendments to the Annual Appropriation Ordinance are subject to Board of Supervisors approval by ordinance after the Controller certifies the availability of funds.

BACKGROUND

On November 4, 2014, a two-thirds majority of voters of the City approved Proposition A, the San Francisco Transportation and Road Improvement General Obligation (GO) Bond to finance the construction, acquisition, and improvement of various transportation and transit-related improvements, and other related costs. Proposition A authorizes the City to issue \$500 million in GO bonds to implement various infrastructure repairs and improvements identified by the Transportation 2030 Task Force.

The proposed third bond sale is expected to occur in late July or early August 2020 upon Board of Supervisors approval of the bond issuance (File 20-0582). The projects to be funded through the proposed third bond sale include: Muni Forward Rapid Network improvements, Caltrain upgrades, accessibility improvements, and pedestrian safety improvements. Specific projects include the following:

- **19th Avenue Project:** The goal of this project is to improve pedestrian safety, transit reliability, and travel times through bus stop optimization, pedestrian and transit bulbs, and other enhancements along the 19th Street corridor.
- **22 Fillmore Project:** This Muni Forward project will upgrade transit reliability, reduce travel times, and enhance safety and accessibility along the Fillmore corridor by creating transit bulbs, dedicated transit lanes, expansion of the overhead wire system, updated bus shelters, streetscape improvements, and extension of bicycle routes.
- **L Taraval Improvement Project:** The L Taraval project will rehabilitate the Taraval corridor to replace infrastructure such as worn rails, overhead wires and poles, and create pedestrian safety enhancements such as high visibility crosswalks, boarding islands, and increased accessibility.
- **Western Addition Area Traffic Signal Upgrades:** This project will build pedestrian countdown signals and/or signal visibility improvements at 24 intersections and create pedestrian-activated flashing beacons at 9 intersections in the Western Addition Area.

- **Safer Taylor Street:** The Taylor Street project will help meet the City's Vision Zero traffic fatality goals. The project will upgrade signals and improve pedestrian safety, widen sidewalks on Taylor from Turk to Ellis and reduce the number of travel lanes between Market Street and Sutter Street to improve transportation safety and livability along the corridor.
- **BART Canopies:** Some of the bond funding from this issuance will go toward the City's contribution to the BART Canopies project, to help renovate escalators and build structures to cover entrances to BART stations which will protect people and equipment from weather, show train arrival times, and add security features such as lighting and cameras.
- **Caltrain Electrification:** Funds from this issuance will also help to fulfill the City's contribution to the Caltrain electrification project, which will fund electrification at the northern terminal of the Caltrain Corridor, starting at San Francisco 4th and King Caltrain Station.

Table 1 below shows the details of previous bond issuances, as well as the 2020 GO Bond sale schedule.

Table 1: Transportation and Road Improvement GO Bond Sale Schedule

	Date	Amount	Series
Total Authorization		\$500,000,000	
First Bond Issuance	July 2015	67,005,000	Series 2015B
Second Bond Issuance	April 2018	174,445,000	Series 2018B
Proposed Third Bond Issuance	July or August 2020	140,000,000	Series 2020B
Total Issued and Proposed		\$381,450,000	
Future Fourth Bond Issuance	TBD	\$118,550,000	TBD
Total Issued, Approved, and Future Bonds		\$500,000,000	

DETAILS OF PROPOSED LEGISLATION

File 20-0582: The proposed resolution would:

1. Authorize the sale of not-to-exceed \$140,000,000 aggregate principal amount of 2014 Transportation and Road Improvement Bonds (Series 2020B);
2. Prescribe the form and terms of the bonds;
3. Authorize the execution, authentication, and registration of the bonds;
4. Provide for the appointment of depositories and other agents for the bonds;

5. Provide for the establishment of accounts related to the bonds;
6. Provide for the manner of sale of the bonds by competitive or negotiated sale;
7. Approve the forms of Official Notice of Sale and Intention to Sell Bonds;
8. Direct the publication of the Notice of Intention to Sell Bonds;
9. Approve the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of the bonds;
10. Approve the form of the Continuing Disclosure Certificate;
11. Approve the form of the Placement Agent Agreement;
12. Approve the form of the Paying Agent Agreement;
13. Authorize and approve modifications to documents declaring the City's intent to reimburse certain expenditures;
14. Waive the deadline for submission of Bond Accountability Reports;
15. Adopt findings under the California Environmental Quality Act (CEQA);
16. Ratify certain actions previously taken; and
17. Grant authority to City officials to take necessary actions for the authorization, issuance, sale, and delivery of the bonds.

File 20-0516: The proposed ordinance would appropriate \$140,000,000 from the GO Bonds Transportation and Road Improvements, 2014 – Series 2020B bond proceeds to the San Francisco Municipal Transportation Agency for street and transit projects in FY 2020-21. The \$140,000,000 appropriation would be placed on Controller's Reserve pending receipt of proceeds of indebtedness.

The proposed resolution (File 20-0582) waives the deadline for submission of accountability reports required under Administrative Code Section 2.71(a). According to Mr. Vishal Trivedi, Financial Analyst in the Office of Public Finance, the waiver was to ensure that the sale would not be delayed if the bond accountability report was not submitted 60 days prior to appropriation of the bond proceeds.

Table 2 below outlines anticipated sources and uses for the Series 2020B bonds.

Table 2: Sources and Uses of Series 2020B Bond Proceeds

Estimated Sources:	
Par Amount	\$136,090,000
Reserve Proceeds	\$3,910,000
Total Estimated Sources:	\$140,000,000
Estimated Uses:	
<i>Administrative Costs</i>	
Costs of Issuance	\$704,860
Controller's Audit Fund	\$268,600
Underwriter's Discount	\$680,450
Citizens' GO Bond Oversight Committee Fee	\$136,090
Reserve for Market Uncertainty	\$3,910,000
Administrative Costs Subtotal	\$5,700,000
<i>Project Costs</i>	
Muni Forward Rapid Network Improvements	\$79,100,000
Caltrain Upgrades	\$11,220,000
Accessibility Improvements	\$21,120,000
Pedestrian Safety Improvements	\$21,885,429
Program Contingency ¹	\$974,571
Project Costs Subtotal	\$134,300,000
Total Estimated Uses:	\$140,000,000

Source: Office of Public Finance and Municipal Transportation Agency

As shown in Table 3 below, with the proposed appropriation of \$140,000,000 in Series 2020B GO bond proceeds to the Municipal Transportation Agency (MTA), the sale and appropriation of 2014 Transportation and Road Improvement GO Bonds would total \$381,450,000. The Attachment shows the specific projects funded by the Series 2015B, Series 2018B and proposed Series 2020B bond issuances. As noted above, of the \$500,000,000 in 2014 Transportation and Road Improvement GO Bonds, \$118,550,000 will be issued in amounts to be determined at a later date.

¹ According to MTA, adding program contingency was recommended to MTA from the Capital Planning Committee because other agencies in the City add this to their bond issuances to help manage for uncertainties (e.g. COVID-19 health crisis).

Table 3: 2014 Transportation and Road Improvement Funds Allocation

Projects	1st Bond Sale (Series 2015B)	2nd Bond Sale (Series 2018B)	Proposed 3rd Bond Sale (Series 2020B)	Remainder to be Allocated	Total
Muni Forward Rapid Network Improvements	\$23,474,342	\$49,736,011	\$79,100,000	\$37,000,000	\$189,310,353
Caltrain Upgrades	7,760,000	20,020,000	11,220,000	-	39,000,000
Accessibility Improvements		3,000,000	21,120,000	5,000,000	29,120,000
Muni Facility Upgrades	25,186,451	41,522,343	-	-	66,708,794
Major Transit Corridor Improvements	5,500,000	21,588,937	-	-	27,088,937
Pedestrian Safety Improvements	4,080,740	26,268,525	21,885,429	14,000,000	66,234,694
Traffic Signal Improvements		6,000,000		12,000,000	18,000,000
Complete Streets Improvements		4,607,184		43,680,000	48,287,184
Contingency			974,571		974,571
Project Subtotal	\$66,001,533	\$172,743,000	\$134,300,000	\$111,680,000	\$484,724,533
Cost of Issuance	\$503,606	\$493,189	\$704,860	TBD	TBD
Underwriter's Discount	300,853	688,880	680,450	TBD	TBD
Controller's Audit Fund	132,003	345,486	268,600	TBD	TBD
Citizens GO Bond Oversight Committee	67,005	174,445	136,090	TBD	TBD
Issuance and Oversight Subtotal	\$1,003,467	\$1,702,000	\$1,790,000	-	-
Reserve			3,910,000		
Total	\$67,005,000	\$174,445,000	\$140,000,000	\$111,680,000	\$493,130,000

Source: Office of Public Finance and Municipal Transportation Agency

Citizens' General Obligation Bond Oversight Committee Annual Report

Under the proposed resolution, the Citizens' General Obligation Bond Oversight Committee shall conduct an annual review of bond spending and shall provide an annual report on the management of the program to the Mayor and the Board. The most recent annual report on the 2014 Transportation and Road Improvement Bond, dated October 21, 2019, is for FY 2018-19 and submitted to the Board of Supervisors in November 2019.

According to the October 2019 Bond Oversight Committee report, an audit report for this bond was issued in January 2019 and found no abuse of bond funds. Specifically, the audit found that "all audited expenditures were spent in accordance with the ballot measure and that funds were not used for any administrative salaries or other general governmental operating expenses other than those specifically authorized in the ballot measure for such bonds."

FISCAL IMPACT

Annual Debt Service

As shown above in Table 2, the Office of Public Finance expects to sell \$136,090,000 in par value Series 2020B Bonds. The proposed resolution authorizes the Director of Public Finance to determine the sale date, interest rates, principal amount, and maturity dates of the bonds, subject to the following conditions: (1) the true interest cost shall not exceed 12 percent; and (2) the Series 2020 B bonds shall have a final maturity date no later than 25 years after the date of issuance.

Based upon an estimated market interest rate of 3.75 percent, the Office of Public Finance projects an average annual debt service cost of approximately \$9,725,000. The total debt service over the 20-year life of the bonds is projected to be approximately \$193,313,860. Of this, \$136,090,000 represents the estimated par and the remainder of \$57,223,860 represents estimated interest.

According to Mr. Trivedi, the Office of Public Finance is evaluating, in consultation with the City’s financial advisor, whether the method of sale for the Series 2020B Bonds should be sold as a negotiated or competitive sale. In the case of a competitive sale, the Series 2020B Bonds will be awarded to the bidder providing the lowest true interest cost to the City and that meets the terms as specified in the Official Notice of Sale. In the case of a negotiated sale, the City will select an underwriting team through a competitive process² prior to the sale of the Series 2020B Bonds. As a negotiated sale, the City and its finance team will review comparable sales of financings recently sold with comparable ratings and par amount size to the Series 2020B Bonds. The City and the financial advisor will negotiate the final interest rates with the underwriting team to achieve the lowest true interest cost to the City based on recent comparable sales, orders received during the order period and overall conditions of the market at the time of sale.

Debt Limit

Section 9.106 of the City Charter limits the amount of GO bonds the City can have outstanding at any given time to 3 percent of the total assessed value of property in San Francisco. The City calculates its debt limit on the basis of total assessed valuation net of non-reimbursable and homeowner exemptions. On this basis, the City’s general obligation debt limit for FY 2019-20 is approximately \$8.4 billion, based on a net assessed valuation of approximately \$281.1 billion. This net assessed valuation is based on the Controller’s Certificate of Assessed Valuation, as of August 1, 2019.

² According to Mr. Trivedi, the City maintains a pre-qualified pool of underwriters. If the City were to pursue a negotiated transaction, the underwriter selection would be based on a holistic evaluation of written proposals submitted by underwriters in the pool. The pre-qualified underwriter pool was established in accordance with the City’s contracting procedures through a competitive Request for Qualifications process, with an evaluation panel reviewing and scoring the submittals based on approved guidelines, and overseen by the Contract Monitoring Division.

As of July 2020, the City had outstanding approximately \$2.15 billion in aggregate principal amount of GO bonds, which equals approximately 0.76 percent of the net assessed valuation for FY 2019-20. If all of the City's voter-authorized and unissued general obligation bonds were issued, the total debt burden would be 1.5 percent of the net assessed value of property in the City. If the Board of Supervisors approves the issuance of the bonds, the debt ratio would increase by approximately 0.05 percent to 0.90 percent, which is within the 3 percent legal debt limit.

Property Tax Rates

For Series 2020B, repayment of the annual debt service will be recovered through increases in the annual Property Tax rate, which is estimated to average \$0.00346 per \$100 of assessed value or \$3.46 per \$100,000 of assessed value over the anticipated 20-year term of the bonds. The owner of a residence with an assessed value of \$600,000, assuming a homeowner's exemption of \$7,000, would pay average additional property taxes to the City of approximately \$20.52 per year if the anticipated \$136,090,000 of Bonds are sold.

Capital Plan

The Capital Planning Committee approved a financial constraint regarding the City's planned use of general obligation bonds such that debt service on approved and issued general obligation bonds would not increase property owners' long-term property tax rates above FY 2005-06 levels. The FY 2005-06 property tax rate for the GO bond fund was \$0.1201 per \$100 of assessed value. If the Board of Supervisors approves the issuance of the Series 2020B GO Bonds, the property tax rate for GO bonds for FY 2019-20 would be maintained at or below the FY 2005-06 rate and within the Capital Planning Committee's approved financial constraint.

POLICY CONSIDERATION

Impact of COVID-19 Health Crisis

Issuance of Bonds

According to Mr. Trivedi, at the start of the COVID-19 health crisis in early March 2020, the economy, financial markets and specifically, the municipal bond market experienced unprecedented volatility with dramatic swings in interest rates and widening of credit spreads. Many institutional investors were not participating in the market taking on a wait-and-see approach to interest rates, which caused the new issue market to come to a standstill with very few financings sold in the second and third weeks of March. Due to the unprecedented actions by the Federal Reserve in response to the COVID-19 health crisis,³ the municipal bond market has

³ These measures include cutting the Federal Reserve's policy rate to the zero lower bound, purchasing Treasury and mortgage-backed securities (MBS) to promote market functioning, and establishing several liquidity and credit

since normalized with new issue volume and interest rates back to pre-pandemic levels and currently holding relatively steady. However, investors remain cautious preferring higher rated general obligation and essential service credits over lower rated or more impacted credits like healthcare, transportation and bonds backed by sales, hotel and income taxes.

According to Mr. Trivedi, as the health crisis is a fluid situation and there continues to be economic uncertainty surrounding the COVID-19 health crisis, the Office of Public Finance is monitoring the municipal bond market on a daily basis to optimally structure the sales of the bonds. Additionally, in order to mitigate market risk and preserve flexibility, the City has included in the bond documents the ability to choose any of the following methods of sale: negotiated, competitive and/or private placement, depending on market conditions at the time of pricing the bonds.

MTA Projects

According to Ms. Charlotte Wu, Principal Budget Analyst at MTA, the projects chosen to be funded by the Series 2020B bonds are mostly already in construction or scheduled to go into construction in the coming months. Per the advice of the Capital Planning Committee and other peer agencies, the MTA has focused on a smaller number of projects that are actively in or starting construction with larger amounts of funds. The projects are considered high profile and essential projects that have been prioritized to move forward, despite the impact of the COVID-19 health crisis. Ms. Wu states that some of the projects' cash flow has been adjusted to reflect current delays. For example, the Western Addition Area Traffic Signal Upgrades project has experienced significant delays. Consequently, MTA has moved much of the original programming costs to the L Taraval Improvement Project. According to Ms. Wu, if future delays occur, MTA is prepared to move funds to other bond eligible projects to prioritize bond expenditures. Any movement of funds will be reported to the Citizens' General Obligation Bond Oversight Committee through the required quarterly reports. In order for the Board of Supervisors to be informed of changes and delays in MTA projects, the Budget and Legislative Analyst recommends amending the proposed resolution to provide for a report back on bond projects and expenditures to the Board of Supervisors prior to December 31, 2020, and for the report to be included in the legislative file.

In addition, as seen in the Attachment, there is approximately \$64.6 million in remaining balance from the second bond issuance. In an updated cash flow presented to the Capital Planning Committee in March 9, 2020, the MTA anticipates full expenditure of the issuance by mid-2022. As previously mentioned, project delays have slowed down spending. MTA anticipates further

facilities. For example, the Federal Reserve established the Municipal Liquidity Facility to help state and local governments better manage cash flow pressures in order to continue to serve households and businesses in their communities. The facility will purchase up to \$500 billion of short-term notes directly from U.S. states (including the District of Columbia), U.S. counties with a population of at least 500,000 residents, and U.S. cities with a population of at least 250,000 residents. Eligible state-level issuers may use the proceeds to support additional counties and cities.

potential delays because of the COVID-19 health crisis, but Ms. Wu states that the agency has prioritized spending the bond funds as soon as possible.

RECOMMENDATIONS

1. Amend the proposed ordinance to require a report on bond projects and expenditures to the Board of Supervisors prior to December 31, 2020, and for the report to be included in the legislative file.
2. Approve the proposed resolution (File 20-0582) and the proposed ordinance as amended (File 20-0516).

Attachment – File 20-0516

Projects	1st Bond Issuance	Expenditures	Balance	2nd Bond Issuance	Expenditures	Balance	Proposed 3rd Bond Issuance	Total Bond Issuances Combined
<i>Muni Forward Rapid Network Improvements</i>								
7 Haight-Noriega: Haight Street Rapid Project	\$1,560,917	\$1,198,604	\$362,313	\$6,766,975	\$2,078,905	\$4,688,070		\$8,327,892
10 Townsend: Sansome Contraflow Signals	1,665,839	1,589,460	76,379	-		-		1,665,839
9 San Bruno: 11th St and Bayshore Blvd Rapid Project	2,152,883	2,197,473	(44,590)			-		2,152,883
5 Fulton: East of 6th Ave (Inner) Rapid Project	2,582,424	2,829,115	(246,691)	244,000		244,000		2,826,424
N Judah: Arguello to 9th Ave Rapid Project	684,330	1,298,298	(613,968)	1,982,083	1,553,301	428,782		2,666,413
30 Stockton: East of Van Ness Ave Transit Priority Project	331,461	590,795	(259,334)	675,000	24,129	650,871		1,006,461
30 Stockton: Chestnut St (W of VN) Transit Priority Project	3,726,167	3,192,486	533,681			-		3,726,167
14 Mission: Division to Randall (Inner) Rapid Project	1,164,450	822,025	342,425	627,151	-	627,151		1,791,601
22 Fillmore: OCS on Church/Duboce (overhead lines)	80,000	80,000	-	1,127,000	133,405	993,596	25,000,000	26,207,000
19th Avenue: 19th Ave Rapid Project	13,631	13,631	0	2,000,000	20,839	1,979,161	18,100,000	20,113,631
14 Mission: Mission & S Van Ness Transit Priority Project	1,390,000	1,043,122	346,878			-		1,390,000
22 Fillmore Extension to Mission Bay	2,532,379	2,610,883	(78,504)	13,649,871	8,603,890	5,045,981		16,182,250
L-Taraval Transit Improvement Project	4,335,627	4,547,159	(211,532)	3,512,398	1,462,017	2,050,381	36,000,000	43,848,025
Mission Bay Loop	1,013,550	24,553	988,997	1,477,227	904,288	572,939		2,490,777
8 Bayshore: San Bruno				1,300,000	629,808	670,192		1,300,000
19 Polk: Polk Street Transit Priority Project				74,000	-	74,000		74,000
1 California: Laurel Village				1,200,000	720,464	479,536		1,200,000
Lombard Streetscape				2,293,416	1,925,733	367,683		2,293,416
Van Ness BRT Associated Improvements				2,317,072	-	2,317,072		2,317,072
UCSF Platforms				6,358,388	6,358,388	-		6,358,388
Muni Roadway Elevation Improvements				2,627,150	81,852	2,545,298		2,627,150
Bus Transit Signal Priority				1,357,040	824,597	532,443		1,357,040

Projects	1st Bond Issuance	Expenditures	Balance	2nd Bond Issuance	Expenditures	Balance	Proposed 3rd Bond Issuance	Total Bond Issuances Combined
Contingency	240,683			147,240		147,240		387,923
Total Muni Forward	23,474,341	22,037,602	1,196,055	49,736,011	25,321,616	24,414,395	79,100,000	152,310,352
<i>Caltrain Upgrades</i>								
CBOSS - San Francisco Contribution	7,760,000	7,731,970	28,030					7,760,000
Caltrain Electrification				20,020,000	19,784,772	235,228	11,220,000	31,240,000
Total Caltrain Upgrades	7,760,000	7,731,970	28,030	20,020,000	19,784,772	235,228	11,220,000	39,000,000
<i>Accessibility Improvements</i>								
BART Canopies				3,000,000	78,595	2,921,405	21,120,000	24,120,000
Total Accessibility Improvements	-	-	-	3,000,000	78,595	2,921,405	21,120,000	24,120,000
<i>Muni Facility Upgrades</i>								
1570 Burke Facility	10,079,730	9,923,792	155,938	32,220,270	30,302,392	1,917,878		42,300,000
Underground Storage Tanks	1,300,000	1,300,000	-	500,000	487,353	12,647		1,800,000
Muni Metro East Phase II	4,056,720	4,056,720	-	6,402,073	1,679,069	4,723,004		10,458,793
Islais Creek Phase II	9,750,000	8,316,612	1,433,388			-		9,750,000
MME HVAC & Boiler Improvement				2,400,000		2,400,000		2,400,000
Total Facility Upgrades	25,186,450	23,597,125	1,589,325	41,522,343	32,468,814	9,053,529	-	66,708,793
<i>Major Transit Corridor Improvements</i>								
Better Market Street	5,500,000	5,498,518	1,482	6,593,275	9,226,015	(2,632,740)		12,093,275
King Street Substation				10,002,337	4,662,744	5,339,593		10,002,337
L-Taraval Transit Improvements				4,993,325	3,781,888	1,211,437		4,993,325
Total Major Transit Corridor	5,500,000	5,498,518	1,482	21,588,937	17,670,647	3,918,290	-	27,088,937
<i>Pedestrian Safety Improvements</i>								
Mission Street & Trumbull Street Intersection Upgrade	205,995	177,007	28,988	70,000	-	70,000		275,995
Potrero Avenue Roadway Improvements	392,634	398,970	(6,336)	461,984	161,351	300,633		854,618
8th & Market Street Transit Boarding Island	335,800	259,250	76,550	186,000	186,000	-		521,800
Add PCS to High Injury Corridors (18 locations) Phase I	492,076	456,226	35,850	1,725,422	750,955	974,467		2,217,498
Geary Pedestrian Improvements	2,051,506	1,792,015	259,491	7,400,000	2,231,089	5,168,911		9,451,506

Projects	1st Bond Issuance	Expenditures	Balance	2nd Bond Issuance	Expenditures	Balance	Proposed 3rd Bond Issuance	Total Bond Issuances Combined
Arguello Boulevard Traffic Signals Upgrade	6,111	7,280	(1,169)			-		6,111
New Signals on High Injury Corridors (10 intersections)	596,620	691,209	(94,589)			-		596,620
6th Street Streetscape				3,235,000	653,864	2,581,136		3,235,000
Lombard Streetscape				4,508,000	4,620,486	(112,486)		4,508,000
4th Street I-80 Vision Zero Improvements				960,000	69,687	890,313		960,000
Gough (Signals)				243,889	-	243,889		243,889
New Signals on High Injury Corridors (10 intersections)				1,349,194	1,119,084	230,110		1,349,194
Western Addition Area - Traffic Signal Upgrades				1,100,000	80,295	1,019,705	1,693,259	2,793,259
Contract 64				1,100,000	323,646	776,354		1,100,000
Contract 65				260,000	-	260,000		260,000
Walk First Rectangular Rapid Flashing Beacons				497,036	233,038	263,998		497,036
Van Ness BRT: SFGo				352,000	1,475	350,525		352,000
7 Haight-Noriega: Haight Street Rapid Project				2,000,000	19,651	1,980,349		2,000,000
Elevator Modernization				820,000	-	820,000		820,000
Taylor Street Streetscape							20,192,170	20,192,170
Total Pedestrian Safety	4,080,742	3,781,956	298,786	26,268,525	10,450,621	15,817,904	21,885,429	52,234,696
Traffic Signal Improvements								
Better Market Street				6,000,000	2,069,722	3,930,278		6,000,000
Total Traffic Signal	-	-	-	6,000,000	2,069,722	3,930,278	-	6,000,000
Complete Streets Improvements								
Walkfirst Painted Safety Zone Conversion				300,349	7,278	293,071		300,349
Geneva Avenue Traffic Signals (Improvements)				500,000	135,916	364,084		500,000
Walk First Rectangular Rapid Flashing Beacons				77,964	36,554	41,410		77,964
Beale Street Bikeway Improvements				240,000	26,504	213,496		240,000
Alemanly Interchange Improvement Project - Phase I				186,890	53,654	133,236		186,890
Application-based Residential St Traffic Calming FY16/17				179,564	42,501	137,063		179,564

Projects	1st Bond Issuance	Expenditures	Balance	2nd Bond Issuance	Expenditures	Balance	Proposed 3rd Bond Issuance	Total Bond Issuances Combined
Elevator Modernization				3,122,417	-	3,122,417		3,122,417
Total Complete Streets	-	-	-	4,607,184	302,407	4,304,777	-	4,607,184
Program Contingency							974,571	974,571
Total	\$66,001,533	\$62,647,173	\$3,113,677	\$172,743,000	\$108,147,195	\$64,595,805	\$134,300,000	\$373,044,533

Source: MTA

From: [Peacock, Rebecca \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Kittler, Sophia \(MYR\)](#); [Patil, Lillian \(MYR\)](#); [Taufic, Camilla \(MYR\)](#); [Trivedi, Vishal \(CON\)](#); [Van Degna, Anna \(CON\)](#); [Brewer, Luke \(CON\)](#)
Subject: Mayor -- [Ordinance] -- [Appropriation – Proceeds from General Obligation Bonds Transportation and Road Improvements, 2014 – Series 2020B to Municipal Transportation Agency's Street and Transit Projects – FY2020-FY2021 - \$140,000,000]
Date: Tuesday, May 19, 2020 4:24:45 PM
Attachments: [FW Signature for MTA GO Bond 2020B .msg](#)
[1. MTA GO Bond Series 2020B Final.docx](#)
[2. MTA GO Bond Series 2020B Final.pdf](#)

Attached for introduction to the Board of Supervisors is an **ordinance appropriating \$140,000,000 of proceeds from the General Obligation Bonds Transportation and Road Improvements, 2014 - Series 2020B Series to the Municipal Agency for street and transit projects in FY2020-FY2021; and placing these funds on the Controller's Reserve pending receipt of proceeds of indebtedness.**

See attached email for signatory approval.

Please let me know if you have any questions.

Rebecca Peacock ([they/she](#))
(415) 554-6982 | Rebecca.Peacock@sfgov.org
Office of Mayor London N. Breed
City & County of San Francisco

*** I am working remotely. Please call me at 267-663-8648 with any questions ****