Transbay Downtown Rail Extension Project
San Francisco, California
New Starts Project Development
(Rating Assigned February 2024)

Summary Description	
Proposed Project:	Commuter Rail
	2.2 Miles, 2 Stations
Total Capital Cost ($YOE):	$8,254.79 Million (Includes $375.4 million in finance charges)
Section 5309 CIG Share ($YOE):	$4,077.86 Million (49.4%)
Annual Operating Cost (opening year 2035):	$50.80 Million
Current Year Ridership Forecast (2023):	16,500 Daily Linked Trips 5,130,400 Annual Linked Trips
Horizon Year Ridership Forecast (2045):	48,000 Daily Linked Trips 14,111,000 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium-High

Project Description:
The Transbay Joint Powers Authority (TJPA) proposes to extend the Caltrain commuter rail line from its current terminal station at Fourth and King Streets to the multi-modal Salesforce Transit Center in downtown San Francisco. The Project includes construction of the underground guideway using both cut and cover and mined tunneling methods, tunnel ventilation, emergency egress, and two underground stations. The project also includes installation of train control, signals, traction power subs stations, communication system, and retrofitting 23 of Caltrain's Electric Multiple Unit trainsets and several non-revenue maintenance vehicles. Service on the project is planned to operate from 4:30 am to 1:30 am on weekdays, and from 6:00 am to 1:30 am on weekends with trains every 10 to 15 minutes during weekday peak periods and every 30 minutes during off-peak periods and weekends.

Project Purpose: The TJPA believes that the Project will improve public access to bus and rail services in the core of San Francisco Downtown and accommodate projected growth in travel demand in the San Jose–San Francisco corridor. Additionally, the Project will connect Caltrain's regional rail system to the California High-Speed Rail Authority's statewide rail system at the Salesforce Transit Center.

Project Development History, Status and Next Steps: The locally preferred alternative (LPA) was selected in March 2003, and NEPA was completed with a Record of Decision (ROD) in February 2005. FTA amended the ROD in July 2019 and completed an environmental re-evaluation in June 2023. The LPA was adopted into the region's fiscally constrained long range transportation plan in October 2021. The project entered New Starts Project Development in December 2021. The TJPA expects to enter the Engineering phase in spring 2024, receive a Full Funding Grant Agreement in 2025, and initiate revenue service in 2035.

Locally Proposed Financial Plan		
Source of Funds	**Total Funds ($million)**	**Percent of Total**
Federal:		
Section 5309 CIG	$4,077.86	49.4%
Other Federal Grants	$608.79	7.4%
American Recovery and Reinvestment Act of 2009 (ARRA)	$400.00	4.8%
U.S. Department of Transportation FY23 National Infrastructure Project Assistance (MEGA) Grant Program	$113.80	1.4%
Federal Railroad Administration (FRA) FY22 and FY23 Federal-State Partnership Grant Program	$97.34	1.2%
FRA FY23 Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant Program	$29.88	0.4%
State:		
Transit and Intercity Rail Capital Program (TIRCP)	$560.00	6.8%
California High Speed Rail Authority (CHSRA) Construction and Engineering Support	$553.00	6.7%
Regional Transportation Improvement Program (RTIP)	$17.85	0.2%
Local:		
Transbay Transit Center Community Facilities District (CFD) revenues, bond proceeds, and reimbursements.	$354.39	4.3%
Non-Federal Share for ARRA grant	$328.52	4.0%
Regional Measure 3 Toll Revenue	$325.00	3.9%
Proposition L San Francisco Transportation Sales Tax	$300.00	3.6%
Central South of Market (SOMA) CFD Impact Fees	$155.00	1.9%
Transbay Redevelopment Property Tax Increment, Bond Revenue	$127.27	1.5%

Locally Proposed Financial Plan		
Source of Funds	**Total Funds ($million)**	**Percent of Total**
Transbay Redevelopment Property Tax Increment, Additional Tax Increment	$97.50	1.2%
Proposition K San Francisco Transportation Sales Tax	$21.59	0.3%
Transit Center District Plan Developer Impact Fees	$16.00	0.2%
Caltrain Capital Contribution – Engineering	$3.00	0.0%
Private Sector/Other: Formerly State-Owned Parcels Land Sales	$68.00	0.8%
Total:	**$8,254.79**	**100.0%**

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

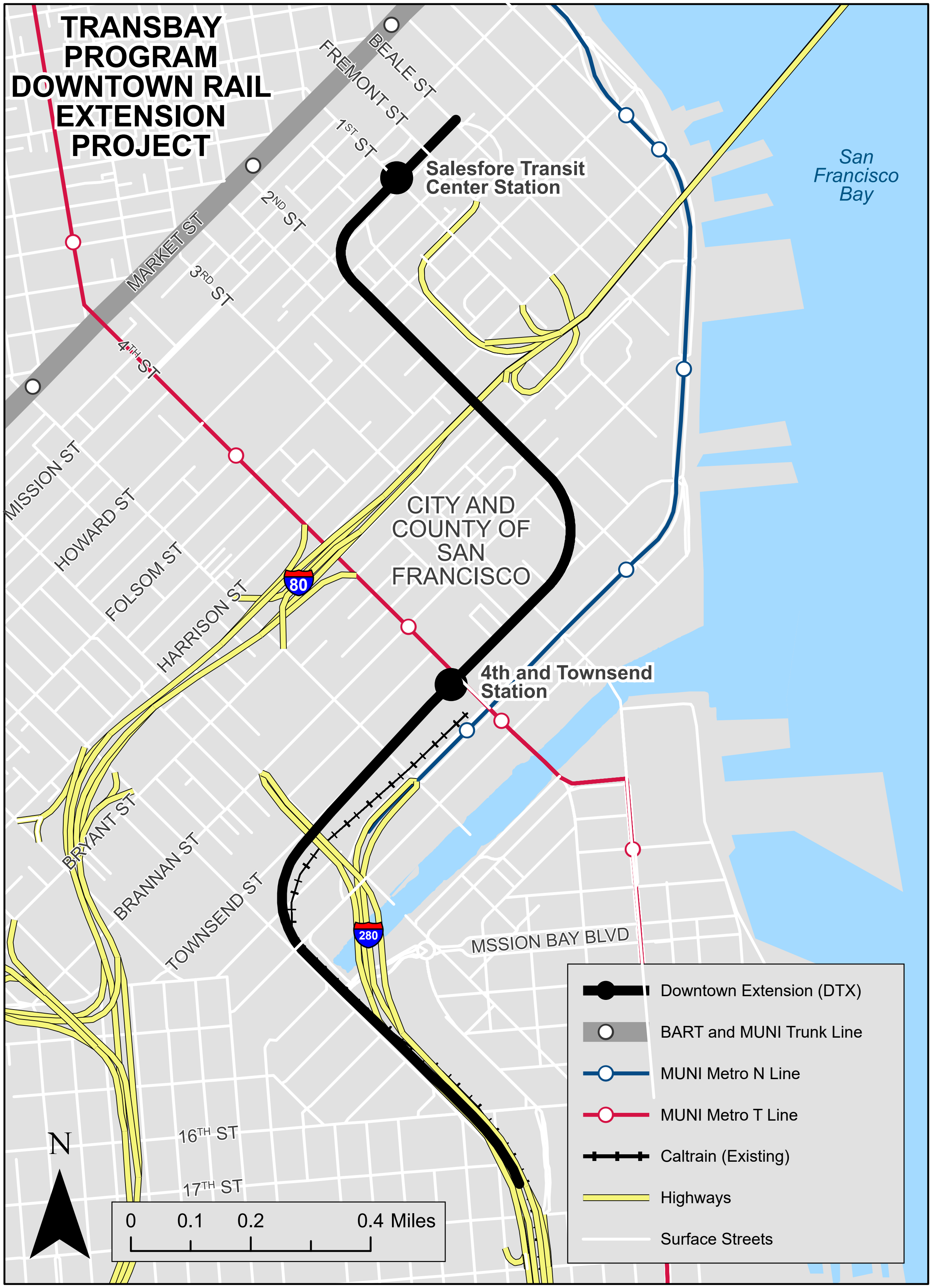
California, San Francisco, Transbay Downtown Extension (DTX) Project (Rating Assigned February 2024)

Factor	Rating	Comments
Local Financial Commitment Rating	**Medium-High**	
Non-Section 5309 CIG Share	**+1**	• The CIG share of the overall project is 49.4 percent.
Summary Financial Plan Rating	**Medium**	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium	• Neither the project sponsor, the Transbay Joint Powers Authority (TJPA), nor the operator of the Project, Caltrain, provide bus service. • No bonds have been issued for TJPA in the past two years. • TJPA's current ratio of assets to liabilities as reported in its most recent audited financial statement is 1.2 (FY2022). • There were no service cutbacks in recent years for Caltrain. • There were no recent cash flow shortfalls for either TJPA or Caltrain
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	Medium-High	• Approximately 41 percent of the non-Section 5309 CIG capital funds are committed or budgeted, and the rest are considered planned, uncertain or unspecified. Federal sources include expended funds from the American Recovery and Reinvestment Act of 2009 (ARRA), U.S Department of Transportation MEGA Grant funds, Federal Railroad Administration (FRA) Federal-State Partnership funds, FRA Consolidated Rail Infrastructure and Safety Improvement (CRISI) funds, and $609 million in unspecified federal funds. State sources include State Transit and Intercity Rail Capital Program (TIRCP) funds, a set of funding contributions from the California High Speed Rail Authority, and a sales tax transfer from the California Regional Transportation Improvement Program. Local sources include project specific special taxes and bonds from the Transbay Community Facilities District (CFD), an existing Regional Measure 3 toll tax, a contribution from Caltrain for the capital cost of the project, previously received matching funds to the ARRA grant, a voter-approved half cent sales tax from Proposition L, a voter approved half-cent local sales tax from Proposition K, property taxes from the City of San Francisco's Transbay Redevelopment plan, impact fees from the Transit Center District Plan, impact fees from the South of Market street (SOMA) Community Facilities District and revenues from a set of land sales of TJPA property. • Approximately 50 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned, uncertain or unspecified. There are no anticipated Federal Sources of operating funds. State sources of operating funds include: annual toll revenue allocations from both

		Regional Measure 2 and Regional Measure 3; a statewide annual operating grant funded by diesel fuel sales tax; unnamed regional grants and bridge toll revenue. Local sources include: farebox revenue; voter-approved Measure RR regional retail taxes collected in the City of San Francisco, San Mateo County, and Santa Clara County; AC Transit Capital Contributions; Joint Powers Board member funding; bus storage facility revenue; parking revenue; shuttle revenue and Caltrain rental income; non-transit income including advertising income, interest earnings and permit fees; host licensing fees, an annual direct payment from the East Cut Community Benefit District Park; interest earnings from Salesforce Park; TJPA facility lease payments; TJPA general revenue including from naming rights, retail revenue sponsorship/events, investment interest, and antenna licensing fees, miscellaneous earnings, and unspecified additional operating revenue sources.
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium-Low	• Assumed growth in capital revenues is reasonable compared to recent historical experience. • The capital cost estimate is reasonable. • Assumed growth in multiple operating revenue assumptions are optimistic including Transit Center Rental retail revenue, advertising revenue, other unnamed regional grants, forecasted miscellaneous earnings, and unidentified operating funds. Assumed growth in other operating revenues are reasonable compared to recent historical experience including farebox collections, parking revenue, shuttle revenue, Measure RR funds, Caltrain rental income, Caltrain other income, sales tax revenues, annual East Cut CBD Park Reimbursements, TJPA Lease and Use payments, AC Transit Capital Contributions and Bus Storage Facility revenue, Transit Center Sponsorship/Events, projections, host licensing fees, interest earnings from Salesforce Park, naming rights, investment interest, California’s Assembly Bill 434 local Peninsula & TA Shuttle Funding sources. Assumed growth for annual statewide operating grants, Caltrain overall farebox revenue, and Joint Powers Board member funding are conservative compared to recent historical experience. • Operating cost estimates are reasonable. • TJPA does not have access to funds via additional debt capacity, cash reserves, or other committed funds to cover unexpected cost increases or funding shortfalls.

Transbay Program Downtown Rail Extension
San Francisco, California
New Starts Project Development
(Rating Assigned May 2023)

LAND USE RATING: HIGH
The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county. • Average population density within one-half mile of the station areas is 26,288 persons per square mile, corresponding to a HIGH rating. An estimated 404,017 jobs would be served by the project (one-seat ride), which corresponds to a HIGH rating. Average daily parking fees in the station areas are $44, which rates HIGH. The ratio of station area to county LBAR housing is 2.20, corresponding to a MEDIUM-HIGH rating.
ECONOMIC DEVELOPMENT RATING: MEDIUM-HIGH
Transit-Supportive Plans and Policies: Medium-High
• *Growth Management:* Plans recommend focusing density near transit. The Bay Area has existing urban growth boundaries and plans recommend maintaining them. • *Transit-Supportive Corridor Policies*: The Transbay Redevelopment Plan (2006) led to consolidated properties, aligned development priorities, and envisioned high-density development in the area surrounding the Salesforce Transit Center in downtown San Francisco. • *Supportive Zoning Near Transit Stations:* The station areas are zoned to ensure high-density development that encourages a mix of uses, quality pedestrian space, and ground floor retail activity. Zoning codes do not require off-street parking for any land use. • *Tools to Implement Land Use Policies:* The City consolidated multiple acres and parcels adjacent to the Salesforce Transit Center. The station areas are now being privately developed and will include specific public benefits, such as deed-restricted affordable housing and high-quality streetscapes. A tax-increment finance (TIF) district was established to capture tax revenues generated by redevelopment.
Performance and Impacts of Policies: High
• *Performance of Land Use Policies:* Twenty buildings taller than 400 feet have been constructed south of Market Street since 2002, within two blocks of the Salesforce Transit Center. As of June 2021, more than 2,600 new units of housing have been built on six separate Transbay Redevelopment Plan blocks. Another 1,100 units are planned to be built within two more large blocks. • *Potential Impact of Transit Investment on Regional Land Use:* The total population within the station areas is projected to increase by 32% between 2019 and 2039, compared to a 22% projected population increase in the metropolitan area during the same period. In addition to the continued development of this downtown area around the Salesforce Transit Center, the broader SoMa area is rapidly developing, especially in the vicinity of Caltrain’s current terminus and the future Fourth and Townsend Street Station. Existing light industrial developments and low-density development within the project area are zoned for future medium- and high-density development.
Tools to Maintain or Increase Share of Affordable Housing: Medium
• The City of San Francisco operates multiple programs that provide downpayment loans to increase homeownership among low- and middle-income households, including the Downpayment Assistance Loan Program, City Second Loan Program, and the Teacher Next Door Program. The City’s Inclusionary Housing Program requires residential projects with 10 or more units to pay an Affordable Housing Fee, or to provide a percentage of units as affordable (either on-site or off-site). Funding and implementation for affordable housing is administered by the Mayor’s Office of Housing and Community Development (MOHCD), the Office of Community Investment and Infrastructure, and the San Francisco Planning Department. The MOHCD preserves approximately 16,900 units for low-income renters with Low Income Housing Tax Credits. Additionally, the State of California’s Regional Household Needs Assessment (RHNA) mandates the City to provide 82,069 affordable housing units during the period 2023-2031.


TRANSBAY PROGRAM DOWNTOWN RAIL EXTENSION PROJECT
Salesfore Transit Center Station
4th and Townsend Station
CITY AND COUNTY OF SAN FRANCISCO
San Francisco Bay
BEALE ST
FREMONT ST
1ST ST
2ND ST
3RD ST
4TH ST
MARKET ST
MISSION ST
HOWARD ST
FOLSOM ST
HARRISON ST
BRYANT ST
BRANNAN ST
TOWNSEND ST
MSSION BAY BLVD
16TH ST
17TH ST
80
280
N
0 0.1 0.2 0.4 Miles
Downtown Extension (DTX)
BART and MUNI Trunk Line
MUNI Metro N Line
MUNI Metro T Line
Caltrain (Existing)
Highways
Surface Streets