



**SFMTA**

# **FY27-FY31 5-Year Capital Improvement Program**

## **FY27-FY28 2-Year Capital Budget**

Capital Planning Committee | May 18, 2026

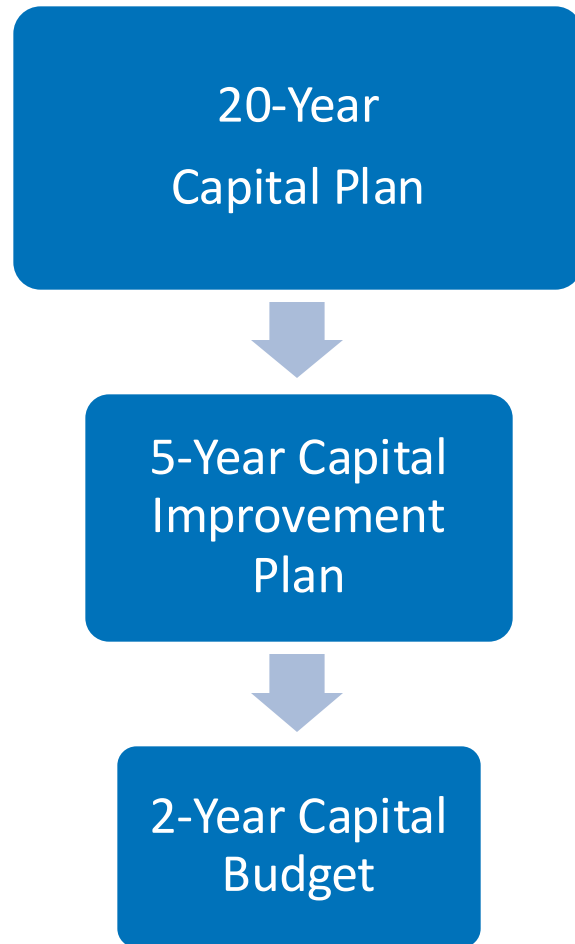
# Background

The SFMTA Capital Improvement Program (CIP) is a five-year investment plan that is reassessed on a rolling two-year basis.

The CIP describes funding across five major investment areas.



# Capital Planning Process



The capital planning process is a multi-year process where decisions are executed over years, or in the case of larger projects, decades.

# Capital Plan

- Reflects a financially unconstrained analysis of the SFMTA's capital needs over the next 20 years
- Rates capital needs against criteria that reflect SFMTA's values
- Includes a list of potential investments with project description, timeline, and cost estimate
- Approved by SFMTA Board November 16, 2021
- Updated by staff and reviewed by SFMTA Board December 5, 2023



# Capital Budget & CIP Context

- The SFMTA relies primarily on external grants to fund CIP
  - Only \$379M (15%) of CIP is from city-generated sources
  - \$2.1B (85%) is from Federal, State, and Local grants
- Largest city-generated source is the Population Baseline General Fund Transfer (\$320M). Per statute:
  - 75% is to be spent on Muni to improve the system's reliability, frequency of service, capacity, and state of good repair
  - 25% is to be used for transportation capital expenditures to improve street safety for all users
  - Pre-pandemic, this source was fully allocated to capital. Since the pandemic, this source is partially allocated to operations (\$25M)
- Aside from marginal uses for projects otherwise ineligible or unable to compete for external grants, no enterprise revenues are used to support capital program

Fund Source	FY27-FY31 Revenue (\$M)	Percent of Total
Federal Formula Funds	\$ 1,000	40%
Competitive Grants	618	25%
Population Baseline General Fund Transfer	320	13%
Prop L Sales Tax	243	10%
Regional/State Formula Funds	159	6%
Misc. Funds	103	4%
General Obligation Bond	32	1%
Operating Funds	9	1%
Developer Fees	12	<1%
Revenue Bond	6	<1%
<b>Total</b>	<b>\$ 2,504</b>	<b>100%</b>

# FY26-27 and FY27-28 Capital Budget

Revenue Source	FY26-27 (\$M)	FY27-28 (\$M)
Federal Formula Funds	186	215
Competitive Grants	239	150
Population Baseline General Fund Transfers	64	64
Prop L Sales Tax	74	31
Regional/State Formula Funds	18	60
Misc. Funds	28	25
General Obligation Bond	32	0
Operating Funds	8	0
Developer Fees	6	0
Revenue Bond	1	1
<b>Total</b>	<b>655</b>	<b>546</b>

*Note: Columns may not sum to total row due to rounding.*

# FY27-FY31 Capital Improvement Program (CIP)

- Total programming for FY27-FY31 CIP is \$2.5B (1.4% lower than prior CIP)
- 2-year capital budget for FY26-27 & FY27-28 is approximately \$1.2B and includes:
  - approx. \$655 million in FY26-27
  - approx. \$546 million in FY27-28
- 76% (\$1.9 billion) of the total CIP funds state-of-good repair (SGR) projects
  - To meet ongoing needs, the SFMTA would need to invest more than \$4.6 billion in SGR projects in this 5-year CIP
  - The funding gap of \$2.7 billion will increase SFMTA's existing \$5.5B SGR backlog

# Capital Investment Areas

These investment areas demonstrate how our capital projects improve conditions for our riders, street users, employees, and anyone who drives, walks, or rolls in San Francisco

# Capital Investment Areas

## Reinvest in the System



*Projects that are primarily or fully focused on improving state of good repair.*

*Photo: Cameron Beach Yard Fix-It Week*

## Optimize Services



*Projects primarily focused on improving service, allow for more efficient delivery.*

*Photo: L Taraval Improvement Project*

## Expand Capacity



*Projects to add new infrastructure or assets, or that facilitate increases in service levels.*

*Photo: Chinatown Station, Central Subway*

# Capital Investment Areas

## Improve Street Safety



*Projects to improve roadway safety for all street users, make it easier for people to access multimodal transportation options, and make other roadway improvements.*

*Photo: Geary Blvd Pedestrian Signal*

## Enhance Safety & Security

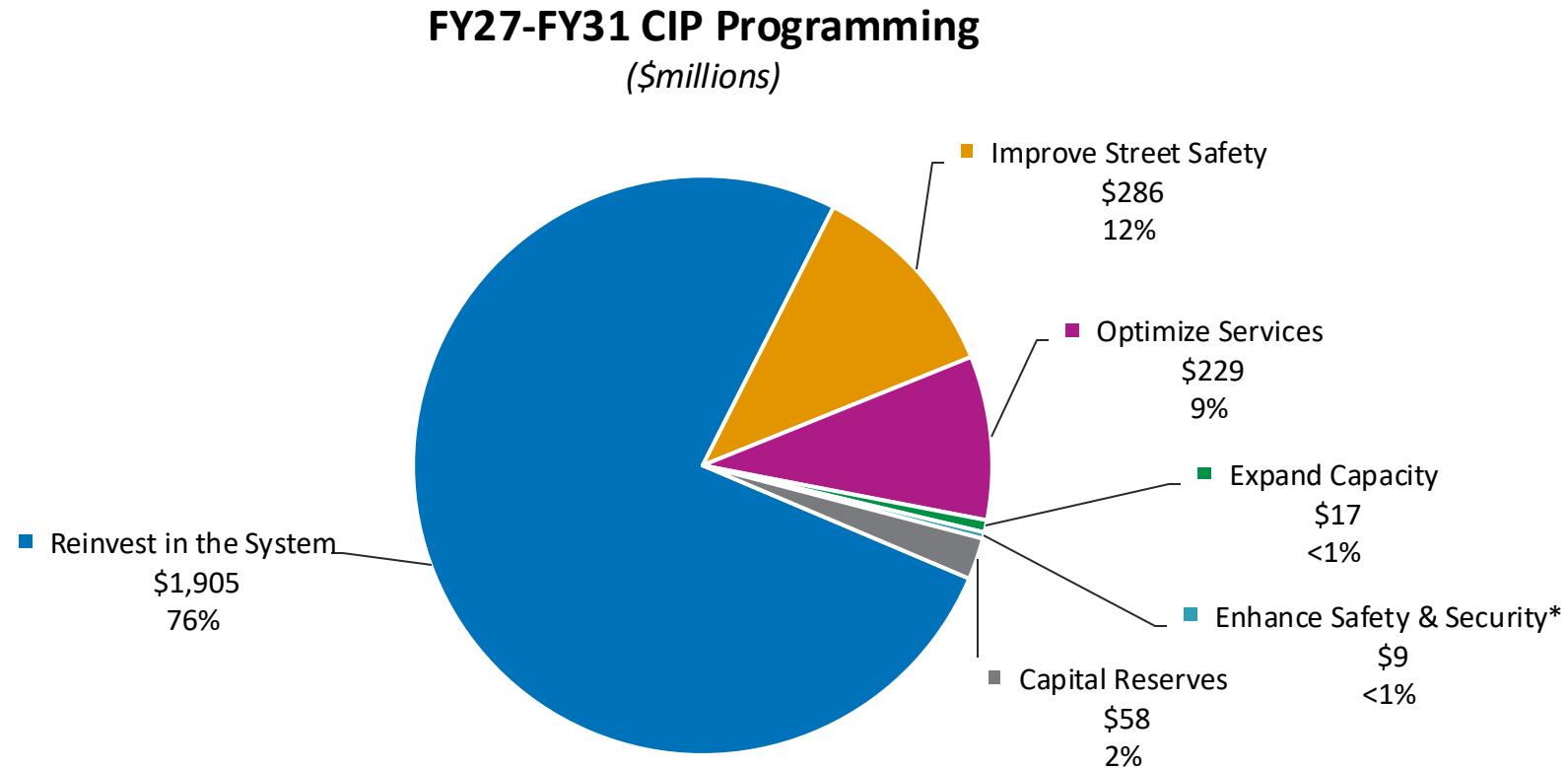


*Projects focused on safety and security of riders, employees, and the SFMTA's built infrastructure.*

*Photo: MuniSafe Day Out*

# Capital Investment Areas

CIP focuses on state of good repair projects, *Reinvest in the System (75%)*, followed by *Improve Street Safety (11%)* and *Optimize Services (9%)*.



\*The Enhance Safety & Security investment amount reflects only projects that have a primary purpose of enhancing safety and security. An additional 23 projects in other CIP investment areas with \$614 million of programming also contribute to enhancing safety and security, which is a priority across the capital program.

## Major Projects & CIP Investment Amounts

The 5-Year CIP invests \$1.9B into projects that rebuild, renovate, or replace aging and/or outdated equipment to keep the city's transportation system in a state of good repair to ensure safe, reliable operations and reduce the risk of failures and hazards for all system users. Two major projects include:

- **Train Control System Upgrade | \$496M**

Replaces legacy rail signaling with a modern system to improve reliability, increase capacity, and enhance safety across the Muni Metro network. Total project cost is \$700M through FY34.

- **Light Rail Vehicle Quarterlife Overhaul Ph 1 | \$111M**

Rehabilitates up to 157 Siemens light-rail vehicles through comprehensive repairs and system upgrades, extending fleet life, improving reliability and passenger comfort, and establishing the first phase of a long-term lifecycle management program. Total project cost is \$458M through FY45.



## Major Projects & CIP Investment Amounts

The 5-Year CIP invests \$229M into optimizing service, focusing on projects that improve service delivery to make the transportation system more efficient, resulting in enhanced reliability and reduced delays, helping to minimize unsafe conditions caused by congestion, crowding, and unpredictable travel patterns. Two major projects include:

- **22 Fillmore: Fillmore St Transit Priority Project | \$30M**  
Delivers corridor improvements along Church and Fillmore Streets to reduce travel times, improve reliability, and enhance safety through stop optimization, roadway changes, and pedestrian upgrades. Total project cost is \$34.4M through FY32.
- **M & J Transit and Safety Project (Ocean View & San Jose Ave) | \$19M**  
Improve reliability and travel times by implementing various enhancements throughout the corridors, such as traffic signals, transit stop placement optimization, pedestrian improvements, and other improvements. Total project cost is \$31.9 through FY29.



# Expand Capacity

## Major Projects & CIP Investment Amounts

The 5-Year CIP invests \$17.2M into expanding capacity, focusing on projects that grow or expand the system to accommodate future transportation demand via increased service, helping to reduce vehicle congestion and conflicts on city streets, improving safety for pedestrians, cyclists, and all roadway users. Two major projects include:

- **Muni Metro Modernization Program | \$6.7M**

Planning and design of targeted infrastructure and operational upgrades to support higher-capacity Muni Metro service and reduce overcrowding, including platform expansions, terminal improvements, and transit priority enhancements. Total project cost is estimated at \$1.2B through FY45.

- **M Oceanview & J Church Accessible Platforms | \$1.2M**

Designs and constructs new platforms and ramps at eight surface stops to improve accessibility and reduce stop spacing gaps for customers with mobility-impairments. Total project cost is \$5.9M through FY28.



## Major Projects & CIP Investment Amounts

The 5-Year CIP invests \$286M into improving street safety, focusing on projects that make it easier for people walking, biking, or rolling to access multimodal transportation options. These investments reduce collisions and create safer, more predictable conditions for pedestrians, cyclists, transit riders, and drivers.

Two major projects include:

- **Central Embarcadero Enhancement Project | \$10M**

Advances design and implementation of signal, curb, and bikeway upgrades between Bryant Street and Broadway to enhance safety, accessibility, and multimodal connectivity along the corridor. Total project cost is \$14.4M through FY29.

- **Lincoln Way Traffic Signals Project | \$3.8M**

Advances design of new signals and related infrastructure at 45th Avenue and La Playa Street to improve safety, right-of-way allocation, and improve circulation following Great Highway access changes. Total project cost is \$4.3M through FY30.



# Major Projects & CIP Investment Amounts



The 5-Year CIP invests \$8.6M into enhancing safety and security, focusing on projects that improve safety and security of riders, employees, and the SFMTA's built infrastructure. These projects deter unsafe behavior, improve visibility, and strengthen the safety and security of riders, employees, and the overall system. Two major projects include:

- **Security Hardening for SFMTA Facilities & Yards | \$4M**  
Installs modern security systems and infrastructure across SFMTA facilities to improve safety for staff and protect critical assets. Total project cost is \$3.4M through FY28.
- **Bus Stop Lighting Improvement Project | \$2.4M**  
Pilots and expands lighting improvements at transit stops to enhance safety and customer experience in underserved communities while establishing systemwide lighting standards. Total project cost is \$7.9M through FY31.

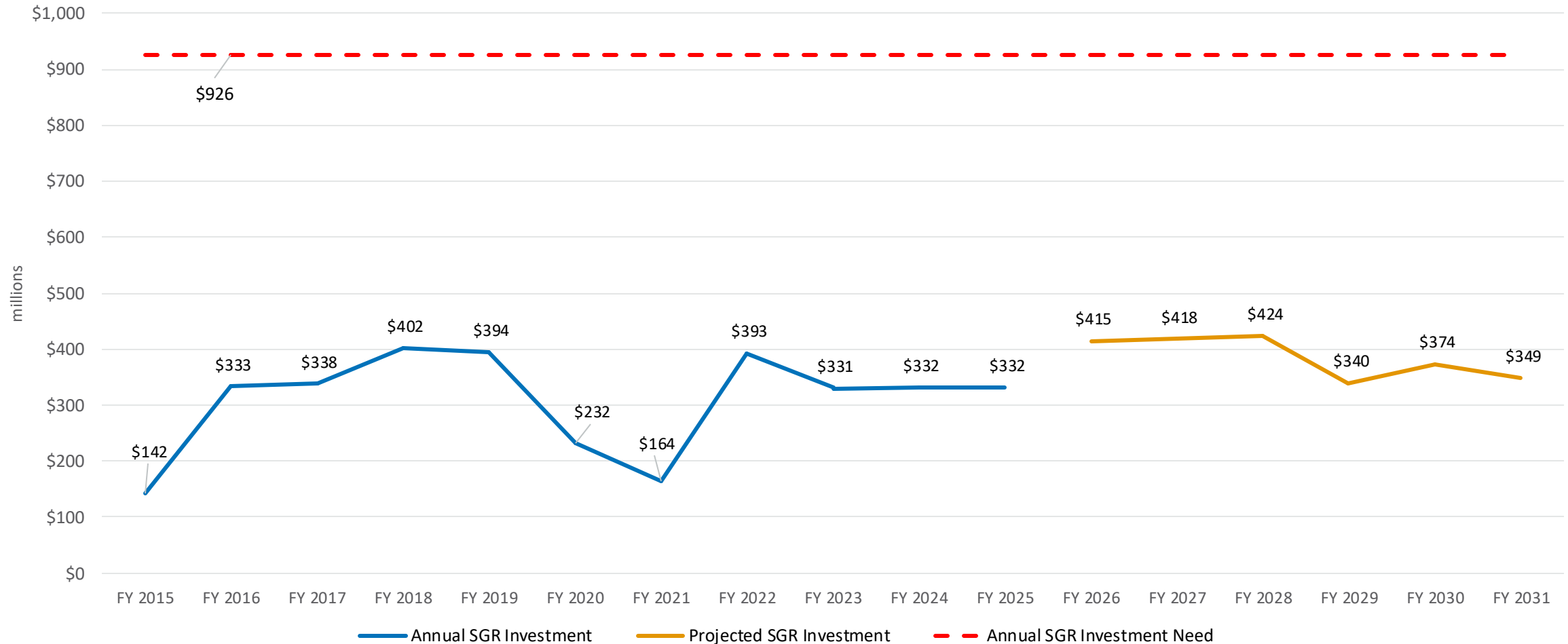
**SFMTA needs additional capital funding to make critical investments, maintain existing assets in state of good repair, and reduce operating costs.**

# Systemwide State of Good Repair

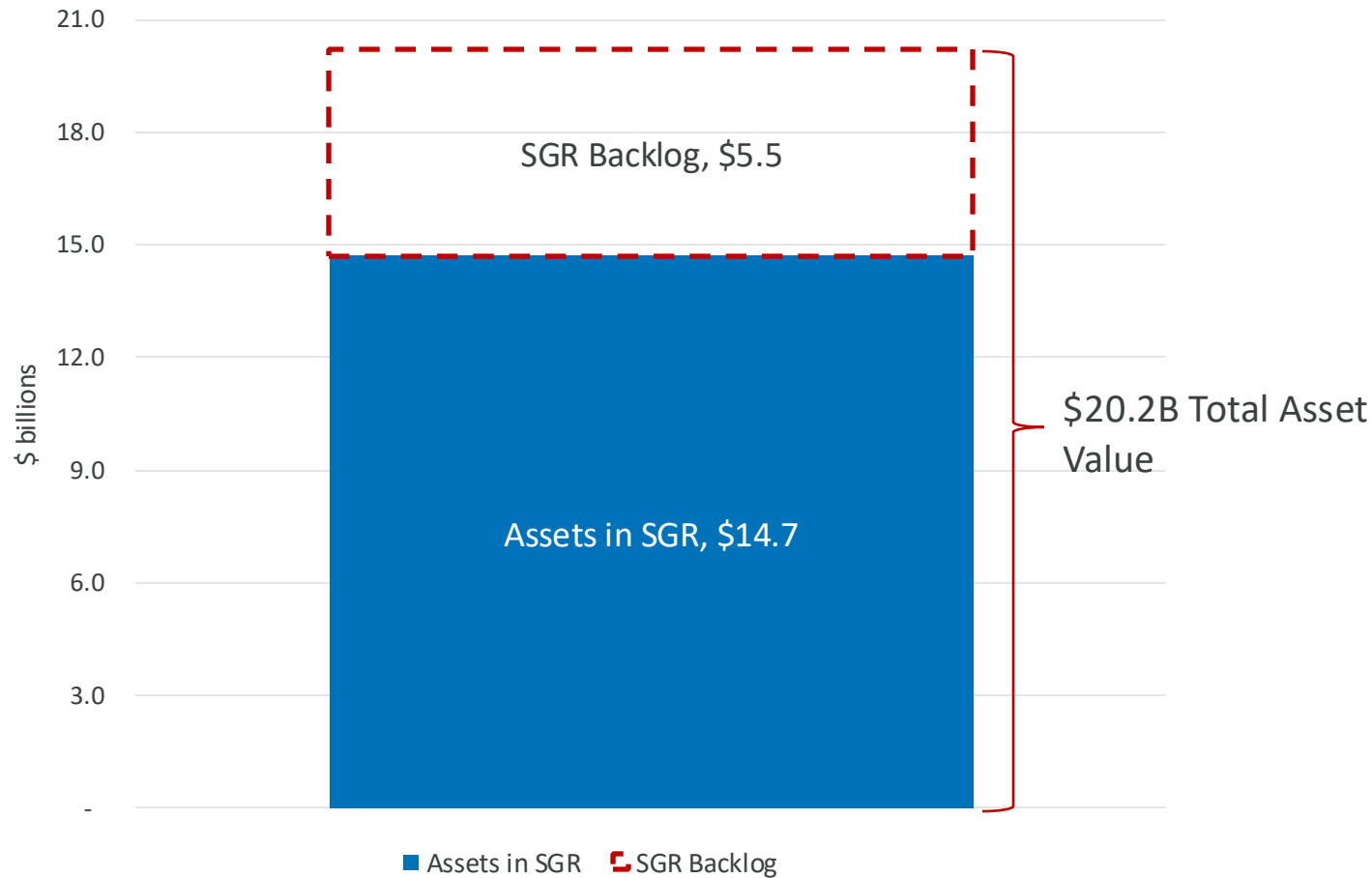
- The SFMTA has an annual state of good repair investment need of nearly \$1B and a \$5.5B backlog.
- CIP prioritizes the agency's most critical needs, those that impact service delivery, safety, and reliability.
- This CIP makes strategic investments within a constrained budget, working to deliver projects in the most efficient and cost-effective way.
- Two current mega projects—Train Control System Upgrade Project and the Potrero Yard Reconstruction Project—demonstrate innovative project delivery and opportunities to apply learning to future projects.

# State of Good Repair Needs vs Investments

Long-standing underinvestment has led to 5.5B backlog.



# State of Good Repair Need & Backlog



- SFMTA has a total Asset Value of \$20.2B
- Nearly 73% of assets by value are in “Good” state of repair
- State of Good Repair backlog is \$5.5B
  - CIP invests \$1.9B in SGR
  - \$2.7B SGR need is unfunded
  - Nearly \$1B needed to achieve systemwide state of good repair

Source: 2024 State of Good Repair Report.

Note: Amounts in 2024 dollars and does not include inflation/escalation

# Unmet priority investment needs

- **Track, Switches, Crossovers, and other Muni Metro Infrastructure**
  - Market Street Subway – track replacement and other SGR needs for traction power substations and fire/life safety systems
  - Special Trackwork for Duboce Portal – critical trackwork that enables N Judah and J Church service
  - N Judah – full replacement of track from the west portal of the Sunset Tunnel in Cole Valley to Ocean Beach
- **Twin Peaks Tunnel Structure**
  - Significant investment in this 100+ year old asset
- **Cable Car Infrastructure**
  - Historic asset with tourism draw last renewed in 1980s
- **Bus Electrification**
  - Facility and vehicle investment needed to meet city and SFMTA climate goals and state’s zero-emission bus purchase mandate

Staff creating 10-year Capital Plan to bridge existing 5-year CIP and 20-year Unconstrained Capital Plan and aligning SFMTA with citywide 10-year Capital Plan



**SFMTA**



**Thank You!**