

Downtown Rail Extension (DTX)

Funding Plan – Task Progress Update



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Peninsula Rail Program Executive Steering Committee

February 19, 2021

Outline



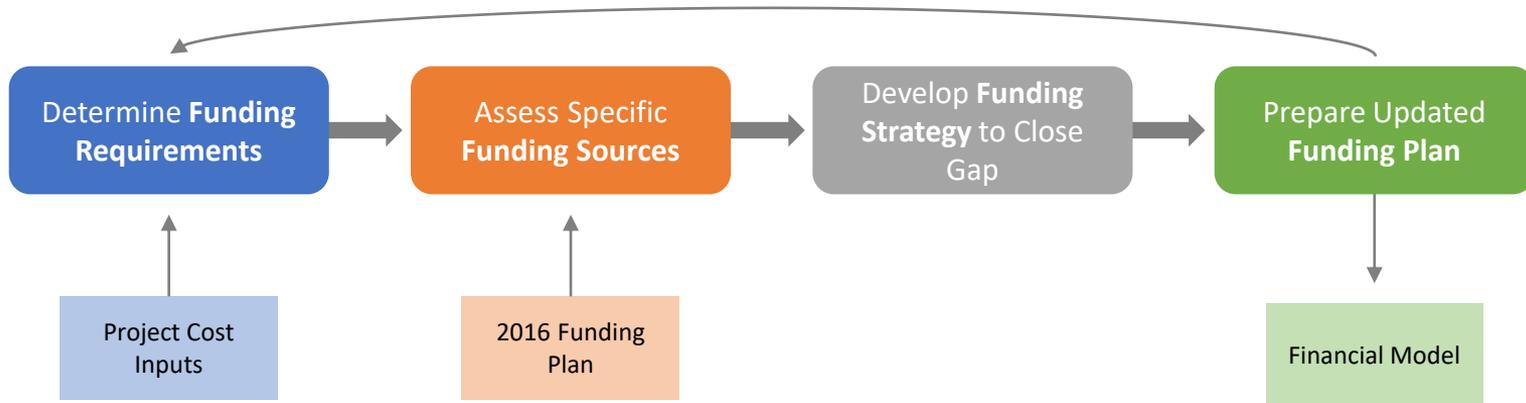
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1. Work Plan Context
2. Review of 2016 Funding Plan
3. Funding Plan Update
4. Upcoming Phases of Project Development
5. Next Steps

DTX Comprehensive Work Plan – Task Scope

Work Plan Task 2.1; MOU Task 13

Objective: Development of a committed project development, construction, and operations funding plan that is consistent with available local, regional, and state sources and meets the requirements for eligibility for the FTA’s CIG Program, including the milestones at the Entry into Engineering, Request for Funding, and Full Funding Grant Agreement submissions



Updated Capital Estimate to Be Prepared



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2016 Cost Estimate

Millions of Year-of-Expenditure \$

Construction	\$1,614
Right-of-Way	\$266
Programwide (soft costs)	\$517
Escalation 5% to midpoint of construction (2023)	\$620
Total Contingency & Program Reserve	\$918
Total Program Cost	\$3,935

- 2016 estimate: reflects then-current labor and material costs
 - Escalated to then-assumed mid-point of construction
 - Based on design understanding as of 2016
- In-progress work program will update capital cost estimate to reflect Phasing Plan and current project timeline

2016 Funding Plan

Source	Amount (\$ millions)
Local & Regional Sources	
San Francisco Prop K Sales Tax	83.0
Future San Francisco Transportation Measure	350.0
San Mateo Measure A Sales Tax	18.9
Regional Measure 2 Bridge Tolls	7.0
Regional Measure 3 Bridge Tolls	325.0
Mello-Roos Impact Fees*	30.7
Mello-Roos Special Tax*	463.8
Tax Increment	270.0
Land Sales Revenue*	45.0
Passenger Facility Charges or Maintenance Contribution	372.3
State Sources	
Transit and Intercity Rail Capital Program	400.0
Regional Transportation Improvement Program	18.1
California High-Speed Rail (Prop 1A)	550.0
Federal Sources	
Federal Alternatives Analysis Grant	1.2
FTA New Starts	1,000.0
Total	3,935.0

- TJPA prepared Funding Plan in 2016, aligned to the 2016 capital estimate
- Reflects funding sources with varying degrees of certainty and commitment
- Funding Plan update to revise forecasts of previously-assumed sources and identify additional sources

2016 Funding Plan – Committed and Un-Committed Funds

Source	Amount (\$ millions)	Notes
Spent or Allocated/Appropriated		
San Francisco Prop K Sales Tax (Previously Allocated)	74.6	Previously Allocated/Appropriated
San Mateo Measure A Sales Tax	18.9	Fully Spent
Regional Measure 2 Bridge Tolls	7.0	Fully Spent
Federal Alternatives Analysis Grant	1.2	Fully Spent
Un-Committed		
FTA New Starts	1,000.0	Subject to Federal Approval
California High-Speed Rail	550.0	Subject to State Approval
Transit and Intercity Rail Capital Program	400.0	Subject to State Approval
Passenger Facility Charges or Other Mechanism	372.3	Subject to CHSRA and/or Caltrain Approval
Future San Francisco Transportation Measure	350.0	Subject to Voter Approval
Committed		
Regional Measure 3 Bridge Tolls	325.0	Current Litigation
Mello-Roos Special Tax*	463.8	Forecast to be Updated
Tax Increment	270.0	Forecast to be Updated
Mello-Roos Impact Fees*	30.7	Forecast to be Updated
Land Sales Revenue	45.0	Contingent on Land Sale
San Francisco Prop K Sales Tax	8.4	Unallocated Portion
Regional Transportation Improvement Program	18.1	Timing and Program Capacity Considerations

Review of 2016 Plan – Initial Assessment & Next Steps (Draft)

(1 of 3)

Source	2016 Funding Plan Amount (\$ millions)	Assessment	Next Steps (Draft for Discussion)
Local & Regional Sources (1 of 2)			
San Francisco Prop K Sales Tax	83.0	<ul style="list-style-type: none"> Approximately \$75M from EP5 has been allocated or appropriated to date for DTX Unprogrammed capacity currently assumed in last year of Prop K strategic plan period Current pressures on Prop K revenues 	<ul style="list-style-type: none"> Work to refine planned call on Prop K funds as part of broader funding strategy for next phases of development Incorporate potential larger asks into sales tax reauthorization measures (planned 2022)
Future San Francisco Transportation Measure	350.0	<ul style="list-style-type: none"> Current plan is to bring forward reauthorization of Prop K in 2022 	<ul style="list-style-type: none"> Work to update potential/planned funding amount and timing of use – staff level work by mid-2021
San Mateo Measure A Sales Tax	18.9	<ul style="list-style-type: none"> Previously planned amount fully spent 	
Regional Measure 2 Bridge Tolls	7.0	<ul style="list-style-type: none"> Previously planned amount fully spent 	
Regional Measure 3 Bridge Tolls	325.0	<ul style="list-style-type: none"> Source at risk due to litigation 	<ul style="list-style-type: none"> Continue to monitor and coordinate with MTC staff Develop funding scenarios that address potential unavailability of RM3 Funds

Review of 2016 Plan – Initial Assessment & Next Steps (Draft)

(2 of 3)

Source	2016 Funding Plan Amount (\$ millions)	Assessment	Next Steps (Draft for Discussion)
Local & Regional Sources (2 of 2)			
Mello-Roos Impact Fees*	30.7	<ul style="list-style-type: none"> Committed source Requires revenue forecast update 	<ul style="list-style-type: none"> TJPA to prepare updated forecast
Mello-Roos Special Tax*	463.8	<ul style="list-style-type: none"> Committed source Requires revenue forecast update 	<ul style="list-style-type: none"> TJPA to prepare updated forecast
Tax Increment	270.0	<ul style="list-style-type: none"> Committed source Requires revenue forecast update 	<ul style="list-style-type: none"> TJPA to prepare updated forecast
Land Sales Revenue*	45.0	<ul style="list-style-type: none"> Committed source Requires revenue forecast update 	<ul style="list-style-type: none"> TJPA to prepare updated forecast
Passenger Facility Charges or Maintenance Contribution	372.3	<ul style="list-style-type: none"> Multiple potential mechanisms for implementation (eg, train slot fee model) 	<ul style="list-style-type: none"> Further options analysis Review and consultation with agencies

Review of 2016 Plan – Initial Assessment & Next Steps (Draft)

(3 of 3)

Source	2016 Funding Plan Amount (\$ millions)	Assessment	Next Steps (Draft for Discussion)
State and Federal Sources			
Transit and Intercity Rail Capital Program	400.0	<ul style="list-style-type: none"> State program that funds capital improvements to modernize intercity, commuter, and urban rail systems Application process and CalSTA approval 	<ul style="list-style-type: none"> Consultation with CalSTA
Regional Transportation Improvement Program	18.1	<ul style="list-style-type: none"> RTIP/STIP has a programming backlog, presenting potential challenges in terms of timing and availability of funds 	<ul style="list-style-type: none"> Keep as planned and committed source Continued discussions with local and regional funding programming staff
California High-Speed Rail	550.0	<ul style="list-style-type: none"> Planned fund source, subject to approval 	<ul style="list-style-type: none"> Consultation with CHSRA/CalSTA
Federal Alternatives Analysis Grant	1.2	<ul style="list-style-type: none"> Previous grant fully spent 	n/a
FTA New Starts	1,000.0	<ul style="list-style-type: none"> Regional priority through Resolution 3434 MTC planning to undertake update to 3434 	<ul style="list-style-type: none"> Continue to affirm regional priority status Consideration for higher New Starts amount, consistent with priority and precedent in other regions Continued coordination with MTC

Funding Plan Update (High-Level Indicative Example)



Source	Potential Amount/Range (\$ millions)
Federal	
FTA New Starts	1,500 - 2,500
State	
Previously Planned State Funds (HSR, TIRCP, RTIP/STIP*)	970
Increased/New/Additional State Sources	100 - 200
Regional	
Regional Measure 3*	325
Other/New Regional Sources	250 - 350
Local	
Previously Planned Dedicated Sources (Prop K, M-R, Tax Inc., Land Sale)	810
San Francisco Local Measure (e.g., Sales Tax Reauthorization)	300 - 400
Increased/New/Additional Local Sources	200 - 400
Total	~4,500 - 5,500

* Previously-committed source, at some risk due to current factors.

Committed and Planned Funds



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~\$1 billion

Committed Funds

- Mello Roos
- Tax Increment
- Land Sales
- RTIP*
- RM3*
- Prop K

~\$3-3.5 billion

Planned
Currently Un-committed Funds

- FTA New Starts
- HSR Program Funds
- TIRCP
- San Francisco Local Measure (e.g., Sales Tax Reauthorization)
- PFCs or Slot Fee

~\$0.5-1.0 billion

Additional Sources
to Close Gap

See next slide

Potential Sources to Close the Gap



- **Local**
 - Updated forecast/allocation for existing dedicated sources
 - New San Francisco measure (e.g., sales tax reauthorization)
 - Other local sources (e.g., impact fees, etc.)
 - Potential future congestion pricing revenues
 - New project-specific sources TBD (e.g., Joint Development, P3)
- **Regional**
 - One Bay Area Grant (OBAG) Program
 - New Regional Measure (e.g., FASTER)
 - Caltrain capital program contribution
 - County-level contribution(s)
- **State**
 - New programming/release of state Cap & Trade funds
 - Other, smaller existing state programs (e.g., SRA, SCC, LPP, etc.)
- **Federal** – consideration of other federal funds or discretionary programs

Project Development Phases



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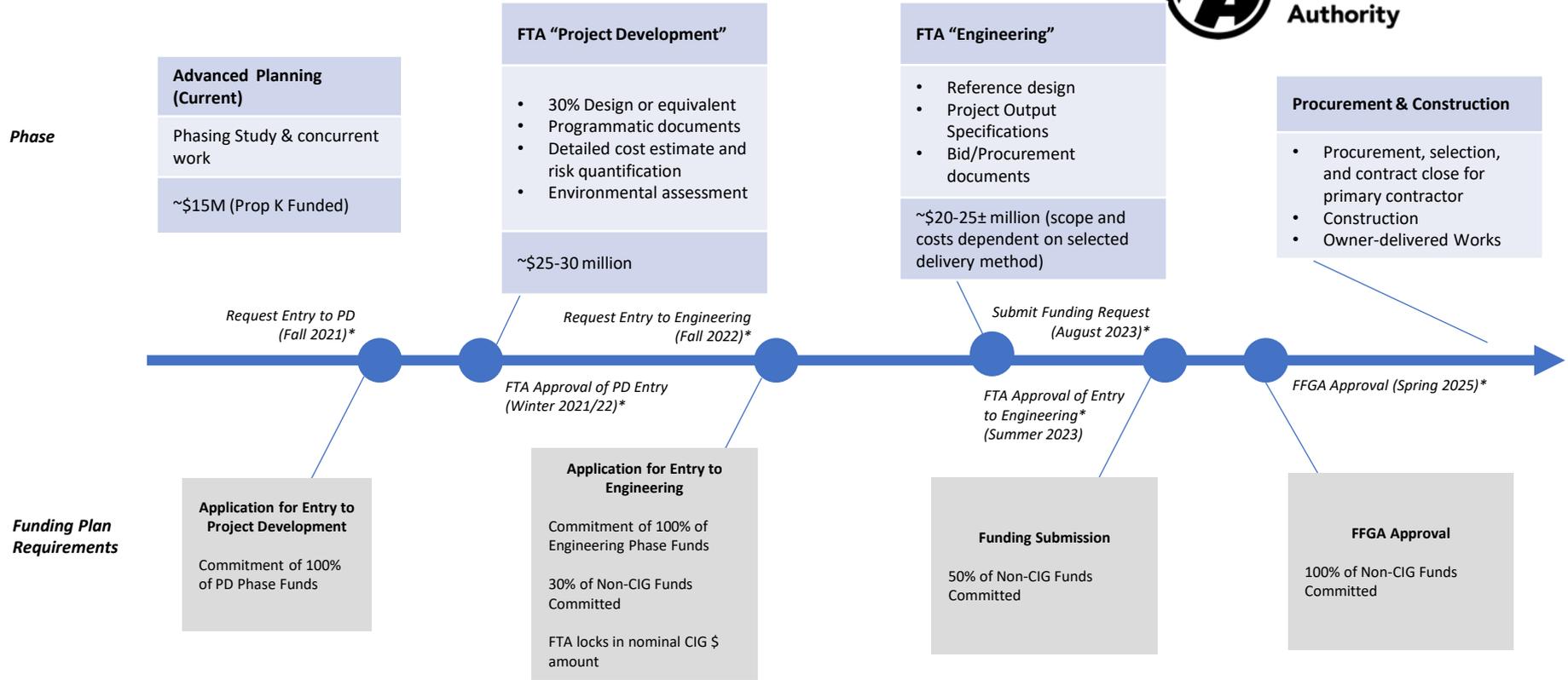


Diagram does not show cost and timing of Advance Works (e.g., right-of-way, utilities, etc.) that could proceed concurrent with future project development phases.

*Dates reflect Accelerated Schedule (Funding Submission August 2023) – TBC

Funding Plan Development – Next Steps



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- Updated working assumptions for costs by phase
- Funding source forecast updates
- Further assessment/definition of additional sources
- Funding scenario and financial analysis
- Schedule Targets:
 - Update “working” Funding Plan / Funding Plan Options by Summer 2021
 - Secure committed funding plan for FTA Project Development phase by Fall 2021

Thank you.

Jesse Koehler
Rail Program Manager



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