

The Portal: Downtown Rail Extension (DTX) Funding Strategy Update

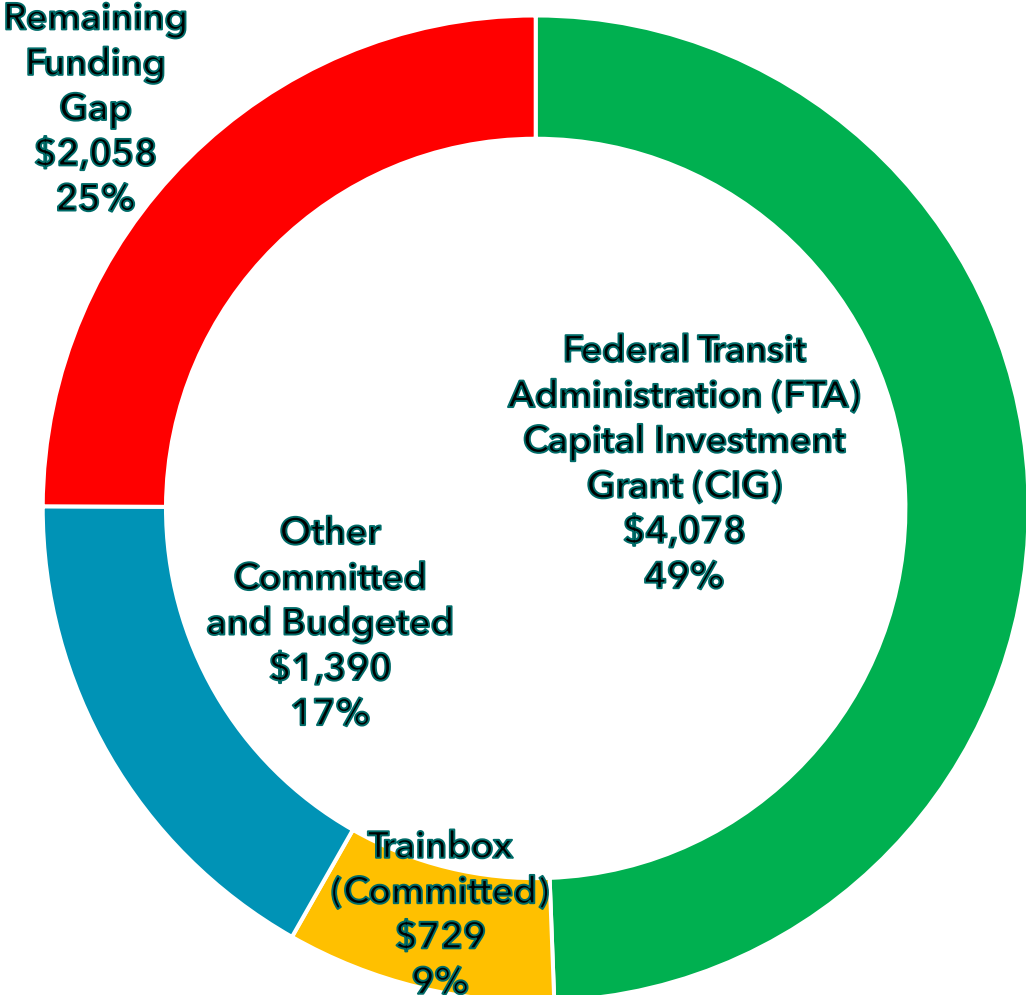
Executive Steering Committee
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San Francisco
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Capital Funding Plan Overview

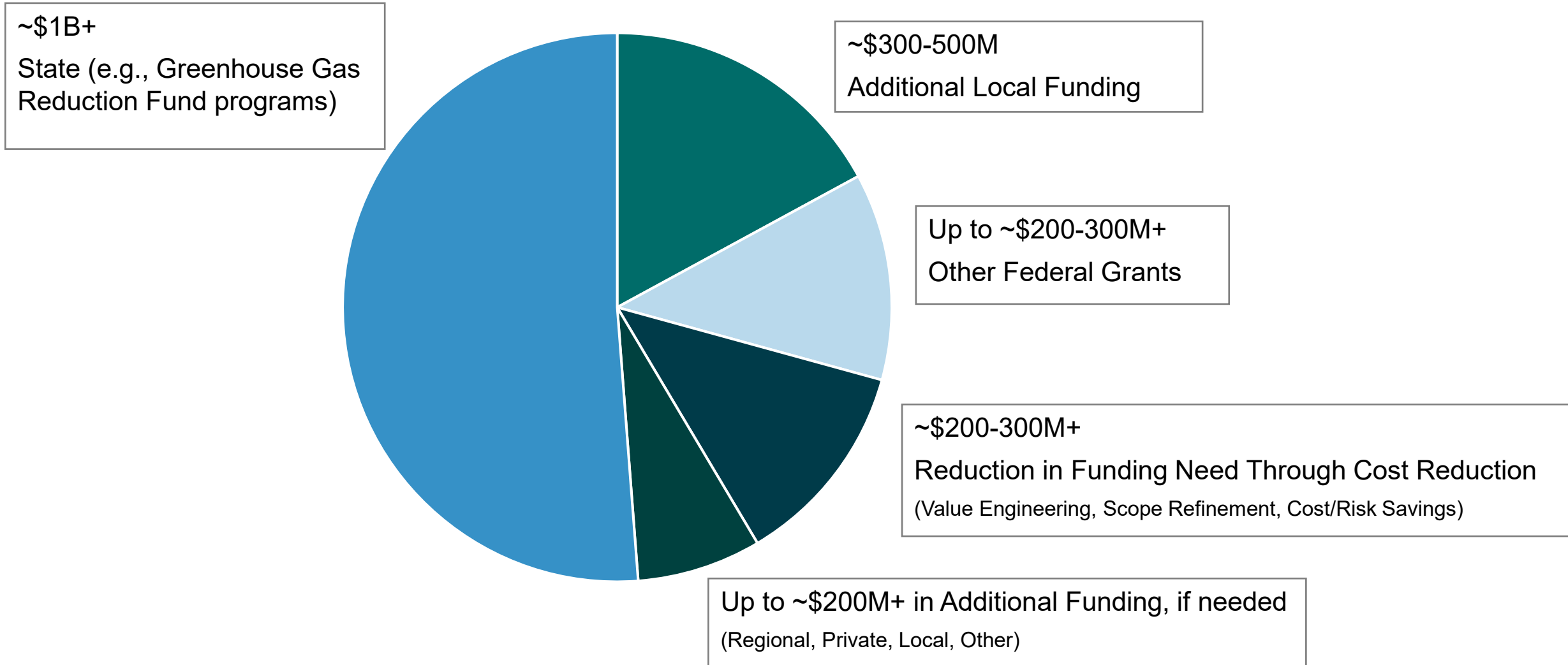
Capital Funding (\$ millions YOE)



CAPITAL COST AND FUNDING	YOE \$, M
CAPITAL COST	8,250
Trainbox	729
The Portal (all other eligible costs)	7,526
PROPOSED FUNDING	
FTA New Starts CIG	4,078
Trainbox (Completed/Committed)	729
Other Committed/Budgeted Funds	1,390
Remaining Funding Gap	2,058
TOTAL FUNDING PLAN	8,250

Note: Figures may not add due to rounding.

Funding Gap Approach



Note: amounts/ranges are indicative and subject to refinement.

State Cap & Trade Program: Greenhouse Gas Reduction Fund

- **California Cap-and-Trade Program**
 - Comprehensive program created by the Legislature to reduce greenhouse gas emissions below 1990 levels by target years
 - First authorized in 2006 through 2020
 - Extended in 2017 through 2030
 - Revenues are variable: range of ~\$3-4B per year in recent years
- **Greenhouse Gas Reduction Fund (GGRF)**
 - Legislatively-created fund for proceeds generated from the sale of cap-and-trade emission allowances
 - Framework for how the proceeds are appropriated and expended

GGRF Program Shares

Program	% or \$ Share
High-Speed Rail	25%
Affordable Housing and Sustainable Communities	20%
Transit and Intercity Rail Capital Program	10%
Low Carbon Transit Operations	5%
Healthy and Resilient Forests	\$200M*
Safe and Affordable Drinking Water	5%, up to \$130M*
Manufacturing Tax Credit	Approx \$70-90M
State Responsibility Area (SRA) Fee Backfill	Approx \$70-90M

* Allocation may be reduced proportionally if annual revenues are not sufficient to support specified amount.

Transit and Intercity Rail Capital Program (TIRCP)

- TIRCP established in 2014
 - *To provide grants to transformative capital improvements that will modernize California’s intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion.*
- Six cycles of TIRCP awards to date (\$10B awarded, on a pay-go basis)
- Expiration of cap-and-trade currently constrains capacity for future cycles of TIRCP funding

EXAMPLE TIRCP PROJECTS	TOTAL PROJECT COST	TOTAL TIRCP (Cycles 1-6)	% OF PROJECT COST
BART Transbay Core Capacity	\$5.1B	\$676M	13%
BART to Silicon Valley Extension Phase II	\$12.2B	\$1,125M	7%
Caltrain Electrification	\$2.4B	\$387M	16%
Inglewood Transit Connector	\$1.6B	\$503M	31%
LA Metro East San Fernando Valley Connector	\$3.6B	\$805M	22%
Metrolink “SCORE” Program	\$2.0B	\$880M	44%
LA Metro System Integration and Modernization	\$5.8B	\$1,090M	19%
The Portal (Planned)	\$8.25B	~\$560-1,000M+	~7-12+%

Key Strategies for The Portal Capital Funding

FEDERAL

- Continue to advance under Federal Transit Administration Capital Investment Grants (CIG) process
- Seek future cycles of non-CIG Federal grant programs (e.g., USDOT/Federal Railroad Administration programs)

STATE

- Extension of cap-and-trade/Greenhouse Gas Reduction Fund (GGRF) past current 2030 expiration
- Work with partner agencies and stakeholders to advocate for GGRF extension
- Seek state commitment for planned HSR investment

REGIONAL

- Bi-partisan Infrastructure Law (BIL) Framework “Mega” endorsement (complete, November 2023)
- Regional engagement/strategy in support of extension of GGRF
- MTC Major Project Advancement Policy (MAP) – seek advancement to MAP Level 1
- Consideration for inclusion in potential future regional revenue measure

LOCAL

- Commitment of known local sources (e.g., Plan Area funds)
- Development of new/expanded local sources (e.g., Tax Increment Extension, additional Dev Contributions, etc.)
- Adoption of further value engineering concepts to reduce cost

Addressing the Funding Gap: Key Priorities for 2024

- Cap-and-Trade / Greenhouse Gas Reduction Fund (GGRF):
 - Advocate for state legislation to extend cap-and-trade/GGRF (target: advance process within 2024 session)
 - Engage with state and other partners on state-level funding for the project (ongoing)
- Cost Reduction / Value Engineering (VE):
 - Bring forward developed VE concepts for decision (target: Spring 2024)
 - Assess further potential VE/cost reduction opportunities (target: Fall 2024)
- Local Funding:
 - Convene Local Funding Working Group to develop local sources (target: recommendations brought forward Fall 2024)
 - Establish new/expanded local funding sources (target: by December 2024)

Thank You. Questions?



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