

SFMTA Bond Oversight Committee

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September XX, 2019

SFMTA Board of Directors

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Gwyneth Borden, Vice Chair
Cheryl Brinkman, Director
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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 2018 - 2019 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 January 31 of each year. The attached report describes BOC activities during Fiscal Year 2018 - 2019, 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,

Chairman Daniel Murphy

cc: Tom Maguire, Acting Director of Transportation
Benjamin Rosenfield, Controller

Attachment: Fiscal Year 2018 - 2019 Annual Report

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San Francisco Municipal Transportation Agency

Annual Report to the SFMTA Bond Oversight Committee

FY 2018-2019

Budget, Financial Planning and Analysis

Finance & Information Technology Division

September XX, 2019



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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. This report covers activities for Fiscal Year 2018 - 2019 and includes a brief description of events occurring since the end of the fiscal year.

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>.

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 Chairman 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 Controller.

The three current members appointed by the SFMTA Board are Art Torres, Leona Bridges, and Robert Shaw, who replaced Pauline Marx on August 17, 2017. The two current members appointed by the Citizens’ Advisory Council are Daniel Murphy, and Neil Ballard, who replaced Stephen Taber on June 15, 2018. The current member appointed by the Controller is Anna Van Degna (Director of the Office of Public Finance) who replaced Nadia Sesay on May 24, 2018. The BOC elected Rudy Nothenberg as Chair and Daniel Murphy as Vice Chair at its meeting on June 1, 2016. However, as a result of Mr. Nothenberg’s departure on June 30, 2018, Daniel Murphy served as the Acting Chair and was eventually elected to Chair by the BOC at their November 27, 2018 meeting. Member Kathryn How (Assistant General Manager, San Francisco Public Utilities Commission) who was appointed by the Director of Transportation was most recently elected as

the new Vice Chair on March 5, 2019. BOC members do not receive compensation for their service on the Committee.

In Fiscal Year 2018 - 2019, the BOC convened four times: on September 18, 2018; November 27, 2018; March 5, 2019; and June 4, 2019.

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). Minutes of the proceedings of the Committee and all documents received and reports issued 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-bo>.

Section 3. 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-bo>.

Section 4. Revenue Bonds

The SFMTA Board of Directors has authorized the issuance of a total of \$365.7 million in Revenue Bonds for projects. As of June 30, 2019, the SFMTA issued \$403.7 million of its 2012, 2013, 2014 and 2017 Revenue Bonds, with the full total authorized of \$365.7 million available for projects and the remaining \$38.0 million used to refund previously issued debt as shown in Section "A" below. 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>.

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

Bond Series	Bond Amount for Projects
2012B Bond	\$25,700,000
2013 Bond	\$75,000,000
2014 Bond	\$75,000,000
2017 Bond	\$190,000,000
Total	\$365,700,000

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) and the 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 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.

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 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 Board of Supervisors concurred with the issuance on June 7, 2016 (Resolution 231-16).

E. Bond Expenditures

As of June 30, 2019, the remaining bond funds (including encumbered funds) for each series and percentage spent are as follows: Series 2012B - \$0 (100.0 percent spent), Series 2013 - \$0 (100.0 percent spent), Series 2014 - \$4,863,274 (93.5 percent spent), Series 2017 - \$330,321 (99.8 percent spent). Series 2012B and Series 2013 were fully expended by October 2016 and by March 2019, respectively.

Section 5. 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 Board of Supervisors concurred on June 10, 2013 (Resolution Number 246-13). The CP program is intended to finance, on a short-term basis, the costs of transportation capital projects in advance of the issuance of revenue bonds. In certain instances, commercial paper is 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. As of November 2018, one CP note for \$41.0 million was issued on January 18, 2017 and repaid in 90 days, therefore, no CP notes are outstanding. Detailed information is available at the following link: <http://www.sfmta.com/about-sfmta/investor-relations>.

Section 6. Project Delivery

A. Series 2012B Revenue Bond Funded Programs

The Series 2012B Bonds were authorized in July 2012 for a total of \$25.7 million. Of the \$20.7 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.

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

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Program Title

Systemwide Transit Access and Reliability (Transit Signal Priority) Program

Program Description

The Systemwide Transit Access and Reliability (Transit Signal Priority) Program is intended to increase transit ridership and improve the path of travel to transit stops and stations while minimizing delays associated with customer boarding and alighting from Muni vehicles and reducing delays associated with traffic signals. It includes projects supporting development of pedestrian and bicycle amenities that expand the ridership area and increase the utility of public transit access points. Projects also include small signal upgrades and modification of signal phases at intersections, adding bus or pedestrian bulbs, and street design changes to reduce delays for transit vehicles at busy intersections.

Muni Metro Sunset Tunnel Rail Rehabilitation

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.

Muni Metro Turnback Rehabilitation

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 ongoing maintenance costs.

Muni Green Light Rail Facility Rehabilitation

The Muni Green Light Rail Facility Rehabilitation project will enhance 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 in excess of 89 Breda LRVs are regularly stored, and possibly improvements to the facility.

Muni System Radio Replacement Project

This project will replace and modernize 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 utilize four base station sites and will meet the regional Intelligent Transportation Standard and the P25 interoperability criteria.

Muni Metro System Public Announcement and Public Display System Replacement

The Muni Metro System Public Announcement and Public Display System Replacement project would improve 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.

Parking Garage Projects

This program includes funds for assessing the condition of 18 garages and provides partial funding for waterproofing and ventilation projects.

B. Series 2013 Revenue Bond Funded Programs

On December 4, 2013, the SFMTA issued \$75.0 million in Revenue Bonds, Series 2013 (2013 Bonds). Of the \$75.0 million, \$1.0 million was programmed for garage projects and \$74.0 million for asset renewals, accessibility and reliability of the transit system (safe routes to transit including bicycle, pedestrian and signal improvements). The Series 2013 bond funds were fully expended by March 2019 and funded 38 projects.

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

Program Title

Pedestrian Safety & Traffic Signal Improvements

Program Description

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.

Transit System Safety and Other Improvements

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 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.

Street Capital Improvements

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.

Facility Improvements

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.

Transit Fixed Guideway Improvements

Transit Fixed Guideway Improvements is a capital program intended to address certain transit operational issues and maintenance needs, and to increase 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; replacement of the trackway and related systems serving the light rail and cable car lines to mitigate excessive noise and/or vibration.

Muni Fleet

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.

Fiscal Year 2018 - 2019 project delivery milestones for the Series 2013 Revenue Bonds include:

Pedestrian Countdown Signals: The project designed pedestrian countdown signals (PCS) at 11 intersections and accessible pedestrian signals (APS) at an additional 8 intersections. Of the 11 intersections where PCS was added, three APS were also added. PCS locations were prioritized using factors such as collision history, inclusion in a Walk First corridor, proximity to schools and commercial districts, and requests from the public. Most of these intersections will involve a full signal upgrade with new conduits, pullboxes, poles, larger signal heads, controllers, etc. Construction for this project has been completed and the SF Department of Public Works is working on closing out the project.

Safe Routes to School Projects at Tenderloin: The project entailed the construction of pedestrian safety improvements in the vicinity of the Tenderloin Community Elementary School, a public elementary school in District 6 along Turk Street from Hyde to Franklin Streets. The project included bus bulbs and curb bulbs with curb ramps, continental crosswalks, and advanced stop bars. The project has been completed and is now open for use. SFMTA is working with SFDPW to complete administrative closeout.

Broadway Chinatown Streetscape: The project is part of the San Francisco Department of Public Works' (SFDPW) larger Broadway Chinatown Streetscape project, an inter-agency effort led by the San Francisco Planning Department in partnership with the Chinatown Community Development Center, SFDPW, and the San Francisco Municipal Transportation Agency (SFMTA). The project area is along Broadway from Columbus Avenue to the Broadway Tunnel. The project improves pedestrian safety and access crossing Broadway and Powell Street and to clearly channel traffic on Broadway fronting Jean Parker Elementary School. The project has been completed.

Masonic Avenue Streetscape: The Masonic Avenue Complete Streetscape project's goal was to increase safety and accessibility for all modes of travel on Masonic Avenue, from Fell Street to Geary Boulevard (an eight-block segment that is about 2/3 of a mile). Masonic Ave. is a major north-south arterial in San Francisco and has been the chief bike and transit route through the area. The street is auto-dominated and has had a high rate of pedestrian and bicycle collisions. The project re-allocated space to calm traffic, dedicated space for people on bicycles, and provided pedestrian enhancements, such as median refuge islands, bus boarding islands, and sidewalk landscaping. The project is now open for use.

Islais Creek Phase II Improvements: The project entailed the construction of a 65,000 square foot motor coach maintenance and operations building including light and heavy

maintenance bays, warehouse space, operations and maintenance offices, showers, a galley room, locker rooms and training space. The project was issued a certificate of completion and occupancy by the Department of Building Inspection on September 4, 2018. The project is now in use, but pending is Leadership in Energy and Environmental Design (LEED) certification in order to close the project.

M Ocean View Track replacement: The project entailed replacing curved tracks crossing 19th Avenue (Caltrans) and Rossmoor Drive and additional tangent track up to Monte Vista Drive; replacement of two concrete OCS poles; upgrading traffic signal and install train detection to fully actuate the intersection; accessibility upgrades at track crossing including curb ramps crossing Rossmoor; and safety and accessibility upgrades for the north crosswalk at Junipero Serra Blvd. which included the relocation of the pedestrian refuge area and signal modification. The project has been completed and the contractor is working on close out.

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, and street and facility improvements. As of June 30, 2019, the 2014 Bonds has funded 38 projects. A total of \$67.0 million bond funds were expended and \$3.0 million were encumbered in construction contracts leaving an unexpended balance of \$4.9 million.

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

<u>Program Title</u>	<u>Program Description</u>
Pedestrian Safety & Traffic Signal Improvements	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.
Transit System Safety and Other Improvements	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.

Complete Street Capital Improvements

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.

Facility Improvements

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.

Muni Fleet

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.

Fiscal Year 2018 - 2019 project delivery milestones for the 2014 Revenue Bonds include:

7th and 8th Street Streetscape Project: The project entailed bicycle and pedestrian improvements along 7th and 8th Street, between Harrison Street and Market Street, aligned with the Eastern Neighborhoods Transportation Implementation Planning Study

(ENTRIPS). The scope included a concrete buffered bike lane, concrete boarding islands, potential alley traffic signals, sidewalk bulbs, new striping, traffic lane reduction, safe hit posts, and possibly a limited amount of paving. The project is now open for use and SFMTA is working with SF Department of Public Works (SFDPW) to complete administrative closeout.

Excelsior and South Bernal Areawides: The project involved the construction of traffic calming elements to be coordinated with paving projects in the Excelsior and South Bernal Heights neighborhoods. The building of bulb-outs occurred at multiple intersections. The project has been completed.

Gough Street Pedestrian Improvements: As part of the San Francisco Department of Public Works' (SFDPW) paving of Gough Street, the San Francisco Municipal Transportation Agency (SFMTA) identified four intersections for pedestrian improvements. The intersections of Gough/Turk, Gough/Grove, Gough/Hayes, and Gough/Fell will have pedestrian bulb-outs implemented as part of the repaving project. These bulb-outs will reduce pedestrian crossing distances and improve pedestrian visibility to drivers. The project made improvements to the Gough, Franklin, and Van Ness corridors and was completed.

Mission Valencia Raised Cycletract: This project consisted of the construction management, meter and sign work portion of the Mission Valencia Green Gateway (MVGG), a Public Utilities Commission (PUC) led green infrastructure project on Valencia Street between Cesar Chavez and Mission Streets. The project has been open for use, and SFMTA is working with SFDPW to complete administrative closeout.

Parking Garage Project - Ellis O'Farrell Seismic Upgrade: The project consisted of seismic strengthening of the Ellis O'Farrell parking garage. The project was put on hold due to a fund reallocation to the PARCS replacement project for 20 garages.

Parking Garage Project - Lombard Garage Waterproofing: The project replaced the facade of the Lombard Parking Garage, repaired the concrete spall at the top deck and 2nd floor, and applied waterproofing. The project has been completed.

PARCS replacement project for 20 garages: The project entails a complete replacement of the Parking Access and Revenue Control System (PARCS) components at 22 parking facilities. The work includes new system servicers, cashier stations, ticket spitters, barrier gates, payment machines, etc. and the installation of new utility infrastructure required to support the new equipment. Six of 22 garage facilities have been substantially completed and it is still on-going.

Polk Streetscape: The goal of the Polk Streetscape project is to implement aesthetic and safety improvements for all users of Polk Street between McAllister and Union Streets, a 20-block segment. Specific improvements include pedestrian bulb-outs at Polk and California, and full traffic signal upgrades along Polk Street at Turk, Eddy, Ellis, and Geary. Substantial completion on the project has been achieved. A ribbon cutting for this project occurred on March 20, 2019, but the project remains to be closed out.

Operator Convenience Facilities: The project consisted of design and construction of a minimum of nine operator convenience facilities at various locations within the city. Construction was completed at the 20th Avenue and Buckingham site, and at the Fulton and 7th Street site. For the Sunnydale site, the bulb-out, curb ramp, utilities and road paving were completed. The contractor generated a work plan for the final shutdown that aimed to complete all remaining work and signal testing this past July 2019.

Traffic Calming Improvements and Program Implementation: The project consisted of design engineering, legislation, environmental clearance, neighborhood balloting, and construction of 18 traffic calming projects that were accepted as part of the 2014/2015 traffic calming program. The project is now open for use, and SFMTA is working with SFDPW to complete administrative closeout.

Muni Metro Twin Peaks Tunnel Rail Replacement: The project consisted of rail upgrades to bring the Twin Peaks tunnel into a state of good repair. Project includes: replacing track with 115RE rail, composite ties, ballast, and new rail plates and fasteners; replacing the crossover between West Portal and Forest Hill Stations; replacing turnouts; replacing electrified switch machines and track switch controllers and providing a spare switch machine; replacing tie and ballast tracks with direct fixation embedded track; repairing damaged drain line; installing flood lighting; and adding seismic upgrades. The installation of the overhead contact system foundation and the pole infrastructure was completed. The project has been completed and is now open for use.

D. Series 2017 Revenue Bond Funded Programs

On June 7, 2017, \$190.0 million of Revenue Bonds, Series 2017 (2014 Bonds) were allocated to various transportation system, safety, traffic signal, and street and facility improvements. As of June 30, 2019, the 2017 Bonds were allocated to three projects. A total of \$181.9 million were expended and \$7.8 million were encumbered leaving \$30,321 remaining.

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

<u>Project Title</u>	<u>Project Description</u>
Mission Bay Transportation Capital Improvements	Construct a single-track transit loop for the Third Street Light Rail Line (T Line), including adjacent roadway surface improvements on Illinois Street, between 18 th and 19 th 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.
Van Ness Bus Rapid Transit Project	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.
Muni Fleet: LRV Procurement	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.

Fiscal Year 2018 - 2019 project delivery milestones for the 2017 Revenue Bonds include:

Procurement of LRVs: This procurement includes the purchase of 151 Light Rail Vehicles (LRVs) to replace the existing fleet, 24 LRVs to start new revenue service on Central Subway Extension and to handle current demand, and 85 LRVs to accommodate projected ridership increase in the coming ten years. The LRV procurement is underway and 68 expansion vehicles were purchased before replacing 151 Breda cars that were in operation. Completion date of the procurement of the 68 expansion cars is scheduled for July 2021. The first 68 vehicles that SFMTA is procuring for expansion are ahead of schedule. The retirement of the old and unreliable Breda vehicles will begin with the next phase of the LRV procurement and scheduled to be retired on a one for one basis with the new vehicles.

Van Ness BRT 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. Work on Phase 1B

of the project has been started. Sewer and water work are underway, and the full project completion date is scheduled for July 2023.

Section 7. 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 2018 - 2019 there were bond reallocations, and these are described below. Reallocations are numbered sequentially by bond issue irrespective of timing.

Series 2013 Bonds

Reallocation 9: In a memorandum dated August 20, 2019, the SFMTA Board was advised that a total of \$143,366 in project cost savings from the Pedestrian Safety & Traffic Signal Improvements category was redirected to the Street Capital Improvements category and from the Transit System Safety & Other Transit Improvements category to Facility Improvements category.

The SFMTA Board was also advised that in regard to the Pedestrian Safety and Traffic Signal Improvements, a total of \$101,092 was redirected from the Excelsior & South Bernal Areawides and the Safe Routes to School Projects - Tenderloin projects to Bicycle Strategy Capital Projects - Wiggle Neighborhood Green Corridor, Masonic Avenue Streetscape, Traffic Calming Backlog Implementation, and Annual Traffic Calming Removal and Replacement projects.

Lastly, the SFMTA Board was advised that another \$42,274 was redirected from the Transit System Safety & Other Transit Improvements category through the Transit Spot Improvement - Muni Forward - 5 Fulton Outer project to the Operator Restrooms (Operator Convenience Facilities Phase I & Phase II) project.

Section 8. Policies & Procedures

At the September 18, 2018 BOC meeting, SFMTA staff reported that the revised use of revenue bond interest which was reviewed by bond counsel was only to be used under the following conditions:

- Interest allocations would be given to bond funded projects in the same series.
- If projects in the same series did not need funding, then interest allocations would be made to bond funded projects in subsequent series.
- Notifications of allocations of interest would be communicated to the SFMTA Board of Directors and the BOC members by memorandum.

Appendix 1: Fiscal Year 2018 - 2019 Meeting Schedule

Meetings occurred on the following dates at the SFMTA administration building at 1 South Van Ness Avenue, San Francisco. Meeting agendas and minutes of the SFMTA BOC meetings are posted at the following link: <http://sfmta.com/about-sfmta/organization/committees/bond-over-sight-committee-bo>. 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 2018 - 2019 Bond Oversight Committee Meeting Dates

- September 18, 2018
- November 27, 2018
- March 5, 2019
- June 4, 2019

DRAFT