

Metropolitan Transportation Commission Programming and Allocations Committee

December 13, 2017

Agenda Item 5b

MTC Resolution Nos. 4169, Revised, 4202, Revised, 4242, Revised, 4262, Revised, 4263, Revised, 4272, Revised, and 4313

Subject: Revisions to the FY2016-17 through FY2019-20 Transit Capital Priorities (TCP) Policy and Program, One Bay Area Grant (OBAG 2) Transit Priorities Program, AB 664 Net Bridge Toll Revenue Programming and Allocations, and BATA Project Savings Programming and Allocations to program nearly \$1.7 billion in Federal Transit Administration (FTA) Formula and regional Bridge Toll revenues for FY2017-18 through FY2019-20 for transit operator state-of-good-repair, consistent with the Transit Capital Priorities Process and Criteria (TCP). This item also proposes to revise the TCP grant spend-down policy and to commit approximately \$10.2 million of Senate Bill 1 (SB1) state transit State of Good Repair (SGR) Program funds.

Background: The TCP program provides FTA formula funds and other regional revenues for transit capital maintenance and rehabilitation. The main goals of the program are to fund basic capital requirements to achieve and maintain a state of good repair, to maintain reasonable fairness to all the operators in the region, and to complement other MTC transit funding programs. The proposed programming has been developed in cooperation with the transit operators over the last several months.

In March 2017, staff proposed a four-year program for the TCP Program for FY2016-17 through FY2019-20. At the time, due to questions surrounding the Full Funding Grant Agreement (FFGA) for Caltrain's Peninsula Corridor Electrification Program, the Commission approved only the first year of the program, deferring the remaining three years. The FFGA was subsequently executed in May 2017.

Therefore, this item proposes to revise the TCP program to program \$1.7 billion in FY2017-18 through FY2019-20, the remaining three years of the program. This item also proposes to commit \$10.2 million of estimated FY2017-18 SB1 state transit SGR Program funds for use in the TCP program, specifically to the BART Railcar Procurement Project.

Due to the creation of the state transit SGR Program by SB1, \$10.2 million of Federal Highway funds programmed as part of the OBAG 2 Transit Priorities Program are proposed to be reprogrammed from BART's Railcar Procurement Project to Clipper® for their Next Generation Fare Collection System and replaced with SGR Program funds. The SGR Program is required to be submitted to Caltrans in January 2018; therefore staff is proposing this first year of funding for a ready-to-go, high priority project. Staff will return to the Commission this winter for further discussion about future SGR funding uses. Staff has initiated these discussions with the transit operators and other stakeholders along with the STA Population-Based policy and SB1 transit operating funds.

This item also proposes to revise the grant spend-down policy in the TCP Process and Criteria to adjust the target timelines for spending down FY2014-15 and earlier grants from a two-year window to a three-year window. This would make the policy for FY2017-18 through FY2019-20 consistent with the previous policy, which covered grants from FY2011-12 and earlier. Programming for fixed guideway rehabilitation projects is based on the operators' performance in meeting the grant spend-down targets.

Additional background on this item is included in the attached Executive Director Memorandum.

Issues: Program needs during this period total about \$3 billion, whereas available revenues total about \$2 billion. Therefore, the program assumes that approximately \$1.1 billion in financing proceeds will be available. MTC staff have been working with the operators and FTA to advance the financing and expects to be able to meet this need. However, several steps are still ahead. Authorization for an estimated \$1.1 billion in financing, \$139 million in SFO Net Operating revenues programming, and \$207 million in withdrawals from the BART Car Exchange Account will be brought to the Commission in future actions, bringing the total funding for the program to approximately \$3 billion.

Recommendation: Refer MTC Resolution Nos. 4169, Revised, 4242, Revised, 4262, Revised, 4263, Revised, 4272, Revised, and 4313 to the Commission for approval. Because Resolution No. 4202, Revised is proposed for revision in another agenda item, it is included once under agenda item 5a with all proposed revisions.

Attachments: Executive Director Memorandum
Presentation
MTC Resolution Nos. 4169, Revised, 4242, Revised, 4262, Revised, 4263, Revised, 4272, Revised, and 4313



METROPOLITAN
TRANSPORTATION
COMMISSION

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San Francisco, CA 94105
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Memorandum

TO: Programming and Allocations Committee

DATE: December 13, 2017

FR: Executive Director

RE: Revisions to the FY2016-17 through FY2019-20 Transit Capital Priorities Program

Summary

This item proposes to revise the Transit Capital Priorities (TCP) program to program an additional \$1.7 billion in Federal Transit Administration (FTA) Sections 5307 Urbanized Area Formula, 5337 State of Good Repair, and 5339 Bus & Bus Facilities funds; and Bridge Toll Funds in FY2017-18 through FY2019-20 to support transit capital replacement and rehabilitation projects, and eligible maintenance and operating costs. This item also proposes to revise the TCP grant spend-down policy, One Bay Area Grant Cycle 2 (OBAG2) Transit Capital Programming, and commit newly available SB1 state transit State of Good Repair (SGR) funds.

Background

The TCP program is funded by the region's FTA formula funds, as well as Federal Highway Agency (FHWA) flexible funds and regional bridge toll funds the Commission has designated to supplement FTA funds. MTC programs these funds to eligible transit operators to support transit capital replacement and rehabilitation projects and, to a lesser degree, preventive maintenance and operating costs.

In March 2017, staff proposed a four-year program for the TCP Program for FY2016-17 through FY2019-20. At the time, due in part to questions surrounding the Full Funding Grant Agreement (FFGA) for Caltrain's Peninsula Corridor Electrification Program, the Commission approved only the first year of the program, deferring the remaining three years, which included additional funding for Caltrain Electrification, pending FTA's decision on the FFGA. Subsequently, the FFGA was approved in May 2017. Therefore, this item proposes to revise the TCP Program to add programming for FY2017-18 through FY2019-20.

Program development is governed by the policies established by the region's TCP Process and Criteria, MTC Resolution 4242, Revised, which was updated in July 2016 primarily to reflect changes to FTA programs under the FAST Act authorizations.

The proposed program was developed from funding requests submitted by eligible transit operators, and was reviewed by the Partnership Transit Finance Working Group. Outstanding issues are discussed below. The program is based on projected apportionments of the federal funds, and will be revised to reconcile to the final annual apportionments, once released by FTA.

Funding

Funding available to support the Transit Capital Priorities program in FY2017-18 through FY2019-20 is projected to total approximately \$3.1 billion, as detailed in the table below. The projections are based on FAST Act authorizations, unprogrammed balances of prior-year funds and proposed financing against future FTA formula funds. Additionally, due to the enactment of Senate Bill 1 at the state level, newly generated state transit SGR funds in FY2017-18 totaling approximately \$10.2 million are also included. Three items in the table – financing, BART SFO operating revenues, and Exchange Account drawdowns – are subject to future Commission actions, as discussed below.

FY2017-18 through FY2019-20 Fund Source Summary

Fund Source	Amount (\$ millions)
FTA Formula Funds (5307, 5337, 5339) ¹	\$ 1,347
OBAG 2 (STP/CMAQ) & RM2	\$ 130
Bridge Tolls (CCCCGP) ²	\$ 178
BART Car Exchange Account ³	\$ 207
SFO Net Operating Proceeds ⁴	\$ 139
SB1 SGR Program Funds	\$ 10
Financing Proceeds ⁵	\$ 1,048
<i>Total</i>	<i>\$ 3,059</i>

Notes:

- 1) Assumes appropriations equal to FAST Act authorizations.
- 2) Represents amount programmed FY18-FY20. Account balance after FY17 is \$381M.
- 3) Represents amount programmed FY18-FY20. Account balance currently ~\$385M.
- 4) Represents amount programmed FY18-FY20. Total MTC commitment is \$145M.
- 5) Represents amount programmed FY18-FY20, which is total TCP Financing currently planned.

Process

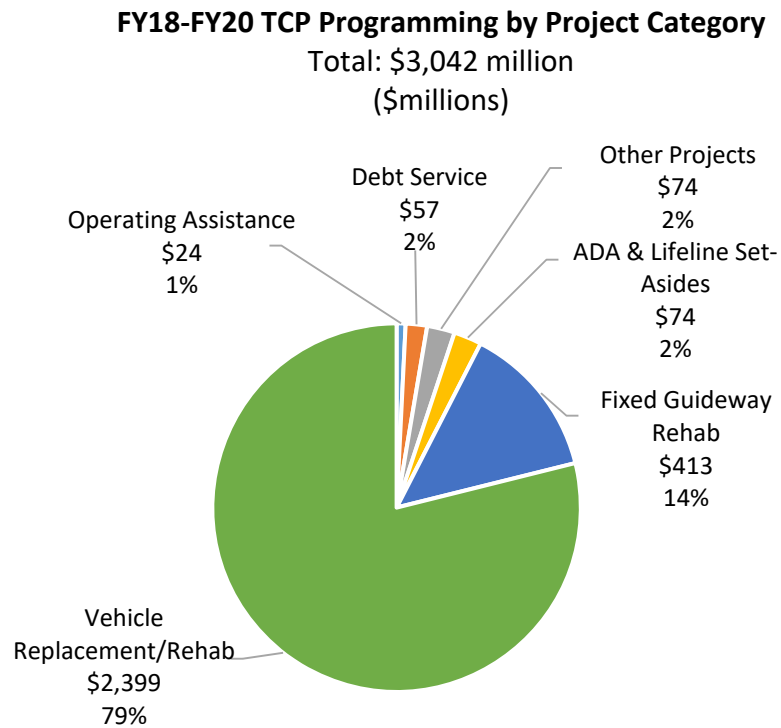
In response to the call for projects issued by MTC in fall 2016, transit operators requested funds totaling about \$3.5 billion for FY2016-17 through FY2019-20. Projects were included in the proposed program based on the TCP project score and urbanized area eligibility. TCP scores reflect the Commission's priorities in Plan Bay Area 2040, with vehicle replacement and fixed guideway infrastructure getting the highest score (Score 16). Additionally, priority was given to projects for which the Commission has made a prior commitment. These include BART Car Phase 1 (MTC Resolution No. 4126), the Core Capacity Challenge Grant Program (MTC Resolution No. 4123), and Caltrain Electrification (MTC Resolution Nos. 4056 and 4241).

Overall Program

The FY2017-18 through FY2019-20 program totals \$3.1 billion and comprises two main components: set-asides for ADA Operating Assistance and Lifeline Transportation Programs (\$74 million), and Capital Project Funding (\$3.0 billion).

The chart at right shows the total proposed TCP programming for FY2017-18 through FY2019-20 by operator. Over 90% of the program is dedicated to fleet and infrastructure replacement and rehabilitation projects for the region's fixed guideway operators.

The program leaves small unprogrammed balances of \$16 million in Section 5307, 5337, and 5339 funds in some urbanized areas due to eligibility constraints. Staff continues to work with the operators to program those funds over the four years in a way that is consistent with the regional policy. Any funds not programmed in the current program will carry forward and be available in FY2020-21.



The SB1 state transit SGR Program funds discussed earlier are proposed to be committed to BART's Railcar Procurement Project. As a result, \$10.2 million of Federal Highway funds programmed as part of the OBAG 2 Transit Priorities Program are proposed to be reprogrammed from BART's railcar project to Clipper® for their Next Generation Fare Collection System. This also reduces the need for financing proceeds through FY2019-20 by \$10.2 million.

Major Projects

Included in the program are funds for a suite of major projects, including:

- \$1.6 billion for the BART railcar procurement project (part of the regional commitment of \$1.9 billion);
- \$270 million for SFMTA bus and trolleybus replacements and overhauls;
- \$239 million for the Caltrain railcar replacement project (balance of the regional commitment of \$315 million);
- \$73 million for AC Transit fleet replacement;
- \$55 million for Clipper® upgrades; and
- \$53 million for WETA ferry vessel replacements and overhauls.

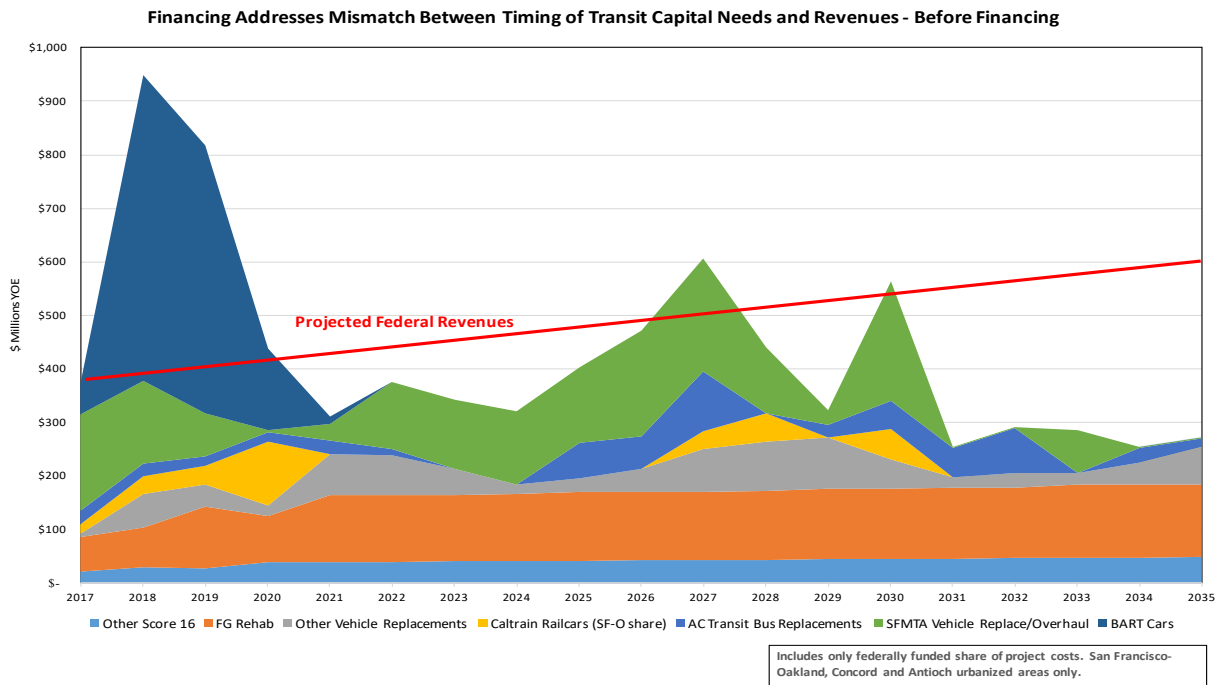
The BART railcar procurement project is the single largest project in the program, with details shown on Attachment A. Funding for this project replaces BART's existing 669-car fleet and expands the fleet by 181 railcars through FY2026. The total regional commitment of \$1.9 billion (of a \$2.9 billion total cost) will be 89% fulfilled by FY2020, with about \$20 million in funding

needed in FY2021 through FY2026, not including additional drawdowns from the existing Exchange Account balance through FY2026 or future debt service payments.

Financing

The region is committed to funding major investments in state-of-good-repair and capacity expansion. In the short-term, projected revenues are insufficient to cover all Score 16 projects, even after applying project funding caps specified in the TCP Process and Criteria. However, over the long-term, projected revenues exceed anticipated regional needs, assuming a reasonable revenue growth rate. As a result, the proposed program assumes that MTC will pursue financing to securitize future FTA revenues to cover our near-term shortfall.

The chart below illustrates the timing mismatch between our programming needs and our anticipated revenues. The program proposed today assumes approximately \$1.1 billion in financing for two major projects: the BART railcar procurement project and the Caltrain railcar replacement project. The program also includes a reserve of \$57 million to cover anticipated debt service payments in FY2018-19 and FY2019-20. Financing for these or other projects was anticipated in 2013 when the Commission approved the Core Capacity Challenge Grant Program.



Without this financing, the region would only have approximately \$2 billion available for projects, necessitating over \$1 billion in program cuts compared to requests – about a third of the requests.

Financing against future FTA revenues for the two largest individual projects frees up current FTA and other regional funds for other projects. This grows the regional funding pie, allowing the region to meet its commitments to improve state-of-good-repair and expand capacity of the transit system.

Staff will return to the Commission in the coming months to seek approval for the terms of financing. Next steps to secure financing include:

- Winter/Spring – Development of specific terms of financing, agreements between MTC, FTA, and affected operators, Commission approval of financing terms
- Summer – First bond issue with proceeds anticipated to be available in July 2018

Policy Revision

Each rail and ferry operator receives a specified amount of funding annually for replacement and rehabilitation of tracks, bridges, tunnels, train control systems, ferry docks, and other infrastructure, referred to as a fixed guideway (FG) cap, based on each operator’s share of projected FG replacement and rehab needs calculated for Plan Bay Area 2040. The TCP Process and Criteria conditions new programming of FG caps on the expenditure of prior-year grants (a “use it or lose it” policy) in order to direct the region’s limited funds to the projects most in need of additional resources and accelerate the delivery of TCP projects.

This item also proposes to revise the grant spend-down policy in the TCP Process and Criteria to adjust the target timelines for the FY2014-15 and earlier grants from a two-year window to a three-year window, to make the policy for FY2017-18 through FY2019-20 consistent with the previous policy, which also had a three-year spend-down window. The table below illustrated the proposed target:

Revised Grant Spend-Down Timeline

Program Year	Basis for Balance	Spend-Down Target	Spend-Down Period
FY2018-19	Undispersed balance of FG grants awarded FY2014-15 or earlier, as of 9/2017	1/3 of balance	9/2017 to 9/2018
FY2019-20		½ of remaining balance, as of 9/2018	9/2018 to 9/2019
FY2020-21		Remaining balance, as of 9/2019	9/2019 to 9/2020

Program Issues

1. Financing. As discussed above, the proposed program assumes approximately \$1.1 billion in financing against future FTA formula funds. FTA approval would be needed in order to commit future FTA funds for debt service. Many similar transactions have been approved across the country in recent years. However, the experience with Caltrain’s FFGA last year leads staff to be somewhat concerned that FTA approval may not be as routine as in the past. Therefore, staff has been working closely with BART and Caltrain to understand their projects’ cash flow and timing of the need for financing. Staff has also begun discussions with FTA to understand their requirements and timeline. Additionally, staff has been working closely with MTC’s financial advisors to consider whether any modifications to the financing approach would make sense in the current environment. Note that today’s item does not approve the terms of a financing transaction. Staff anticipates returning to the Commission and the Bay Area Infrastructure Authority (BAIFA) in the coming months to seek approval for the terms of financing.

2. Caltrain. Programming to the Caltrain electric railcar procurement project over the three-year period presented today totals approximately \$239 million and would complete the regional commitment of \$315 million. As part of Caltrain's application for an FFGA, FTA determined that the railcar procurement was not eligible to receive Section 5337 State of Good Repair formula funds. To meet the regional commitment to the project without relying on Section 5337 funds, staff is proposing financing against future Section 5307 Urbanized Area Formula Funds.
3. VTA Fixed Guideway Cap Waiver. For the FY2016-17 through FY2019-20 TCP programming period, VTA requested a total of \$193 million in FTA funds, including \$82 million for fixed guideway (FG) infrastructure rehabilitation projects that are subject to the FG project caps specified in the TCP policy. These include replacement or rehabilitation of light rail track, crossovers, switches and other train control equipment, and traction power systems. VTA's FG cap is \$8.5 million per year, or \$34 million over the four years of the program, so VTA's request exceeded the caps by \$47 million. VTA staff requested that MTC waive the cap. Projected revenues for the San Jose urbanized area (UZA), in which VTA is eligible, are sufficient to cover the request for additional programming. The purpose of the FG caps is to ensure that there are sufficient funds in the program for vehicle replacement projects, the highest priority for the program under Plan Bay Area 2040. In the proposed program, this condition has been satisfied, with funds left over in the SJ UZA.

However, staff is concerned about whether VTA can meet its future capital needs after FY2019-20 within its projected revenues. If not, it may be prudent to reserve a portion of the unprogrammed TCP funds for future needs, instead of programming for near-term, lower-scoring projects as requested by VTA. A Short-Range Transit Plan (SRTP) that will help answer this question is currently under development. Therefore, staff proposes to conditionally waive the cap and program the additional funds requested by VTA, subject to VTA providing an SRTP or other comparable analysis of medium- to long-term capital needs by the end of calendar year 2017 ([this deadline was established last year and VTA is nearing completion](#)). Based on staff's assessment of VTA's analysis, staff may return to the Commission with proposed revisions to the program.

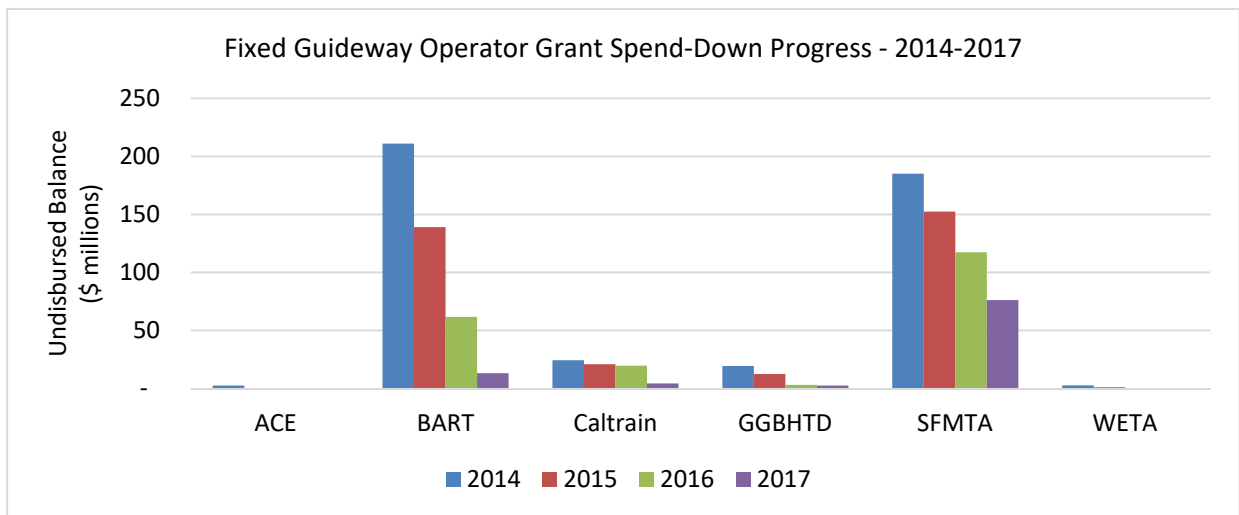
4. Core Capacity Challenge Grant Program. As part of the plan for financing against future FTA revenues, staff is proposing to replace a majority of bridge toll funds originally committed to BART in the Core Capacity Program with proceeds of financing. At this time, staff is recommending these bridge toll funds be reprogrammed to SFMTA, with the condition that, should financing not be completed, these funds would be reprogrammed back to BART. Staff will return to the Commission with proposed revisions to MTC Resolution No. 4123, Revised, to reflect the programming proposed here and other changes to the funding plans for Core Capacity Program projects.

5. Unexpended Prior-Year Grants. To implement the grant spend-down policy described above, staff monitors the progress of the region’s FG operators on disbursing prior-year grants; as of September 2017, staff determined

that two of six operators met or exceeded their disbursement target, summarized in the table at right. As a result of not meeting their targets, BART, Caltrain, GGBHTD, and SFMTA were proposed to have their FG caps reduced by \$966,000, \$381,000, \$645,000, and \$14 million, respectively. Both BART

Operator	FY17 Grant Disbursement Targets vs. Actual Disbursements (\$M)		Met or Exceeded Target
	Targets	Disbursements	
ACE	\$ -	\$ -	X
BART	\$ 62	\$ 49	
Caltrain	\$ 20	\$ 15	
GGBHTD	\$ 3	\$ 0	
SFMTA	\$ 116	\$ 39	
WETA	\$ -	\$ -	X
Total	\$ 200	\$ 104	

and GGBHTD submitted information regarding several grants demonstrating that undisbursed balances were caused by circumstances beyond their control (letters from each are included as Attachment B). As a result, staff is recommending to remove those particular balances from the operators undisbursed grant totals used for calculating their FY2017-18 FG caps. The revisions to GGBHTD balances resulted in a net-zero reduction in their FG cap, while BART’s FG cap reduction was roughly half of the original recommendation (to \$437,000). These recommendations are included in the programming of FTA funds. Staff will continue to monitor progress toward meeting the grant disbursement targets consistent with the Policy adopted by the Commission in the TCP Process and Criteria. The FY2019 to FY2020 programs may be revised pending disbursement results in future years.



The grant spend-down policy was first implemented in FY2014-15 and has been very successful. The results so far are shown in the chart above. The bars for BART demonstrate both the intent and execution of the policy – in each year, approximately 1/3 of the 2014 balance of undisbursed grants was spent down. ACE and WETA had much lower balances and were able to spend down 100% of their balances by September of 2016. SFMTA, while missing their targets each year, was still able to make significant progress in spending down their prior year balances. The policy of tying grant spending to capital programming also had the desired effect of encouraging operators to pursue internal changes to spend down the grants and thus deliver critical state of good repair projects.

6. Bridge Tolls. The program presented today programs AB 664 Bridge Toll revenues (MTC Resolution No. 4262, Revised) and BATA Project Savings (MTC Resolution 4169, Revised) for approximately \$178 million, which includes amounts consistent with the Core Capacity Challenge Grant Program and the proposed reprogramming of Bridge Tolls from BART to SFMTA as described above. However, the allocation actions for these Bridge Toll funds (AB 664 – MTC Resolution No. 4263, Revised; BATA Project Savings – MTC Resolution No. 4169, Revised) only allocate funding for FY2017-18 consistent with the Core Capacity Program funding plan. The allocation resolutions will be revised to reflect the revisions to the Core Capacity Program resolution discussed above once approved by the Commission as part of the financing package.
7. BART Car Exchange Account. The proposed program anticipates drawdowns from the BART Car Exchange account, which consists of local BART funds deposited into an account held by MTC, exchanged for FTA funds programmed for BART preventive maintenance. Subsequent action by the BART Board of Directors and the Commission will be required to execute these drawdowns.
8. SFMTA. SFMTA is currently under contract with Siemens to replace its existing fleet of 151 light rail vehicles (LRVs), in addition to 109 expansion cars, and is pursuing another four cars for Mission Bay service, for a total fleet of 264. Under FTA guidelines and the TCP Policy, the first of the LRVs are eligible for replacement in FY2021-22. In late November, SFMTA notified MTC staff that they are exploring options for expediting delivery of the replacement LRVs, including getting an exemption from FTA for early replacement. This could potentially require funding for the replacement cars within the FY2018 to FY2020 program, which was not anticipated and is currently not included in the program. The total project cost could be in the range of \$700-\$900 million, spread over multiple years. Given that the program is already over-committed, adding in even a portion of this major project would be challenging. However, at this time, there are too many unknowns in this preliminary proposal, including whether FTA approval will be forthcoming, and therefore no funding for this project is included in the program presented to you today. Staff will return to the Commission with proposed revisions to the program, as appropriate and feasible, should SFMTA move forward with this strategy.

Next Steps

Pending Commission approval of the TCP program, staff will bring amendments that add projects from the preliminary program to the Transportation Improvement Program (TIP) in January and February. Staff will also return in the future for actions pertaining to financing, BART Car Exchange Account withdrawals, and revisions to the Core Capacity Program.

Recommendations

Staff recommends the referral of MTC Resolution Nos. 4169, Revised, 4242, Revised, 4262, Revised, 4263, Revised, 4272, Revised, and 4313 to the Commission for approval. Because Resolution No. 4202, Revised is proposed for revision in another agenda item, it is included once under agenda item 5a with all proposed revisions.



Steve Heminger

Attachment A: BART Car Funding Plan Summary

Attachment B: Correspondence regarding BART and GGBHTD FG Caps

SH:rj

BART Railcar Procurement Funding Plan
 (\$ millions)

	FY17 & Earlier	FY18	FY19	FY20	FY21-FY26	Total
Project Expenses	622	712	632	511	504	2,981
Cumulative Expenses	622	1,333	1,966	2,476	2,981	
BART Funds	446	45	45	45	275	857
VTA Funds	60	46	40	37	16	200
MTC Funds	141	602	541	428	213	1,924
<i>FTA/TCP Program</i>	75	27	36	122	14	274
<i>State Transit SGR Program Funds</i>	-	10	-	-	-	10
<i>Financing Proceeds</i>	-	517	411	-	-	928
<i>OBAG (STP/CMAQ)</i>	50	5	53	32	-	140
<i>Bridge Tolls</i>	-	13	-	-	-	13
<i>SFO Net Operating Revenues</i>	-	31	41	67	6	145
<i>Exchange Account Drawdowns</i>	16	-	-	207	192	415
Total Funding	647	693	626	510	504	2,981
Cumulative Total Funding	647	1,341	1,967	2,476	2,981	
Cum. Funding less Cum. Expenses	26	7	1	-	-	

Note: Column headers represent year of programming in TCP and TIP. Project costs would be incurred and funding would be expended in the year following.

Thursday, November 30, 2017 at 12:41:00 PM Pacific Standard Time

Subject: Federal grant spenddown request
Date: Monday, October 9, 2017 at 4:38:40 PM Pacific Daylight Time
From: Deidre Heitman
To: Anne Richman
CC: Glen Tepke, Rob Jaques, Robert Powers, Robert Mitroff, Kerry Hamill, Michael Tanner, Carl Holmes, vmenott@bart.gov

Attachments: 9.30.17 BART Rem Bal v 1.xlsx, 9.30.17 BART Rem Bal v 2.xlsx

Anne

We've said this both publicly and privately but it bears repeating that BART is very appreciative of the kick in the pants that MTC gave us to spend down our federal grant balances. As you know, our effort began with directives from the top, fully supported by BART executives, and resulted in large scale changes in business practices as well as personnel. These changes not only impelled BART to more quickly implement the SOGR projects and draw down the federal grants, it set BART up to continue the pace of implementation into the future.

I am happy to report that of the \$210 million in FY 12 and earlier federal grants, BART has drawn down all but \$13.2 million, \$2.6 million of which has been expended and is in our accounting system ready to be billed to FTA. The projects that comprise the remaining balance are all well underway.

In spite of our best efforts, however, there were two important projects for which we were unable to draw down the FTA grant funds, and I am writing to request that MTC make an exception and exclude these from our remaining grant balance. The two projects are the AATC (Advanced Automatic Train Control) project, and the Marine Barrier project. BART was unable to use these funds within the time frame set by MTC because of circumstances involving both the FTA and the Department of Homeland Security (DHS).

As you know, the AATC project funding was awarded to BART in 2000, and, after BART decided to not pursue that particular train control technology, a portion of the funds remained in BART's accounts. For well over 10 years, BART requested FTA to allow us to reprogram the funds, including the accrued interest, to another project. Despite these requests, FTA remained silent on the use of these funds. Finally in July of this year, FTA and BART reached a mutual agreement in which these funds could be used to help finance the development of BART's proposed communication-based train control system, a project which is a key component of BART's core capacity project as well as MTC's core capacity challenge grant program.

With respect to the Marine Barrier project, which provides security and safety upgrades to the entrances of the Transbay Tube, BART received \$10 million in funding in 2013 from the Department of Homeland Security (DHS), in addition to FTA funding. DHS required BART to spend its funds within 3 years, or lose them. We therefore prioritized the use of the DHS funds over those of FTA in order to maximize both grants. BART has now exhausted the DHS funding and this project is utilizing the remaining FTA funds.

Both projects are steadily drawing down the FTA funds and will continue to do so over the next year.

Given the unique circumstances of these two projects and the extraordinary effort BART has made – and continues to make – toward the timely draw down of the FTA funding, we respectfully request that MTC grant BART an exemption from counting these projects as part of our remaining grant balance of FY 12 and earlier grants. If you agree to allow BART to exempt these two projects, BART's remaining balance is \$5,988,011. The true remaining (unspent) balance is only drops to \$165,792, if you exclude the non-Fixed Guideway projects.

Thank you in advance for your consideration of our request. Also, thank you to Rob Jaques and Glen Tepke, who have been extremely helpful throughout this process.

Sincerely,

Deidre Heitman
Manager, Special Projects
(510) 287-4796



September 27, 2017

Anne Richman
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

RE: Transit Capital Priorities (TCP) Policy on Fixed Guideway Caps

Dear Anne,

The Golden Gate Bridge, Highway and Transportation District (District) is seeking the Metropolitan Transportation Commission's (MTC) reconsideration of the proposed reduction of FY 2018 Fixed Guideway (FG) funds. The District did not meet MTC's target spend down of FY 2012 and older grant funds, and a balance of \$2.7 million remains to spend on the design phase of the District's Gangways and Piers project.

As background, the Gangways and Piers project will replace the District's ferry facilities, including the ramps, floats and ferry slips, to improve passenger safety and to comply with the Americans with Disabilities Act in Sausalito, San Francisco and Larkspur. The District completed the Sausalito project's environmental studies in 2012. Since 2014, the District has been working with the City of Sausalito to respond to public and staff comments and requests to redesign the Sausalito ferry facilities. The delay in finalizing the design for Sausalito has caused further delays for the design of the San Francisco and Larkspur facilities, and has impeded the construction of all three locations. On October 10, 2017, the Sausalito City Council is expected to vote on the project's design, which will determine whether the project will proceed to construction.

The District's current FG cap of \$5.1 million per year does not adequately align with this project's funding needs, and the needs of the Larkspur Ferry Terminal Channel and Berth Dredging Project. Attached is a summary of the funding plan and projected needs of \$135.7 million for these projects from FY 2019 to FY 2025. The District anticipates a shortfall of approximately \$86.6 million.

In order to address the funding shortfall, the District plans to seek other sources of grant funds, including, but not limited to, the FTA's Ferry Boat Discretionary Program and Caltrans' new State

Anne Richman, Metropolitan Transportation Commission
September 27, 2017

Page 2

of Good Repair Program. However, the District anticipates that a large portion of the funds to replace ferry facilities may come from federal formula programs. Given the TCP policy limits operators to a maximum of four-years of funding in any given cycle, and the District's cap is set at \$5.1 million per year, the most the District may request is \$20.4 million. The projected needs exceed this amount in FYs 2022, 2023 and 2024.

Please contact me at your convenience, so that we may discuss this request. I can be reached via telephone at (415) 923-2203 or via email at dmulligan@goldengate.org. The District appreciates MTC's consideration and support.

Sincerely,



Denis J. Mulligan
General Manager

Attachment

Golden Gate Bridge, Highway and Transportation District
 FIXED GUIDEWAY CONNECTORS

9/27/2017

Fixed Guideway Connectors: Funding Summary (in \$ millions)

PROJECT	TOTAL COST	COMMITTED		UNCOMMITTED/ SHORTFALL	SCHEDULE
		GRANTS	DISTRICT		
Gangways & Piers Design: Sausalito, San Francisco, Larkspur	11.9	9.8	2.1	-	FY 2014 to FY 2022
Gangways & Piers Construction: Sausalito	11.5	9.2	2.3	-	FY 2019 to FY 2021
Gangways & Piers Construction: San Francisco	30.0	20.6	5.1	4.3	FY 2021 to FY 2023
Gangways & Piers Construction: Larkspur	66.0	-	-	66.0	FY 2022 to FY 2025
Larkspur Ferry Terminal Channel & Berth Dredging	16.3	-	-	16.3	FY 2021 to FY 2022
TOTAL	135.7	39.6	9.5	86.6	

Fixed Guideway Connectors: Projected Capital Need (in \$ millions)

PROJECT	TOTAL COST	FY18 & Prior Years	Projected Capital Need (\$ millions)							Total
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	
Gangways & Piers Design: Sausalito, San Francisco, Larkspur	11.9	6.7	0.5	0.5	0.5	3.7	-	-	-	11.9
Gangways & Piers Construction: Sausalito	11.5	-	3.4	7.5	0.6	-	-	-	-	11.5
Gangways & Piers Construction: San Francisco	30.0	-	-	-	3.5	12.5	14.0	-	-	30.0
Gangways & Piers Construction: Larkspur	66.0	-	-	-	4.0	24.0	24.0	14.0	-	66.0
Larkspur Ferry Terminal Channel & Berth Dredging	16.3	-	-	-	0.8	15.5	-	-	-	16.3
TOTAL	135.7	6.7	3.9	8.0	5.4	35.7	38.0	24.0	14.0	135.7




Transit Capital Priorities Programming

December 13, 2017

Programming & Allocations Committee



**METROPOLITAN
TRANSPORTATION
COMMISSION**



Transit Capital Priorities Program: Overview

What is the TCP Program?

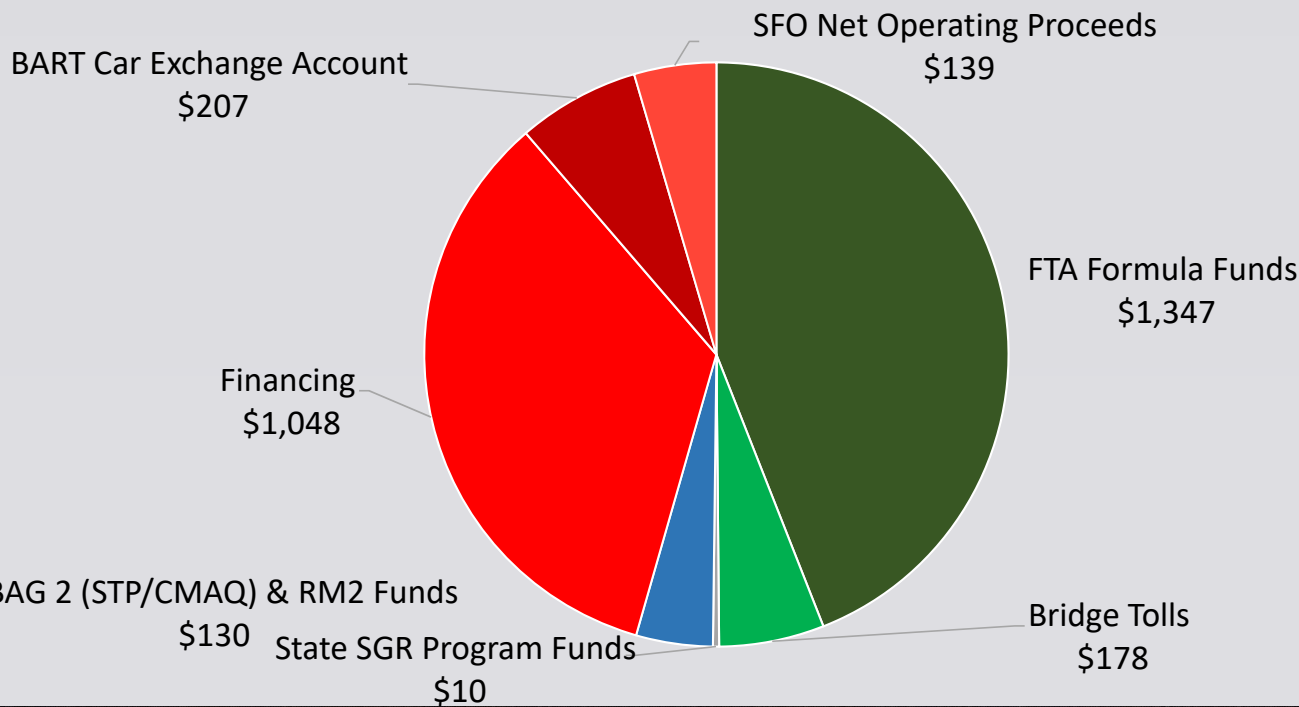
- Funds basic capital requirements to achieve and maintain a state of good repair.
- Helps ensure limited Federal transit dollars go to most essential projects.

Project Category	Score
Debt Service	17
Revenue Vehicles, Fixed Guideway, Ferry Components	16
Safety & Security	15
ADA/Non-Vehicle Access	14
Fixed/Heavy Equipment & Facilities	13
Intermodal Stations, Stations, & Parking	12
Service Vehicles	11
Tools	10
Preventive Maintenance & Office Equipment	9
Operational Improvements/Enhancements & Expansion	8

TCP Process

- Operators submit capital project funding requests to MTC.
- Funding applied to projects in score-order.
- Other considerations:
 - Program eligibility
 - Urbanized Area (UZA) eligibility (12 UZAs in Bay Area)
 - Project Caps

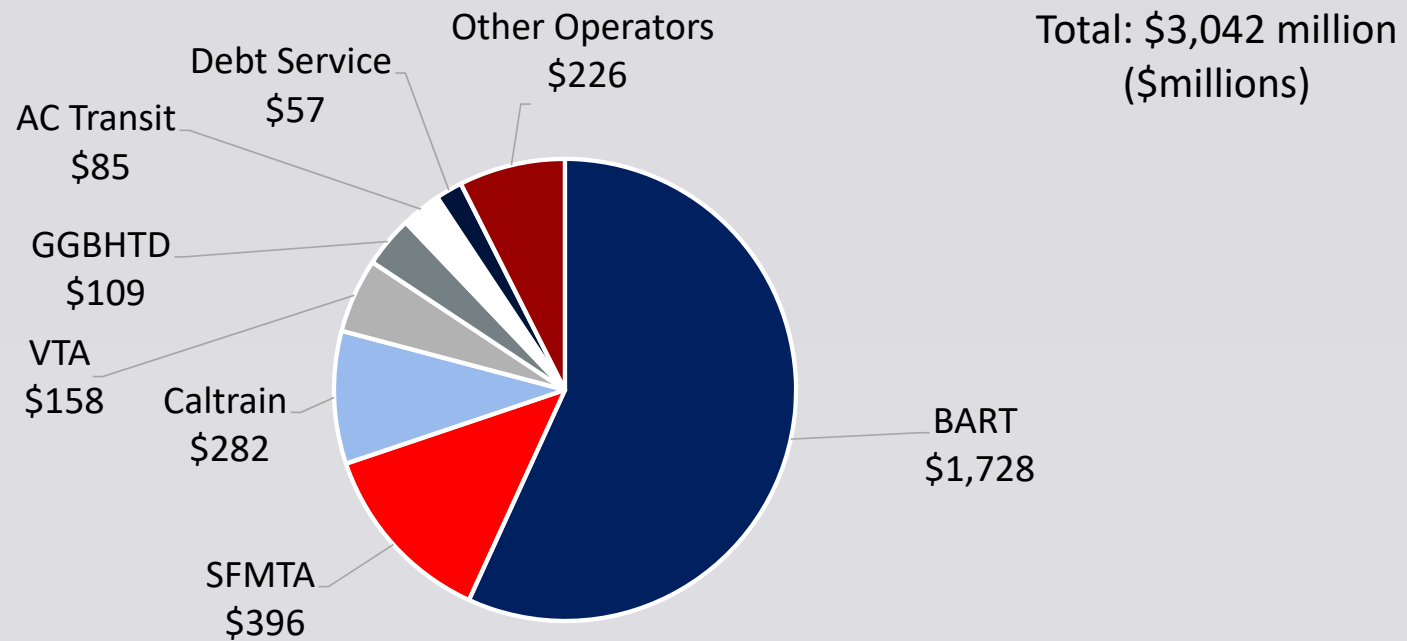
Transit Capital Priorities Program: Estimated FY18-FY20 Funding




Total: \$3,059
(\$millions)

- Green wedges: Current proposed programming
- Blue wedge: Previously programmed
- Red wedges: Future Commission Action required

Transit Capital Priorities Program: FY18-FY20 Programming by Operator



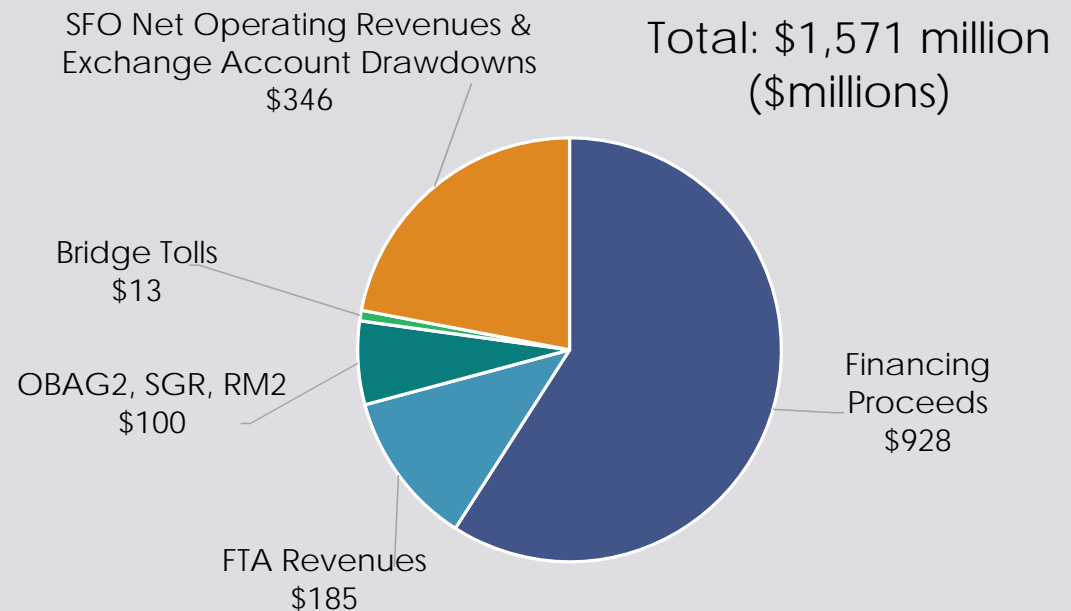



Transit Capital Priorities Program: Major Projects

- Region is committed to major investments in state of good repair and capacity expansion:
 - \$1.6 billion for BART railcar procurement project (part of \$1.9 billion regional commitment)
 - \$270 million for SFMTA bus and trolleybus replacements and overhauls
 - \$239 million for Caltrain railcar replacement project (balance of \$315 million regional commitment)
 - \$73 million for AC Transit fleet replacement
 - \$55 million for Clipper® upgrades
 - \$53 million for WETA ferry vessel replacements and overhauls

Transit Capital Priorities Program: BART Railcar Procurement

- Largest single project in program
- Funding for 850 cars – 669 replacement + 181 expansion
- Proposed program meets 89% of regional commitment (not including debt service)
- Procurement under contract; prototype/test cars delivered
- FY18-FY20 years see peak cash flow needs



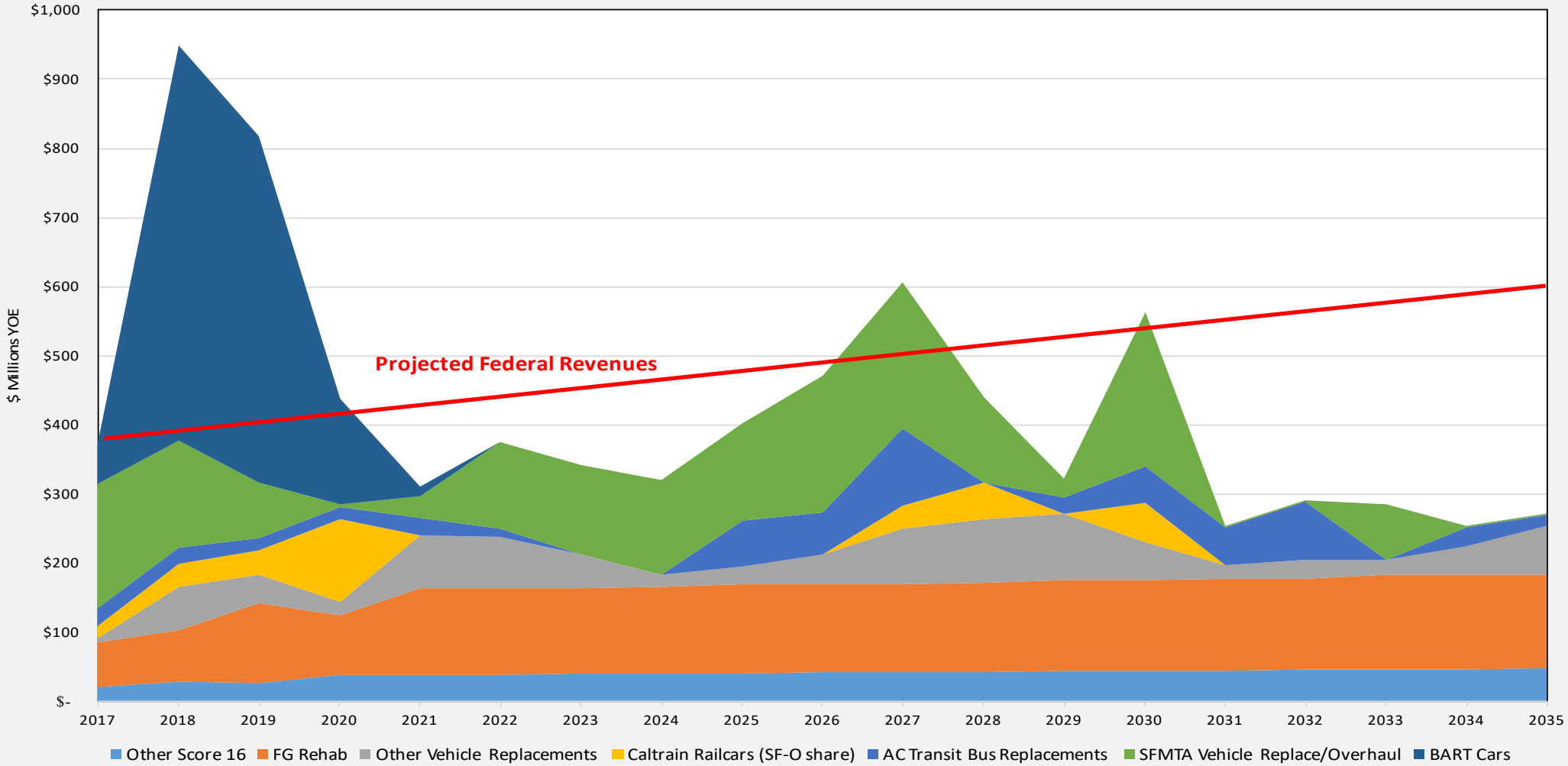


Transit Capital Priorities Program: Overview of Proposed Financing

- Approximately \$1.1 billion for 2 major projects:
 - BART Railcar Procurement - \$918 million
 - Caltrain Railcar Replacement - \$130 million
- Anticipated in 2013 when Commission adopted Core Capacity Challenge Grant Program
- Advances major projects to
 - Improve state of good repair
 - Expand capacity
- Helps resolve near-term shortfall
 - Program needs balance to projected revenues over long term
 - Short-term shortfall covered by advancing future funds

Financing Need (\$millions)	
Total Available Funding	\$ 2,010
Total Project Needs	(\$ 3,042)
Funds not Programmed (due to eligibility constraints)	(\$ 17)
Financing Need	\$ 1,048

Financing Addresses Mismatch Between Timing of Transit Capital Needs and Revenues - Before Financing



Includes only federally funded share of project costs. San Francisco-Oakland, Concord and Antioch urbanized areas only.

Transit Capital Priorities Program: Program Issues – Prior-Year Grant Balances

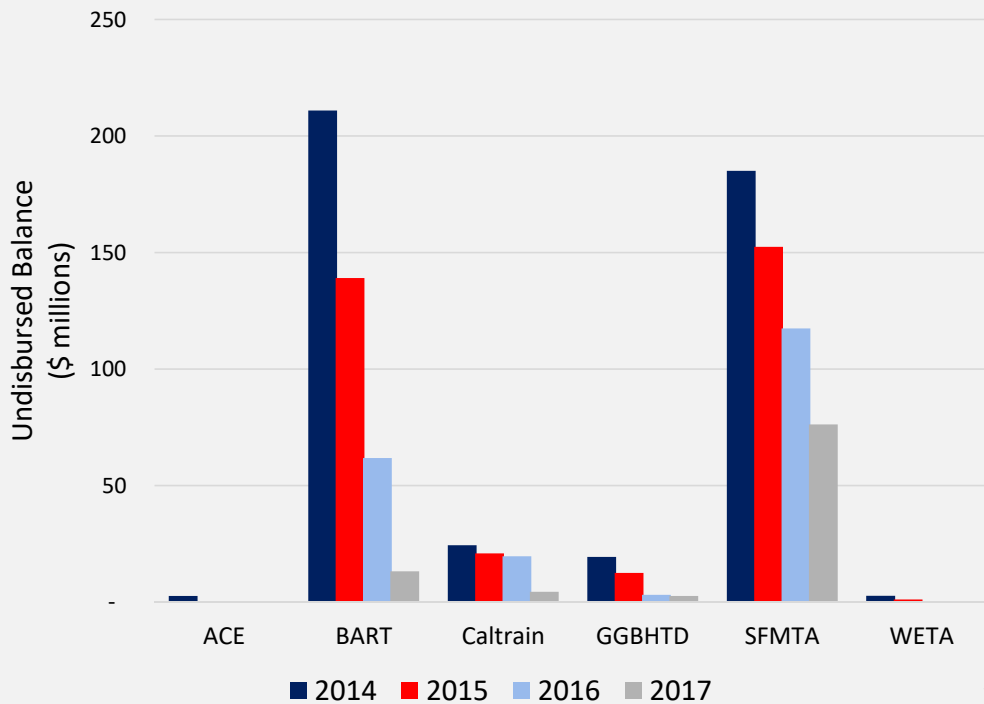
- TCP policy conditions programming on expenditure of prior year grants for infrastructure rehab

Operator	FY17 Grant Disbursement Targets vs. Actual Disbursements (\$M)		Met or Exceeded Target
	Targets	Disbursements	
ACE	\$ -	\$ -	X
BART	\$ 62	\$ 49	
Caltrain	\$ 20	\$ 15	
GGBHTD	\$ 3	\$ 0	
SFMTA	\$ 116	\$ 39	
WETA	\$ -	\$ -	X
Total	\$ 200	\$ 104	

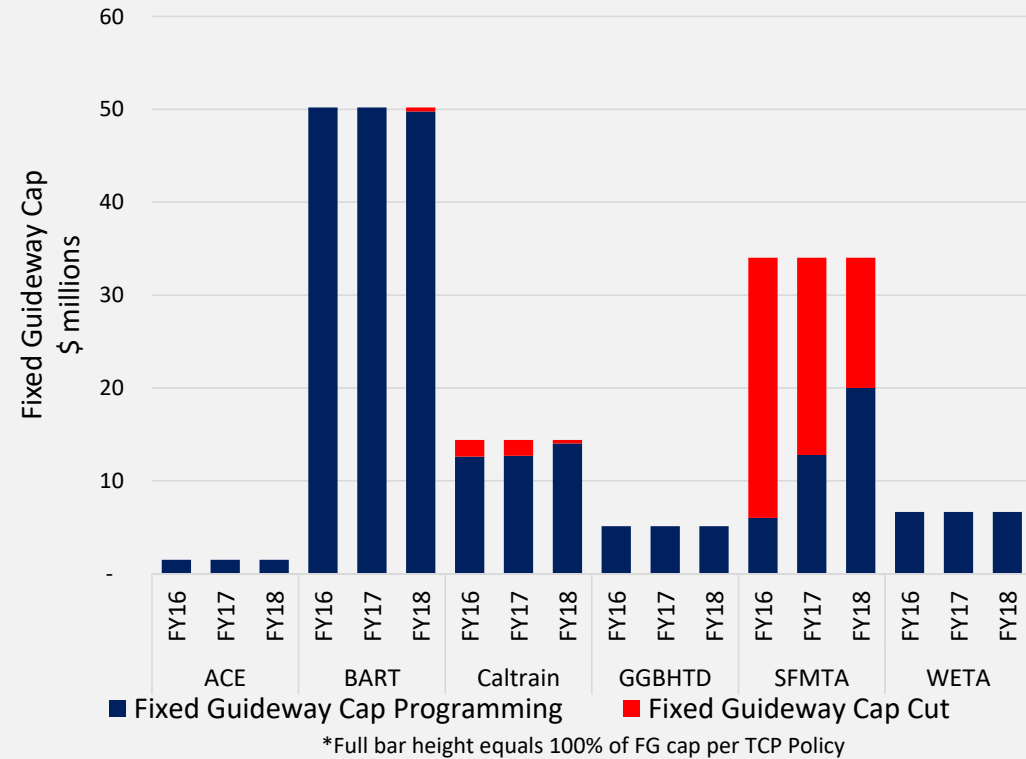
- New programming in FY2018 reduced for operators that missed their target
- Programs for FY2019 to FY2020 may be revised pending results from FY2018
- Proposed revision to TCP Policy for setting future targets: 3 years to spend down grants vs. 2 years in current policy


Transit Capital Priorities Program: Program Issues – Prior-Year Grant Balances

Fixed Guideway Operator Grant Spend-Down Progress -
2014-2017




Fixed Guideway Cap Adjustments - FY16-FY18






Transit Capital Priorities Program: Program Issues, continued

- Caltrain
 - Railcar Replacement Project: \$239 million over 3 years; balance of \$315 million regional commitment
 - Not FTA Section 5337-eligible; other sources insufficient
 - Financing to fill gap
- VTA Fixed Guideway Cap Waiver
 - VTA requested waiver of FG cap to program additional \$47 million for FG projects
 - Commission approved waiver in March 2017 for FG cap to fund VTA requests above cap amounts
 - Conditioned on staff assessment of VTA capacity to meet future capital needs; due end of 2017



Transit Capital Priorities Program: Program Issues, continued

- Core Capacity Challenge Grant Program
 - \$165 million in bridge tolls originally dedicated to BART Railcar Procurement Project
 - \$152 million proposed to be reprogrammed to SFMTA and replaced with proceeds of financing
 - Allocation of reprogrammed bridge tolls to SFMTA on hold until financing for BART railcars in place
 - Staff will return to Commission with revisions to Core Capacity Program in the coming months
- SFMTA LRV Replacement
 - Under contract with Siemens to replace existing fleet (151 cars) and expand (64 cars)
 - First cars eligible for replacement in FY2022
 - SFMTA exploring options to expedite replacement, including getting a waiver from FTA
 - May need some funding for replacements in FY2018-FY2020 program (\$700-\$900M total project cost over multiple years)
 - Staff will return to Commission with revisions to TCP Program should SFMTA move forward with this strategy



Transit Capital Priorities Program: Recommendations & Next Steps

- **Recommendation:** Refer MTC Resolutions to the Commission for approval
 - **4169**, Revised – BATA Project Savings Program & Allocations
 - **4242**, Revised – Transit Capital Priorities Process & Criteria
 - **4262 & 4263**, Revised – FY2016-17 through FY2019-20 AB 664 Program & Allocations
 - **4272**, Revised – FY2016-17 through FY2019-20 TCP Program
 - **4313** – FY2017-18 Caltrans Transit State of Good Repair Allocation
 - **4202** – OBAG 2 Transit Capital Funds (Resolution is included in agenda item 5a with all revisions)
- Staff will return to Commission to:
 - Amend projects in to TIP – January/February 2018
 - Seek approval of financing terms, agreements, etc
 - Revise Core Capacity Challenge Grant Program (Resolution 4123, Revised) and BART Car Phase 1 Agreement (Resolution 4126, Revised)

Date: January 28, 2015
W.I.: 1511
Referred by: PAC
Revised: 09/23/15-C 01/27/16-C
12/21/16-C 03/22/17-C
12/20/17-C

ABSTRACT

Resolution No. 4169, Revised

This resolution establishes the program of projects for BATA Project Savings and allocates these funds to eligible projects.

The following attachment is provided with this resolution:

Attachment A – Program of Projects

Attachment B – Allocations

This resolution was revised on September 23, 2015 to update the conditions associated with the programming of \$84 million of BATA project savings to SFMTA’s Light Rail Vehicle purchase (LRV) project, in order to reflect the updated amount of AB 664 funds programmed to the project.

This resolution was revised on January 27, 2016 to program and allocate \$24,922,916 in BATA Project Savings towards AC Transit’s Fleet Replacement consistent with the Core Capacity Challenge Grant Program funding plan.

This resolution was revised on December 21, 2016 to de-program \$23,014,657 in BATA Project Savings funds from SFMTA’s LRV project due to receipt of TIRCP funding of the same amount in FY2015-16 and update the conditions associated with the programming to reflect the updated amount of AB 664 and BATA Project Savings funds programmed to the project.

This resolution was revised on March 22, 2017 to program and allocate \$5,248,522 in BATA Project Savings funds to AC Transit and program \$23,040,236 and allocate \$4,649,495 in BATA Project Savings funds to SFMTA towards their Fleet Replacement projects.

This resolution was revised on December 20, 2017 program and allocate \$20,167,986 in BATA Project Savings funds to AC Transit and program \$83,921,695 and allocate \$8,091,805 in BATA Project Savings funds to SFMTA toward their Fleet Replacement projects.

Further discussion of this action is contained in the MTC Programming and Allocations Committee summary sheet dated January 14, 2015, September 9, 2015, January 13, 2016, December 14, 2016, March 8, 2017, and December 13, 2017.

Date: January 28, 2015
W.I.: 1511
Referred by: PAC

RE: Programming and allocation of BATA Project Savings

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4169

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, Streets and Highways Code Sections 30950 *et seq.* created the Bay Area Toll Authority (“BATA”) which is a public instrumentality governed by the same board as that governing MTC; and

WHEREAS, pursuant to Streets and Highways Code (SHC) Section 31010(b), funds generated in excess of those needed to meet the toll commitments as specified by paragraph (4) of subdivision (b) of Section 188.5 of the SHC shall be available to BATA for funding projects consistent with SHC Sections 30913 and 30914; and

WHEREAS, the BATA Project Savings are bridge toll funds made available from project and financing savings on BATA’s Regional Measure 1 and Toll Bridge Seismic Retrofit programs; and

WHEREAS, MTC adopted Resolution No. 4123, Revised, which established an investment plan for MTC’s Transit Core Capacity Challenge Grant Program that targets federal, state, and regional funds to high-priority transit capital projects between FY2014-15 and FY2029-30, and as part of this investment plan, BATA Project Savings were assigned to certain projects; and

WHEREAS, BATA staff has determined that the Transit Core Capacity Challenge Grant Program is a bridge improvement project that improves the operations of the state-owned toll bridges; and

WHEREAS, BATA has adopted BATA Resolution No. 111, Revised, to amend the BATA budget to include the Transit Core Capacity Challenge Grant Program; and

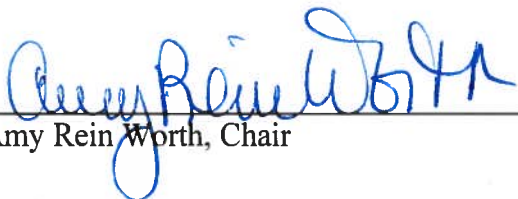
WHEREAS, BATA has adopted BATA Resolution No. 72, Revised, to amend the BATA Long Range Plan to include the Transit Core Capacity Challenge Grant Program; now, therefore, be it

RESOLVED, that MTC approves the program of projects for BATA Project Savings, for the purposes, and subject to the conditions listed on Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length; and, be it further

RESOLVED, that MTC approves the allocation and reimbursement of BATA Project Savings in accordance with the amount, conditions and reimbursement schedule for the phase, and activities as set forth in Attachment B; and, be it further

RESOLVED, that should the allocation of BATA Project Savings be conditioned on the execution of a funding agreement, that the Executive Director or his designee is authorized to negotiate and enter into a funding agreement with claimant that includes the provisions contained in Attachment A and B.

METROPOLITAN TRANSPORTATION COMMISSION



Amy Rein Worth, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on January 28, 2015.

Date: #####
W.I.: 1511
Referred by: PAC
Revised: 09/23/15-C 01/27/16-C
12/21/16-C 03/22/17-C
12/20/17-C

Attachment A
Resolution No. 4169
Page 1 of 2

PROGRAM OF BATA PROJECT SAVINGS FUND PROJECTS

FY2014-15 Program of Projects

Operator	Project	Amount	Conditions
SFMTA	Fleet Expansion - LRV Purchase	60,985,343	<p>a. SFMTA is required to provide \$57 million in their local funds, which could include SFMTA Revenue Bonds, development impact fees and other non-federal sources towards, the cost of the LRV purchase.</p> <p>b. The regional programming will serve as a back-stop for Cap and Trade (C&T) funds. SFMTA will make good faith efforts to obtain a Letter of No Prejudice or other commitment from the California State Transportation Agency to maintain eligibility of the LRVs for the C&T Transit and Intercity Rail program, and to pursue C&T funding for the LRVs when C&T funding is made available.</p> <p>c. If C&T funds are secured for the expansion LRVs, the \$61 million of BATA project savings will be restored to SFMTA's LRV replacement project in accordance with the Core Capacity Challenge Grant Program commitment.</p> <p>d. If C&T funds are not secured for the expansion LRVs, SFMTA will replace the \$61 million of BATA project savings for SFMTA's LRV replacement project with local funds.</p> <p>e. If C&T funds are not secured for the expansion LRVs, SFMTA agrees to develop an agreement with MTC on the terms of the replacement funding for the LRV replacement projects.</p> <p>MTC reserves the right to withhold allocation of the AB 664 and BATA project savings funds if these conditions are not met.</p>
Total FY2014-15 Programming:		60,985,343	

FY2015-16 Program of Projects

Operator	Project	Amount	Conditions
AC Transit	AC Transit Projects		
	Replace 29 40-ft Artic Urban buses		
	Purchase 10 40-ft urban buses - Zero-Emission Fuel C		
	Purchase 10 double-decker diesel buses		
	<i>Total AC Transit Programming</i>	<i>24,922,916</i>	
Total FY2015-16 Programming:		24,922,916	

FY2016-17 Program of Projects

Operator	Project	Amount	Conditions
AC Transit	AC Transit Projects		
	Purchase 19 60-ft Artic Urban buses		
	<i>Total AC Transit Programming</i>	<i>5,248,522</i>	
SFMTA	SFMTA Projects		This programming action is conditioned on Commission approval and execution of final terms of financing, allowing for approximately \$8 million of BATA project savings to be reprogrammed from BART to SFMTA and replaced with proceeds of financing. Should financing not be completed, \$8 million would be reprogrammed
	Replacement of 60' Trolley Coaches		
	<i>Total SFMTA Programming</i>	<i>12,967,639</i>	
Total FY2016-17 Programming:		18,216,161	

FY2017-18 Program of Projects

Operator	Project	Amount	Conditions
AC Transit	AC Transit Projects		
	Purchase (59) 40-ft Urban Buses - Diesel		
	<i>Total AC Transit Programming</i>	<i>16,560,759</i>	
SFMTA	SFMTA Projects		This programming action is conditioned on Commission approval and execution of final terms of financing, allowing for approximately \$75 million of BATA project savings to be reprogrammed from BART to SFMTA and replaced with proceeds of financing. Should financing not be completed, \$75 million would be reprogrammed back to BART.
	Replacement of 40-ft Trolley Coaches		
	Replacement of 60-ft Motor Coaches		
	Replacement of 30-ft Motor Coaches		
	<i>Total SFMTA Programming</i>	<i>79,638,569</i>	
Total FY2017-18 Programming:		96,199,328	

Date: January 28, 2015
W.I.: 1511
Referred by: PAC
Revised: 09/23/15-C 01/27/16-C
12/21/16-C 03/22/17-C
12/20/17-C

Attachment A
Resolution No. 4169
Page 2 of 2

PROGRAM OF BATA PROJECT SAVINGS FUND PROJECTS

FY2018-19 Program of Projects

Operator	Project	Amount	Conditions
AC Transit Projects			
	Replace (24) 60-ft Urban Buses - Hybrid		
	Total AC Transit Programming	2,321,181	
SFMTA Projects			
	40-ft Motor Coach Midlife Overhaul		
	Replace 35 Paratransit Cutaway Vans		
	Total SFMTA Programming	2,452,440	
Total FY2018-19 Programming:		4,773,621	

FY2019-20 Program of Projects

Operator	Project	Amount	Conditions
AC Transit Projects			
	Replace (27) 40-ft Urban Buses - Hybrid		
	Total AC Transit Programming	1,286,046	
SFMTA Projects			
	Muni Rail Replacment		
	40-ft Motor Coach Midlife Overhaul		
	Total SFMTA Programming	1,830,686	
Total FY2019-20 Programming:		3,116,732	

Date: January 28, 2015
W.I.: 1511
Referred by: PAC
Revised: 01/27/16-C
03/22/17-C
12/20/17-C

Attachment B
Resolution No. 4169
Page 1 of 1

ALLOCATIONS TO BATA PROJECT SAVINGS FUNDED PROJECTS

Operator	Project	Date	Amount	Allocation No.	Notes
AC Transit	Projects Listed on Attachment A	1/27/2016	24,922,916	16-4169-01	See Notes below
AC Transit	Projects Listed on Attachment A	3/22/2017	5,248,522	17-4169-01	See Notes below
SFMTA	Projects Listed on Attachment A	3/22/2017	4,649,495	17-4169-02	See Notes below
AC Transit	Projects Listed on Attachment A	12/20/2017	16,560,759	18-4169-01	See Notes below
SFMTA	Projects Listed on Attachment A	12/20/2017	4,956,713	18-4169-02	See Notes below
Total Allocations:			56,338,405		

Notes:

- 1 Acceptance of allocations requires operator agreement to comply with the provisions of the AB 664 Net Bridge Toll Revenues section of MTC Resolution No. 4015 and that any BATA Project Savings funds received shall be subject to MTC Resolution No. 4015, unless otherwise agreed to herein.

Date: July 27, 2016
W.I.: 1512
Referred By: PAC
Revised: 12/21/16-C
12/20/17-C

ABSTRACT

Resolution No. 4242, Revised

This resolution approves the process and establishes the criteria for programming:

- Federal Transit Administration (FTA) Sections 5307 Urbanized Area Formula, 5337 State of Good Repair, and 5339 Bus & Bus Facilities formula funds apportioned to the San Francisco Bay Area in FY2016-17 through FY2019-20,
- Federal Highway Administration STP and CMAQ funds dedicated to Transit Capital Rehabilitation and Transit Priorities projects by the One Bay Area Grant Program (MTC Resolution Nos. 4035 and 4202), and
- Bridge tolls and other regional revenues dedicated to transit capital projects by the Core Capacity Challenge Grant Program (MTC Resolution 4123), and
- Proceeds of financing required to advance future FTA or STP/CMAQ revenues to fund annual TCP or CCCGP programs of projects.

This resolution includes the following attachment:

Attachment A - San Francisco Bay Area Transit Capital Priorities Process and Criteria
for FY2016-17 through FY2019-20

This resolution was revised on December 21, 2016 to add double-decker buses and low-floor cut-away vehicles to the vehicle list, correct errors to the ADA set-aside percentages, clarify the process for setting zero emission bus prices and implementing the Transit Asset Management Rule, and adjust the program development schedule.

This resolution was revised on December 20, 2017 to make changes to the time period for the second cycle of the grant spend-down policy.

ABSTRACT

MTC Resolution No. 4242, Revised

Page 2

Further discussion of the Transit Capital Priorities Policy is contained in the MTC Programming and Allocations Committee Summary Sheets dated July 13, 2016, December 14, 2016, and December 13, 2017.

Date: July 27, 2016
W.I.: 1512
Referred By: PAC

RE: San Francisco Bay Area Transit Capital Priorities Process and Criteria for FY2016-17 through FY2019-20

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4242

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq.; and

WHEREAS, MTC is the designated Metropolitan Planning Organization (MPO) for the nine-county Bay Area and is required to prepare and endorse a Transportation Improvement Program (TIP) which includes a list of priorities for transit capital projects; and

WHEREAS, MTC has worked cooperatively with the cities, counties and transit operators in the region to establish a process and a set of criteria for the selection of transit capital projects to be included in the TIP; and

WHEREAS, the process and criteria to be used in the selection and ranking of projects are set forth in Attachment A, which is incorporated herein as though set forth at length; now, therefore, be it

RESOLVED, that MTC approves the Transit Capital Priorities (TCP) Process and Criteria as set forth in Attachment A; and, be it further

RESOLVED, that MTC will use the process and criteria to program Federal Transit Administration (FTA) Sections 5307, 5337 and 5339 funds or any successor programs for FY2016-17 through FY2019-20, Federal Highway Administration STP and CMAQ funds dedicated to Transit Capital Rehabilitation and Transit Priorities projects by the One Bay Area Grant Program (MTC Resolution Nos. 4035 and 4202), bridge tolls and other regional revenues dedicated to transit capital projects by the Core Capacity Challenge Grant Program (MTC Resolution 4123), and proceeds of financing required to advance future FTA or STP/CMAQ revenues to fund annual TCP programs of projects to finance transit projects in the San Francisco Bay Area region; and, be it further

RESOLVED, that the Executive Director of MTC is authorized and directed to forward a copy of this resolution to the Federal Transit Administration (FTA), and such agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION



Dave Cortese, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California on July 27, 2016.

Date: July 27, 2016
W.I.: 1512
Referred By: PAC
Revised: 12/21/16-C
12/20/17-C

Attachment A
Resolution No. 4242
Page 1 of 48

**San Francisco Bay Area Transit Capital Priorities Process Criteria for FY2016-17 through
FY2019-20**

**For Development of the FY2016-17 through FY2019-20
Transit Capital Priorities and Transit Performance Initiative Project Lists**

Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

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I. BACKGROUND

The Transit Capital Priorities (TCP) Process and Criteria applies to the programming of:

- Federal Transit Administration (FTA) Sections 5307 Urbanized Area Formula, 5337 State of Good Repair, and 5339 Bus & Bus Facilities formula funds apportioned to the San Francisco Bay Area in FY2016-17 through FY2019-20,
- Federal Highway Administration STP and CMAQ funds dedicated to Transit Capital Rehabilitation and Transit Priorities projects by the One Bay Area Grant Program (MTC Resolution Nos. 4035 and 4202), and
- Bridge tolls and other regional revenues dedicated to transit capital projects by the Core Capacity Challenge Grant Program (MTC Resolution No. 4123), and
- Financing required to advance future FTA or STP/CMAQ revenues to fund annual TCP or CCCGP programs of projects.

The FY2016-17 through FY2019-20 TCP Criteria are the rules, in part, for establishing a program of projects for eligible transit operators in the San Francisco Bay Area Region's large urbanized areas (UA) of San Francisco/Oakland, San Jose, Concord, Santa Rosa, and Antioch; and the small urbanized areas of Vallejo, Fairfield, Vacaville, Napa, Livermore, Gilroy-Morgan Hill, and Petaluma.

On December 4, 2015, President Obama signed the Fixing America's Surface Transportation (FAST) Act into law. The FAST Act provides funding authorizations for FY2016 through FY2020. The Act maintains the same FTA formula programs as the previous authorization, Moving Ahead for Progress in the 21st Century (MAP-21). The FAST Act includes few modifications to FTA programs or policies. These modifications have been included in the TCP Criteria as appropriate.

As of the date of the adoption of the TCP Process and Criteria, FTA has not yet issued revised guidance for the implementation of the its programs that reflects changes to the programs made by the FAST Act. MTC and the Partnership will revisit and recommend updates to the policy if required to conform to future FTA rules and guidance.

In December 2013, MTC adopted Resolution No. 4123 for the Transit Core Capacity Challenge Grant Program (CCCGP), which establishes a policy commitment of approximately \$7.4 billion in federal, state, regional and local funds to high-priority transit capital projects that will improve the capacity and state of good repair of transit services in the urban core of the region. The CCCGP will determine the TCP program amounts for certain projects and sponsors. A more detailed description of the CCCGP is provided on Page 37 of Attachment A to this resolution.

II. GOALS AND OBJECTIVES

The goal of the TCP Process and Criteria is to fund transit projects that are most essential to the region and consistent with Plan Bay Area, the region's current long-range Regional Transportation Plan (RTP), and Plan Bay Area 2040, the updated RTP currently under development. The TCP Process and Criteria also implements elements of the Transit Sustainability Project recommendation (MTC Resolution No. 4060). Among the region's objectives for the TCP Process and Criteria are to:

Fund basic capital requirements: All eligible projects are to be considered in TCP Process and Criteria score order, with emphasis given to the most essential projects that replace and sustain the existing transit system capital plant. MTC will base the list of eligible replacement and expansion projects on information provided by the transit operators in response to a call for projects, or on information provided through the CCCGP. Operator-proposed projects should be based on Short Range Transit Plan (SRTP) service objectives or other board-approved capital plans. Also, after FTA publishes and adopts the final Transit Asset Management (TAM) rule, requests for replacement/rehabilitation of assets should be consistent with FTA-required Transit Asset Management (TAM) plans. All projects not identified as candidates for the TCP Program are assumed to be funded by other fund sources and are so identified in operators' SRTPs or capital plans.

Maintain reasonable fairness to all operators: Tests of reasonable fairness are to be based on the total funding available to each operator over a period of time, the level and type of service provided, timely obligation of prior year grants, and other relevant factors. (A proportional share distributed to each operator is specifically not an objective.)

Complement other MTC funding programs for transit: MTC has the lead responsibility in programming regional Surface Transportation Program (STP) and Congestion Mitigation-Air Quality (CMAQ) funds, and State Transportation Improvement Program (STIP) funds. Transit capital projects are also eligible for funding under these federal and state programs. Development of the TCP Program of Projects ("TCP Program") will complement the programming of STP, CMAQ, and STIP funds to maximize the financial resources available in order to fund the most essential projects for the San Francisco Bay Area's transit properties.

III. FTA FORMULA FUNDS

A. TCP Application Process

The Transit Finance Working Group (TFWG) serves as the forum for discussing the TCP Process and Criteria, the TCP POP, and other transit programming issues. Each transit operator in the MTC region is responsible for appointing a representative to staff the Transit Finance Working Group (TFWG). The TFWG serves in an advisory capacity to the MTC Partnership Technical Advisory Committee (PTAC). All major policy revisions and programming-related decisions are to be reviewed with PTAC. In general, the MTC Programming and Allocations Committee and the full Commission take action on the TCP Program and any other transit-related funding programs after the TFWG and PTAC has reviewed them.

Capital Program Submittal

For the purposes of programming, project sponsors will submit requests for funding in accordance with detailed instructions in MTC's call for projects. The level of detail must be sufficient to allow for MTC to screen and score the project.

Board Approval

MTC requires that operators seek board approval prior to programming projects in the TIP. The board resolution for FY2016-17 through FY2019-20 programming should be submitted by January 11, 2017, the planned date when the Programming and Allocations Committee will consider the proposed program. If a board resolution cannot be provided by this date due to board meeting schedule constraints, applicants should indicate in a cover memo with their application when the board resolution will be adopted. Appendix 1 is a sample resolution of board support.

Opinion of Counsel

Project sponsors have the option of including specified terms and conditions within the Resolution of Local Support as included in Appendix 1. If a project sponsor elects not to include the specified language within the Resolution of Local Support, then the sponsor shall provide MTC with a current Opinion of Counsel stating that the agency is an eligible sponsor of projects for the FTA Section 5307, 5337, 5339, and/or STP/CMAQ programs; that the agency is authorized to perform the project for which funds are requested; that there is no legal impediment to the agency applying for the funds; and that there is no pending or anticipated litigation which might adversely affect the project or the ability of the agency to carry out the project. A sample format is provided in Appendix 2.

Screening projects

MTC staff will evaluate all projects for conformance with the Screening Criteria (Section III) below. Certain requirements must be met for a project to reach the scoring stage of the Transit Capital Priorities process. Operators will be informed by MTC staff if a

project has failed to meet the screening criteria, and will be given an opportunity to submit additional information for clarification.

Scoring projects

MTC staff will only score those projects that have passed the screening process. Based on the score assignment provided in Table 6, MTC staff will inform operators of the score given to each project. Operators may be asked to provide additional information for clarification.

Programming Projects/Assigning projects to fund source

Projects passing screening and scoring criteria will be considered for programming in the TCP Program in the year proposed, however, projects will only be programmed in the Transportation Improvement Program (TIP) if the following conditions are met: 1) funding is available in the year proposed, and 2) funds can be obligated by the operator in the year proposed. Project fund sources will be assigned by MTC staff and will be based on project eligibility and the results of the Multi-County Agreement model.

FTA Public Involvement Process and the TIP

FTA Public Involvement Process: To receive an FTA grant, a grant applicant must meet certain public participation requirements in development of the FTA programs. As provided for in FTA Circular 9030.1E (revised January 16, 2014), FTA considers a grantee to have met the public participation requirements associated with the annual development of the Program of Projects when the grantee follows the public involvement process outlined in the FHWA/FTA planning regulations for the TIP. In lieu of a separate public involvement process, MTC will follow the public involvement process for the TIP.

Annual Programming in the TIP: MTC, in cooperation with the state and eligible transit operators, is required to develop a TIP for the MTC Region. The TIP is a four-year programming document, listing federally funded transportation projects, projects requiring a federal action, and projects deemed regionally significant. TCP programming in each year of the TIP will be financially constrained to the estimated apportionment level. Programming adjustments in the TIP will be done in consultation with eligible transit operators in the MTC region.

Changes to the Transit Capital Priorities Program

Each year after FTA releases apportionments for its formula funding programs, the preliminary TCP Program for the year will be revised if necessary to fit within the available revenues. The annual program revisions and corresponding amendment to the TIP is referred to as the Program of Projects (POP) Amendment, and finalizes the program for the year.

As part of the POP amendment, project sponsors may also request discretionary amendments to the preliminary program that conform to the TCP Process and Criteria

programming policies. Discretionary amendments may be allowed only in certain circumstances. The following general principles govern changes:

- Amendments are not routine. Any proposed changes will be carefully studied.
- Amendments are subject to MTC and TFWG review.
- Amendments which adversely impact another operator's project will not be included without the prior agreement of other operators to the change.
- Amendments will be acceptable only when proposed changes are within the prescribed financial constraints of the TIP.
- Emergency or urgent projects will be considered on a case-by-case basis as exceptions.

Operators proposing the change must provide relevant information to substantiate the urgency of the proposed amendment. Projects that impede delivery of other projects will be considered only if an agreement can be reached between the affected operators for deferring or eliminating the affected projects from consideration.

Following the POP Amendment for the FY2017-18 program, the program for the final two years, FY2018-19 and FY2019-20, will be reopened and project sponsors will be able to make revisions to the preliminary program that conform to TCP Process and Criteria programming policies in advance of the POP amendment for FY2018-19.

Funding Shortfalls

If final apportionments for the FTA formula programs come in lower than MTC has previously estimated, MTC staff will first redistribute programming to other urbanized areas with surplus apportionments in which the projects are eligible, and, second, negotiate with operators to constrain project costs or defer projects to a future year. If sufficient resolution is not possible, MTC will consider additional information, including project readiness, prior funding (if the project is a phased multi-year project), whether the project had been previously deferred, and the amount of federal funds that each of the concerned operators received in recent years, before making reductions to programming. As a final option for closing any shortfalls, staff may institute an across-the-board reduction in programming, proportionally allocated within each affected urbanized area.

Project Review

Each operator is expected to complete their own Federal grant application using FTA's Transit Award Management System (TrAMS). MTC staff will review grant applications and submit concurrence letters to FTA on behalf of project sponsors as needed.

Program Period

The TCP Criteria will be used to develop a program of projects for FY2016-17 through FY2019-20 FTA Formula Funds. The number of years covered by each TCP policy update

is generally aligned with the years covered by the current federal authorization, and the region typically adopts multi-year programs to help operators with multi-year capital budgeting, and to help the region take a longer-term view of capital replacement needs. With the passage of the FAST Act, MTC is able to develop a four-year policy program to support multi-year capital planning. While the FAST Act is a five-year authorization (FY2016 through FY2020), the TCP Program will cover four years, as the first year of FAST was programmed under the previous TCP Program.

TCP Policy and Program Development Schedule

To the extent possible, the region will adhere to the schedule proposed in the table below in developing the FY2016-17 through FY2019-20 TCP program. If a change in the schedule is required, MTC will notify participants of the TCP program development process in a timely fashion.

TCP Policy / Programming	Start Date	Finish/Due Date
TFWG TCP Policy Discussions	March 2016	June 2016
TCP Policy to PAC/Commission	July, 2016	
Call for projects	late July, 2016	September, 2016
Draft Preliminary TCP Program Summary to TFWG	November, 2016	
Draft Preliminary TCP Program to TFWG	December, 2016	
Final Preliminary TCP Program to TFWG	January, 2017	
Preliminary TCP Program to PAC/Commission	February, 2017	
Preliminary TCP Program TIP amendment to PAC/Commission	February, 2017	

B. Project Eligibility

Federal Requirements and Eligibility

Federal and State Legislation

Projects selected will conform to the requirements of the FAST Act, Clean Air Act Amendments of 1990 (CAAA), the California Clean Air Act (CCAA), and the Americans with Disabilities Act (ADA). Project sponsors shall agree to comply with federal law, including all applicable requirements of the FAST Act, CAAA, ADA, Section 504 of the Rehabilitation Act, and Title VI of the Civil Rights Act of 1964, in implementing their Projects.

Intelligent Transportation Systems (ITS) Architecture Policy

Project sponsors will be required to meet the Federal Transit Administration’s National ITS Architecture Policy as established by FTA Federal Register Notice Number 66 FR 1455 published January 8, 2001 and as incorporated by the regional architecture policy which can be accessed at: <http://mtc.ca.gov/our-work/operate-coordinate/intelligent-transportation-systems-its>.

1% Security Policy

Project sponsors are also required to meet the FTA 1% security set-aside provisions as established in the FY2004-05 Certifications and Assurances, FTA Federal Register Notice Number 69 FR 62521 published on October 26, 2004, and as it may be refined by FTA in future notifications. An updated circular (FTA Circular 9030.1E - January 16, 2014) includes additional certification requirement by designated recipients at the urbanized area level. As the designated recipient, MTC will review the grant applications for each appropriations year for compliance and certification to FTA. The security programming may not apply to all eligible operators in a UA, depending on need for security projects. Refer to the applicable FTA circulars for additional information.

Program Eligibility

Program eligibility is based on the statutory eligibility for the FTA Section 5307, 5337 and 5339 programs. Following are the program eligibility for each of the three funding programs authorized by the FAST Act. If revisions to eligibility for these programs are adopted as part of reauthorizing legislation of FTA circulars or other guidance issued by FTA, the region will consider conforming amendments to the TCP Process and Criteria.

FTA Section 5307 Urbanized Area Federally Defined Program Eligibility (Statutory Reference: 49USC5307): Capital projects; planning; job access and reverse commute projects; and operating costs of equipment and facilities for use in public transportation in urbanized areas with a population of fewer than 200,000, and, in certain circumstances, in urbanized areas with a population greater than 200,000. Eligible capital projects include—

- (A) acquiring, constructing, supervising, or inspecting equipment or a facility for use in public transportation, expenses incidental to the acquisition or construction (including designing, engineering, location surveying, mapping, and acquiring rights-of-way), payments for the capital portions of rail trackage rights agreements, transit-related intelligent transportation systems, relocation assistance, acquiring replacement housing sites, and acquiring, constructing, relocating, and rehabilitating replacement housing;
- (B) rehabilitating a bus;
- (C) remanufacturing a bus;
- (D) overhauling rail rolling stock;
- (E) preventive maintenance;
- (F) leasing equipment or a facility for use in public transportation
- (G) a joint development improvement that meet specified requirements
- (H) the introduction of new technology, through innovative and improved products, into public transportation;

- (I) the provision of nonfixed route paratransit transportation services in accordance with section 223 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12143), under specified circumstances;
- (J) establishing a debt service reserve to ensure the timely payment of principal and interest on bonds issued by a grant recipient to finance an eligible project
- (K) mobility management; and
- (L) associated capital maintenance.

FTA Section 5337 State of Good Repair Federally Defined Program Eligibility (Statutory Reference: 49USC5337): Capital projects to maintain fixed guideway and high intensity motorbus public transportation systems in a state of good repair, including projects to replace and rehabilitate—

- (A) rolling stock;
- (B) track;
- (C) line equipment and structures;
- (D) signals and communications;
- (E) power equipment and substations;
- (F) passenger stations and terminals;
- (G) security equipment and systems;
- (H) maintenance facilities and equipment;
- (I) operational support equipment, including computer hardware and software; and
- (J) development and implementation of a transit asset management plan.

The term 'fixed guideway' means a public transportation facility:

- (A) using and occupying a separate right-of-way for the exclusive use of public transportation;
- (B) using rail;
- (C) using a fixed catenary system;
- (D) for a passenger ferry system; or
- (E) for a bus rapid transit system.

The term 'high intensity motorbus' means public transportation that is provided on a facility with access for other high-occupancy vehicles.

FTA Section 5339 Bus and Bus Facilities Federally Defined Program Eligibility (Statutory Reference: 49USC5339): Capital projects—

- (1) to replace, rehabilitate, and purchase buses and related equipment; and
- (2) to construct bus-related facilities.

Regional Requirements and Eligibility

Urbanized Area Eligibility

Transit operators are required to submit annual reports to the National Transit Database. Service factors reported in large urbanized areas partially determine the amounts of FTA Section 5307, 5337 and 5339 funds generated in the region. MTC staff will work with members of the Partnership to coordinate reporting of service factors in order to maximize the amount of funds generated in the region and to determine urbanized area eligibility. An operator is eligible to claim FTA funds only in designated urbanized areas as outlined in Table 1 below. Eligibility is based on geographical operations, NTD reporting, and agreements with operators.

Table 1. Urbanized Area Eligibility

Urbanized Area	Eligible Transit Operators
San Francisco-Oakland	AC Transit, ACE, BART, Caltrain, GGBHTD, Marin County Transit District, SFMTA, SamTrans, Union City Transit, Water Emergency Transportation Authority, WestCAT
San Jose	ACE, Caltrain, VTA
Concord	ACE, BART, CCCTA, LAVTA
Antioch	BART, ECCTA
Santa Rosa	GGBHTD, Santa Rosa City Bus, Sonoma County Transit
Vallejo	Napa Vine on behalf of American Canyon, Solano County Transit
Fairfield	Fairfield-Suisun Transit
Vacaville	Vacaville Transit
Napa	Napa VINE
Livermore	ACE, LAVTA
Gilroy-Morgan Hill	Caltrain, VTA
Petaluma	GGBHTD, Petaluma Transit, Sonoma County Transit

- (i) Altamont Commuter Express (ACE) is eligible to claim funds in four of the San Francisco Bay Area’s urbanized areas according to Federal Transit Administration statute. ACE has entered into an agreement with other operators eligible to claim funds in the San Jose UA, which prevents ACE from claiming funds in that UA. Likewise, ACE has also determined that they will be reporting their Livermore area revenue miles in the Stockton UA and have elected not to seek funding from the Livermore UA. The project element that the Regional Priority Model would apportion to these two urbanized areas will be deducted from the total amount of their capital request. ACE operates on track privately owned by Union Pacific. Requests for track rehabilitation, maintenance, and or upgrades for funding in the San Francisco-Oakland and Concord UAs will be assessed for eligibility upon review of the ACE and Union Pacific agreement.

- (ii) Santa Rosa City Bus and Sonoma County will apportion Santa Rosa urbanized area funding in accordance with an updated agreement that took effect in FY2014 (58% Santa Rosa City Bus and 42% Sonoma County).
- (iii) Golden Gate Bridge and Highway Transportation District (GGBHTD) is eligible to claim funds in the Santa Rosa Urbanized Areas. However, as a result of an agreement between the operators and discussion with the TFWG, GGBHTD will not claim funds from the Santa Rosa UA at this time. However, should it become advantageous to the region for GGBHTD to report revenue miles in the Santa Rosa UA and thereby claim funds in that UA, agreements between the operators will be re-evaluated. Golden Gate is an eligible claimant for funds in the Petaluma UA, and in years where extensive capital needs in other urbanized areas in the region is high; Golden Gate's projects could be funded in the Petaluma UA.
- (iv) Funding agreements between operators in the San Jose and Gilroy-Morgan Hill UAs are subject to the conditions outlined in the Caltrain Joint Powers Board Agreement and any agreements negotiated between the Board and MTC.
- (v) MTC staff will review the Comprehensive Agreement between the Santa Clara Valley Transportation Authority (VTA) and the San Francisco Bay Area Rapid Transit District (BART) in connection with the proposed Santa Clara County BART Extension and any related agreements (Comprehensive Agreement) with VTA and BART staff, and will recommend to the Commission how to incorporate these understandings into the TCP policy elements of the Comprehensive Agreement pertaining to urbanized area eligibility and programming for replacement and rehabilitation of capital assets associated with Santa Clara County BART extensions.

Eligibility for New Operators

New operators will be required to meet the following criteria before becoming eligible for TCP funding:

- The operator provides public transit services in the San Francisco Bay Area that are compatible with the region's Regional Transportation Plan.
- The operator is an FTA grantee.
- The operator has filed NTD reports for at least two years prior to the first year of programming, e.g., has filed an NTD report for 2015 services and intends to file a report for 2016 to be eligible for FY 2016-17 TCP funding.
- The operator has executed a Cooperative Planning Agreement with MTC.
- The operator has submitted a current SRTP or other board-approved capital plan to MTC.

Screening Criteria

A project must conform to the following threshold requirements before the project can be scored and ranked in the TCP Program's project list. Screening criteria envelopes three basic areas. The following subheadings are used to group the screening criteria.

- Consistency Requirements;
- Financial Requirements;
- Project Specific Requirements;

Consistency Requirements: The proposed project must be consistent with the currently adopted Regional Transportation Plan (RTP). Smaller projects must be consistent with the policy direction of the RTP, as the RTP does not go into a sufficient level of detail to specifically list them.

The proposed project must be consistent with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866.

Projects near or crossing county boundaries must be consistent/complementary with the facility (or proposed facility) in the adjacent county.

Projects must be included in an operator's Short Range Transit Plan or other board-approved capital plan, or in an adopted local or regional plan (such as Congestion Management Programs, Countywide transportation plans pursuant to AB3705, the Seaport and Airport Plans, the State Implementation Plan, the Ozone Attainment Plan, the Regional Transportation Plan, and local General Plans). Also, after FTA publishes and adopts the final Transit Asset Management (TAM) rule, requests for replacement/rehabilitation of assets should be consistent with TAM plans required by the final TAM rule.

Financial Requirements: The proposed project has reasonable cost estimates, is supported by an adequate financial plan with all sources of funding identified and a logical cash flow, and has sensible phasing. Transit operators must demonstrate financial capacity, to be documented in the adopted TIP, as required by the FTA. All facilities that require an ongoing operating budget to be useful must demonstrate that such financial capacity exists.

Project Specific Requirements: All projects must be well defined. There must be clear project limits, intended scope of work, and project concept. Planning projects to further define longer range federally eligible projects are acceptable. Examples of projects include:

- Replacement/rehab of one revenue vehicle sub-fleet or ferry vessel; a sub-fleet is defined as the same bus size, manufacturer, and year; or any portion of a train set that reaches the end of its useful life at a common time.

- Train control or traction power replacement/rehab needs for a given year.
- Fixed guideway replacement/rehab needs for a given year (e.g., track replacement and related fixed guideway costs, ferry fixed guideway connectors).

All projects must be well justified, and have a clear need directly addressed by the project. All assets that would be replaced or rehabilitated must be included in the Regional Transit Capital Inventory (RTCI), a database of all transit capital assets in the region. Vehicle replacement projects, in particular, must identify the specific vehicles being replaced as listed in the RTCI.

A proposed project includes an implementation plan that adequately provides for any necessary clearances and approvals. The proposed project must be advanced to a state of readiness for implementation in the year indicated. For this requirement, a project is considered to be ready if grants for the project can be obligated within one year of the award date; or in the case of larger construction projects, obligated according to an accepted implementation schedule.

Asset Useful Life

To be eligible for replacement or rehabilitation, assets must meet the following age requirements in the year of programming:

Table 2. Useful Life of Assets

Heavy-Duty Buses, other than Over-the-Road-Coaches*	12 years (or 500,000 miles in service)
Over-the-Road-Coaches*	14 years (or 500,000 miles in service)
Medium-Duty Buses*	10 years (or 500,000 miles in service)
* (or an additional 5 years for buses rehabilitated with TCP funding)	
Van ¹	4, 5, or 7 years, depending on type
Light Rail Vehicle (LRV)	25 years
Electric Trolleybus	15 years
Heavy Railcar ²	25 years
(or an additional 20 years for railcars rehabilitated with TCP funding)	
Locomotive	25 years
(or an additional 20 years for locomotives rehabilitated with TCP funding)	
Heavy/Steel Hull Ferries	30 years
(or an additional 20 years for ferries rehabilitated with TCP funding)	
Lightweight/Aluminum Hull Ferries ³	25 years
Used Vehicles ⁴	Varies by type
Tools and Equipment	10 years
Service Vehicle	7 years
Non-Revenue Vehicle	7 years
Track	Varies by track type
Overhead Contact System/3 rd Rail	Varies by type of OCS/3 rd rail
Facility	Varies by facility and component replaced

Notes:

- 1) A paratransit van is a specialized van used in paratransit service only such as service for the elderly and handicapped. Three general categories of vans are acceptable in Transit Capital Priorities: Minivans, Standard Conversion Vans, and Small Medium-Duty Coaches. The age requirements for each type are 4, 5, and 7 years respectively.
- 2) *Includes Caltrain and ACE commuter rail and BART urban rail cars.*
- 3) *Lightweight ferries will not generally last beyond a 25-year useful life. Propulsion and major component elements of lightweight ferries can be replaced in TCP without extending the useful life beyond its anticipated useful life of 25 years.*
- 4) *Used vehicles are eligible to receive a proportionate level of funding based on the type of vehicle and number of years of additional service. (See “used vehicle replacement” Section IV, Definition of Project Categories).*

Early Replacement Programming Requests

Requests to program vehicle replacement funds one or two years prior to the first eligible year in order to advance procurements or to replace vehicles with higher than normal

maintenance costs will be considered if the proposal has minimal impacts on other operators and can be accommodated within the region's fiscal constraints.

Exceptions for replacement of assets prior to the end of their useful life may be considered only if an operator has secured FTA approval for early retirement, which must occur before the annual apportionment has been released.

Compensation for Deferred Replacement (Bus Replacement beyond Minimum Useful Life)

Operators that voluntarily replace buses or vans beyond the minimum federally eligible useful life specified in Table 2 will be eligible for either of two financial compensations:

Option 1. Operators receive all of the savings, but need to apply the savings to capital replacement and rehab projects (Score 10-16).

Option 2. Operators receive half of the savings to the region created by later replacement of vehicles, which may be programmed to lower scoring eligible projects.

Savings to the region are calculated based on the pricelist cost and minimum useful life of the vehicle type. For example, if replacement of a bus with a 12-year useful life and a \$600,000 replacement cost (federal share) is deferred for two years, the savings to the region would be $2/12 \times \$600,000 = \$100,000$. Under Option 1, the operator would receive \$100,000 for eligible Score 10-16 capital projects. Under Option 2, the operator would receive \$50,000, which could be programmed for any eligible project. The region would retain the other \$50,000 in savings to be programmed to other needs in accordance with the TCP policy. Operators may choose between Option 1 and Option 2.

For operators that are proposing to take advantage of the bus replacement compensation, the vehicles being replaced must be older than the age requirements listed above. It is the operator's responsibility to ensure that vehicle replacement requests beyond the minimum useful life maintain a state of good repair for the assets. Requests to activate this policy option should be noted when transmitting project applications to MTC.

Project Funding Caps

In order to prevent committing a significant portion of the programming to an operator in any one year, the following annual funding ceilings for projects are established:

Revenue vehicle replacement projects cannot exceed \$20 million for buses or \$30 million for rail car or ferry vessel replacement and rehabilitation projects, in the aggregate, for all funding programs. If the cost of the vehicle procurement exceeds the annual cap, the difference will be programmed in subsequent years subject to availability of funds.

Fixed guideway replacement and rehabilitation projects in the aggregate cannot exceed the amounts specified for each fixed guideway (FG) operator in Table 3. The total amount of the caps is \$120 million (3% escalation) based on the updated CIP projections. Each operator’s cap is based on its share of the updated fixed guideway need projections included in the adopted Plan Bay Area 2040 RTP, with a floor applied so that no operator’s cap is reduced by more than 5% from their prior cap.

When developing the proposed TCP programs for FY2016-17 through FY2019-20, the fixed guideway caps may be increased or decreased proportionally, depending on the aggregate demand for Score 16 projects compared to projected revenues. Operators have the option of submitting contingent fixed guideway programming requests equal to 20% of the operator’s cap, in addition to requests for programming the cap amount. The contingent requests will be programmed if the program’s fiscal balance allows the region to increase the caps.

Additionally, in an attempt to better align FG needs and FG cap programming, in the call for projects for this program, operators may request more than their annual cap in a particular year if the increase is offset by a lower request in another year (i.e. as long as the total requested for FG projects over the four-year program does not exceed the annual cap times four). When developing the program, staff will attempt to program FG caps as requested. However, in order to balance needs across operators within each UA, programming may be adjusted to match available funds and project needs.

Table 3. Fixed Guideway Caps

FG Operator	Project Category	Fixed Guideway Cap
ACE	All Eligible FG Categories	\$1,490,000
BART	All Eligible FG Categories	50,211,000
Caltrain	All Eligible FG Categories	14,393,000
GGBHTD	All Eligible FG Categories	5,108,000
SFMTA	All Eligible FG Categories	34,026,000
VTA	All Eligible FG Categories	8,529,000
WETA	All Eligible FG Categories	6,642,000

The cap amount may be programmed to any projects that are eligible for FTA Section 5337 funding and that fall into one of the following categories:

- Track/Guideway Replacement/Rehabilitation
- Traction Power Systems Replacement/Rehabilitation
- Train Control/Signaling Replacement/Rehabilitation
- Dredging
- Ferry Fixed Guideway Connectors Replacement/Rehabilitation
- Ferry Major Component Replacement/Rehabilitation

- Ferry Propulsion Replacement/Rehabilitation
- Cable Car Infrastructure Replacement/Rehabilitation
- Wayside or Onboard Fare Collection Equipment Replacement/Rehabilitation for Fixed Guideway vehicles

Programming for all projects that fall within these categories must be within the operator's cap amount with the exception of fixed guideway infrastructure projects included in the CCCGP program of projects. Such projects may be funded with a combination of fixed guideway cap funds and additional TCP funds above the operator's fixed guideway cap.

Operators may request a one-year waiver to use fixed guideway cap funds for other capital needs that are not included in one of the eligible project categories listed above if the operator can demonstrate that the other capital needs can be addressed by the one-year waiver, or that the use of fixed guideway cap funds is part of a multi-year plan to address the other capital needs. The operator must also demonstrate that the waiver will have minimal impact on the operator's ability to meet its fixed guideway capital needs.

Other replacement projects cannot exceed \$5 million. This cap applies to non-vehicle and non-fixed guideway Score 16 projects, including communications systems, bus fare collection equipment (fixed guideway wayside fare collection equipment is covered under the fixed guideway caps), and bus emission reduction devices; and lower scoring replacement projects. Vehicle rehabilitation projects that are treated as Score 16 because the life of the asset is being extended (see Asset Useful Life above) are also subject to this cap. Exceptions to this cap include those projects included in the CCCGP. Replacement of Clipper® fare collection equipment that is centralized under MTC will be treated as a separate project for each operator whose Clipper® equipment is being replaced, including MTC for the replacement of back-end equipment and systems, for the purposes of applying this project funding cap. If project costs exceed the cap, the difference will not automatically be programmed in subsequent years; the region will assess its ability to program additional funding year-by-year based on projected revenues and demand for other Score 16 needs.

Expansion or enhancement projects cannot exceed \$3.75 million.

Vanpool Support Program programming cannot exceed the amount of apportionments per UA generated by vanpool reporting to the NTD.

As part of the development of the program, project caps may be increased or decreased on an annual basis in order to better match programming to available revenues, subject to negotiation and agreement among operators and MTC.

Exceptions to these annual funding ceilings will be considered by MTC and the TFWG on a case-by-case basis after evaluating programming requested through the call for projects, and the region's estimated fiscal resources. For large rehabilitation programs, MTC may conduct negotiations with the appropriate sponsor to discuss financing options and programming commitments.

Bus-Van Pricelist

Requests for funding for buses and vans cannot exceed the prices in the Regional Bus-Van Pricelist for each year of the TCP program as shown in Tables 4 through 7. If an operator elects to replace vehicles with vehicles of a different fuel type, the price listed for the new fuel type vehicle applies, e.g., if an operator is replacing diesel buses with diesel-electric hybrid buses, the operator may request funds up to the amount listed for hybrid buses.

The pricelist is based on a survey of prices paid by operators in the Bay Area, and was initially developed for the FY2014-15 program. Since FY2014-15, the prices have been escalated using the Producer Price Index (PPI) for buses. This escalation rate is noted in the tables. After FY2017-18, the pricelists for FY2018-19 and FY2019-20 may be revised using more current PPI data and other information.

Operators have indicated interest in procuring double-decker buses and low-floor cut-away vehicles in the program. However, there is little history to use for developing pricelist amounts. Therefore, the projected prices for these types of vehicles will be developed by the operator based on the best available information, and a justification for the projected price will be submitted together with the operator's TCP programming request. If the justification does not adequately support the projected price, the programmed amount will be subject to negotiation between MTC staff and the operator. Additionally, the Transit Finance Working Group members shall have an opportunity to review and comment on the proposed prices and programming for these vehicles when the TFWG reviews the proposed program.

Note that the bus prices do not include allowances for radios and fareboxes; they will be considered a separate project under the TCP policy. The price of electronic fareboxes varies approximately between \$10,000 and \$14,000 whereas the price of radios varies from \$1,000 to \$5,000. Requests for funding radios and fareboxes should be within the price range mentioned above. Requests above these ranges will require additional justification. Fareboxes for/on fixed guideway vehicles will be funded out of the operators' fixed guideway cap amounts (see Table 3). Operators are expected to include Clipper® wiring and brackets in all new buses, so the buses are Clipper®-ready without requiring additional expenses.

Compensation for Cost Effective Bus Purchases

Under this element of the TCP policy, operators that request less than the full pricelist amount for vehicle replacements would be eligible for either of two financial compensations:

Option 1* Operators receive all of the savings, but need to apply the savings to capital replacement and rehab projects (Score 10-16).

Option 2* Operators receive half of the savings to the region created by cost effective vehicle purchases, which may be programmed to lower scoring (below score 10) eligible projects, including preventive maintenance.

The intent of this policy element is to ensure that the region's limited funds can cover more of the region's capital needs while targeting funding to the vehicles most in need of replacement.

*If the amount of federal apportionments received does not allow us to fully program all Score 16 projects, MTC reserves the right to reduce the percentage of savings that would go back to the operator.

Zero-Emission Buses

With zero-emission buses (ZEBs) just starting to be commercially available, there is little history to use for developing pricelist amounts, and while increasing sales of ZEBs is expected to lead to lower prices, the rate of price decline is difficult to predict.

Therefore, the projected prices for ZEBs will be developed by the operator based on the best available information, and a justification for the projected price will be submitted together with the operator's TCP programming request. If the justification does not adequately support the projected price, the programmed amount will be subject to negotiation between MTC staff and the operator.

The programmed amount for ZEBs will be 82% of the projected price (or negotiated price), except as noted below. If an operator requests funds for ZEBs through the TCP Process and Criteria, the operator will agree to make a good faith effort to obtain other non-TCP funds, such as FTA Lo-No funds, FTA Section 5339 Discretionary Program funds, CARB Heavy Duty Zero Emission Pilot Project funds, California Energy Commission funds, county sales tax funds, or other local funds for at least the difference between the projected price for ZEBs and the TCP Process and Criteria pricelist price for a comparable diesel-electric hybrid bus. If the operator is successful in securing non-TCP funds, the TCP request for ZEBs will be reduced by the amount of non-TCP funds secured. Additionally, the Transit Finance Working Group members shall have an opportunity to review and comment on the proposed prices and programming for these vehicles when the TFWG reviews the proposed program.

Table 4: Regional Bus-Van Pricelist, FY2016-17

Vehicle Type	Total	Federal	Local	Federal %	Local %
Minivan Under 22'	\$52,000	\$42,640	\$9,360	82%	18%
Cut-Away/Van, 4 or 5-Year, Gas	\$89,000	\$72,980	\$16,020	82%	18%
Cut-Away/Van, 4 or 5-Year, Diesel	\$109,000	\$89,380	\$19,620	82%	18%
Cut-Away/Van, 4 or 5-Year, CNG	\$123,000	\$100,860	\$22,140	82%	18%
Cut-Away/Van, 7-Year, Gas	\$123,000	\$100,860	\$22,140	82%	18%
Cut-Away/Van, 7-Year, Diesel	\$152,000	\$124,640	\$27,360	82%	18%
Cut-Away/Van, 7-Year, CNG	\$172,000	\$141,040	\$30,960	82%	18%
Transit Bus 30' Diesel	\$478,000	\$391,960	\$86,040	82%	18%
Transit Bus 30' CNG	\$529,000	\$433,780	\$95,220	82%	18%
Transit Bus 30' Hybrid	\$735,000	\$602,700	\$132,300	82%	18%
Transit Bus 35' Diesel	\$493,000	\$404,260	\$88,740	82%	18%
Transit Bus 35' CNG	\$544,000	\$446,080	\$97,920	82%	18%
Transit Bus 35' Hybrid	\$735,000	\$602,700	\$132,300	82%	18%
Transit Bus 40' Diesel	\$537,000	\$440,340	\$96,660	82%	18%
Transit Bus 40' CNG	\$621,000	\$509,220	\$111,780	82%	18%
Transit Bus 40' Hybrid	\$780,000	\$639,600	\$140,400	82%	18%
Over the Road 45' Diesel	\$625,000	\$512,500	\$112,500	82%	18%
Articulated 60' Diesel	\$872,000	\$715,040	\$156,960	82%	18%
Articulated 60' Hybrid	\$1,068,000	\$875,760	\$192,240	82%	18%

Notes:

Prices escalated 1.23% annually over FY2015-16, rounded to the nearest \$1,000.

For buses with dual-side doors, add \$50,000 to Total (\$41,000 Federal, \$9,000 Local).

For vehicle procurements more than 20 in number, 5% of the cost of the buses can be added to the pricelist amounts to account for soft costs.

Table 5: Regional Bus-Van Pricelist, FY2017-18

Vehicle Type	Total	Federal	Local	Federal %	Local %
Minivan Under 22'	\$53,000	\$43,460	\$9,540	82%	18%
Cut-Away/Van, 4 or 5-Year, Gas	\$90,000	\$73,800	\$16,200	82%	18%
Cut-Away/Van, 4 or 5-Year, Diesel	\$110,000	\$90,200	\$19,800	82%	18%
Cut-Away/Van, 4 or 5-Year, CNG	\$125,000	\$102,500	\$22,500	82%	18%
Cut-Away/Van, 7-Year, Gas	\$125,000	\$102,500	\$22,500	82%	18%
Cut-Away/Van, 7-Year, Diesel	\$154,000	\$126,280	\$27,720	82%	18%
Cut-Away/Van, 7-Year, CNG	\$174,000	\$142,680	\$31,320	82%	18%
Transit Bus 30' Diesel	\$484,000	\$396,880	\$87,120	82%	18%
Transit Bus 30' CNG	\$536,000	\$439,520	\$96,480	82%	18%
Transit Bus 30' Hybrid	\$744,000	\$610,080	\$133,920	82%	18%
Transit Bus 35' Diesel	\$499,000	\$409,180	\$89,820	82%	18%
Transit Bus 35' CNG	\$551,000	\$451,820	\$99,180	82%	18%
Transit Bus 35' Hybrid	\$744,000	\$610,080	\$133,920	82%	18%
Transit Bus 40' Diesel	\$544,000	\$446,080	\$97,920	82%	18%
Transit Bus 40' CNG	\$629,000	\$515,780	\$113,220	82%	18%
Transit Bus 40' Hybrid	\$790,000	\$647,800	\$142,200	82%	18%
Over the Road 45' Diesel	\$633,000	\$519,060	\$113,940	82%	18%
Articulated 60' Diesel	\$883,000	\$724,060	\$158,940	82%	18%
Articulated 60' Hybrid	\$1,081,000	\$886,420	\$194,580	82%	18%

Notes:

Prices escalated 1.23% annually over FY2016-17 prices, rounded to the nearest \$1,000.

For buses with dual-side doors, add \$50,000 to Total (\$40,000 Federal, \$10,000 Local).

For vehicle procurements more than 20 in number, 5% of the cost of the buses can be added to the pricelist amounts to account for soft costs.

Table 6: Regional Bus-Van Pricelist, FY2018-19

Vehicle Type	Total	Federal	Local	Federal %	Local %
Minivan Under 22'	\$ 54,000	\$ 44,280	\$ 9,720	82%	18%
Cut-Away/Van, 4 or 5-Year, Gas	\$ 91,000	\$ 74,620	\$ 16,380	82%	18%
Cut-Away/Van, 4 or 5-Year, Diesel	\$ 111,000	\$ 91,020	\$ 19,980	82%	18%
Cut-Away/Van, 4 or 5-Year, CNG	\$ 127,000	\$ 104,140	\$ 22,860	82%	18%
Cut-Away/Van, 7-Year, Gas	\$ 127,000	\$ 104,140	\$ 22,860	82%	18%
Cut-Away/Van, 7-Year, Diesel	\$ 156,000	\$ 127,920	\$ 28,080	82%	18%
Cut-Away/Van, 7-Year, CNG	\$ 176,000	\$ 144,320	\$ 31,680	82%	18%
Transit Bus 30' Diesel	\$ 490,000	\$ 401,800	\$ 88,200	82%	18%
Transit Bus 30' CNG	\$ 543,000	\$ 445,260	\$ 97,740	82%	18%
Transit Bus 30' Hybrid	\$ 753,000	\$ 617,460	\$ 135,540	82%	18%
Transit Bus 35' Diesel	\$ 505,000	\$ 414,100	\$ 90,900	82%	18%
Transit Bus 35' CNG	\$ 558,000	\$ 457,560	\$ 100,440	82%	18%
Transit Bus 35' Hybrid	\$ 753,000	\$ 617,460	\$ 135,540	82%	18%
Transit Bus 40' Diesel	\$ 551,000	\$ 451,820	\$ 99,180	82%	18%
Transit Bus 40' CNG	\$ 637,000	\$ 522,340	\$ 114,660	82%	18%
Transit Bus 40' Hybrid	\$ 800,000	\$ 656,000	\$ 144,000	82%	18%
Over-the-Road 45' Diesel	\$ 641,000	\$ 525,620	\$ 115,380	82%	18%
Articulated 60' Diesel	\$ 894,000	\$ 733,080	\$ 160,920	82%	18%
Articulated 60' Hybrid	\$ 1,094,000	\$ 897,080	\$ 196,920	82%	18%

Notes:

Prices escalated 1.23% annually over FY2017-18 prices, rounded to the nearest \$1,000.

For buses with dual-side doors, add \$50,000 to Total (\$41,000 Federal, \$9,000 Local).

For vehicle procurements more than 20 in number, 5% of the cost of the buses can be added to the pricelist amounts to account for soft costs.

Table 7: Regional Bus-Van Pricelist, FY2019-20

Vehicle Type	Total	Federal	Local	Federal %	Local %
Minivan Under 22'	\$ 55,000	\$ 45,100	\$ 9,900	82%	18%
Cut-Away/Van, 4 or 5-Year, Gas	\$ 92,000	\$ 75,440	\$ 16,560	82%	18%
Cut-Away/Van, 4 or 5-Year, Diesel	\$ 112,000	\$ 91,840	\$ 20,160	82%	18%
Cut-Away/Van, 4 or 5-Year, CNG	\$ 129,000	\$ 105,780	\$ 23,220	82%	18%
Cut-Away/Van, 7-Year, Gas	\$ 129,000	\$ 105,780	\$ 23,220	82%	18%
Cut-Away/Van, 7-Year, Diesel	\$ 158,000	\$ 129,560	\$ 28,440	82%	18%
Cut-Away/Van, 7-Year, CNG	\$ 178,000	\$ 145,960	\$ 32,040	82%	18%
Transit Bus 30' Diesel	\$ 496,000	\$ 406,720	\$ 89,280	82%	18%
Transit Bus 30' CNG	\$ 550,000	\$ 451,000	\$ 99,000	82%	18%
Transit Bus 30' Hybrid	\$ 762,000	\$ 624,840	\$ 137,160	82%	18%
Transit Bus 35' Diesel	\$ 511,000	\$ 419,020	\$ 91,980	82%	18%
Transit Bus 35' CNG	\$ 565,000	\$ 463,300	\$ 101,700	82%	18%
Transit Bus 35' Hybrid	\$ 762,000	\$ 624,840	\$ 137,160	82%	18%
Transit Bus 40' Diesel	\$ 558,000	\$ 457,560	\$ 100,440	82%	18%
Transit Bus 40' CNG	\$ 645,000	\$ 528,900	\$ 116,100	82%	18%
Transit Bus 40' Hybrid	\$ 810,000	\$ 664,200	\$ 145,800	82%	18%
Over-the-Road 45' Diesel	\$ 649,000	\$ 532,180	\$ 116,820	82%	18%
Articulated 60' Diesel	\$ 905,000	\$ 742,100	\$ 162,900	82%	18%
Articulated 60' Hybrid	\$ 1,107,000	\$ 907,740	\$ 199,260	82%	18%

Notes:

Prices escalated 1.23% annually over FY2018-19 prices, rounded to the nearest \$1,000.

For buses with dual-side doors, add \$50,000 to Total (\$41,000 Federal, \$9,000 Local).

For vehicle procurements more than 20 in number, 5% of the cost of the buses can be added to the pricelist amounts to account for soft costs.

Project Definition and Scoring

Project Scoring

All projects submitted to MTC for TCP programming consideration that have passed the screening process will be assigned scores by project category as indicated in Table 8.

Table 8. Project Scores

<u>Project Category/Description</u>	<u>Project Score</u>
Debt Service	17
Debt service – repayment of financing issued against future FTA revenues. Debt service, including principal and interest payments, for any financing required to advance future FTA or STP revenues to fund annual TCP or CCCGP programs of projects will be treated as score 17.	
Revenue Vehicle Replacement	16
Vehicle Replacement - replacement of a revenue vehicle at the end of its useful life (see Asset Useful Life above). Vehicles previously purchased with revenue sources other than federal funds are eligible for FTA formula funding as long as vehicles meet the replacement age. Vehicles are to be replaced with vehicles of similar size (up to 5’ size differential) and seating capacity, e.g., a 40-foot coach replaced with a 40-foot coach and not an articulated vehicle. If an operator is electing to purchase smaller or larger buses (above or below a 5’ size differential), or do a sub-fleet reconfiguration, the replacement sub-fleet will have a comparable number of seats as the vehicles being replaced. Paratransit vehicles can be replaced with the next larger vehicle providing the existing vehicle is operated for the useful life period of the vehicle that it is being upgraded to. Any other significant upgrade in size will be considered as vehicle expansion and not vehicle replacement. For urgent replacements not the result of deferred maintenance and replacement of assets 20% older than the usual replacement cycle (e.g., 12 or 16 years for buses depending on type of bus), a project may receive an additional point.	
Revenue Vehicle Rehabilitation	16
Vehicle Rehabilitation - major maintenance, designed to extend the useful life of a revenue vehicle (+5 years for buses, +20 years for railcars, +20 years for locomotives, +20 years for heavy hull ferries). Rehabilitation of historic railcars, which have, by definition, extended useful lives, is included in this category.	
Core Capacity Challenge Grant Program Projects	16
Projects proposed for TCP funding in the CCCGP (MTC Resolution No. 4123) that are not otherwise Score 16.	
Used Vehicle Replacement	16
Used Vehicle Replacement - replacement of a vehicle purchased used (applicable to buses, ferries, and rail cars) is eligible for federal, state, and local funding that MTC administers. Funds in this category include FTA Section 5307, STP, CMAQ, STIP, and Net Toll Revenues. However, funding for replacement of the used vehicle will be limited to a proportionate share of the total project cost, equal to the number of years the used vehicle is operated beyond its standard useful life divided by its standard useful life (e.g., if a transit property retained and operated a used transit bus for 5 years, it is eligible to receive 5/12 th of the allowable programming for the project).	
Fixed Guideway Replacement / Rehabilitation	16
Rehabilitation/Replacement Fixed Guideway - projects replacing or rehabilitating fixed guideway equipment at the end of its useful life, including rail, guideway, bridges, traction power systems, wayside train control systems, overhead wires, cable car infrastructure, and computer/communications systems with a primary purpose of communicating with or controlling fixed guideway equipment. Projects in this category are subject to fixed guideway project caps.	

Ferry Propulsion Systems	16
Ferry Propulsion Replacement—projects defined as the mid-life replacement and rehabilitation of ferry propulsion systems in order that vessels are able to reach their 25-year useful life. Projects in this category are subject to fixed guideway project caps.	
Ferry Major Component	16
Ferry Major Components—projects associated with propulsion system, inspection, and navigational equipment required to reach the full economic life of a ferry vessel. Projects in this category are subject to fixed guideway project caps.	
Ferry Fixed Guideway Connectors	16
Ferry Fixed Guideway Connectors—floats, gangways, and ramps associated with the safe moorage and boarding of passengers to/from ferry vessels. Projects in this category are subject to fixed guideway project caps.	
Revenue Vehicle Communication Equipment	16
Communication Equipment – Includes on-board radios, radio base stations, and computer/communications systems with a primary purpose of communicating with and/or location/navigation of revenue vehicles, such as GPS/AVL systems.	
Non-Clipper® Fare Collection/Fareboxes	16
Revenue vehicle and wayside fare equipment are eligible for replacement as score 16. The maximum programming allowance for revenue vehicle fare equipment purchased separately from revenue vehicles is outlined in Section III, Project Funding Caps, providing the fare equipment is not replaced prior to the 12-year replacement cycle for buses. Fare equipment must be compatible with the Clipper® fare collection system.	
Clipper®	16
Clipper® - replacement of Clipper® fare collection equipment and systems.	
Bus Diesel Emission Reduction Devices	16
Bus diesel emission reduction devices or device components required to meet or exceed California Air Resources Board requirements, including first-time retrofits, upgrades, replacements and spares. Devices or components must be installed on buses that will remain in service for at least five (5) years following year programming in order to be treated as Score 16. Only spares up to 10% of the operator’s current device inventory will be treated as Score 16. Bus diesel emission device projects treated as Score 16 require a 50% local match. Devices or components installed on buses scheduled to be replaced within five (5) years of programming, and spares in excess of 10% of the operator’s inventory, will be treated as Preventive Maintenance (Score 9). See Section V. Programming Policies, Bus Diesel Emission Reduction Device Funding Program.	
Vanpool Support Program	16
Turnkey vanpool services contracted by MTC. This program will have eligibility beginning FY2019-20, and is subject to funding cap at levels no greater than the projected apportionments generated by vanpool reporting in the urbanized area.	
Safety	15
Safety/Security - projects addressing potential threats to life and/or property. The project may be maintenance of existing equipment or new safety capital investments. Includes computer/communications systems with a primary purpose of communicating with/controlling safety systems, including ventilation fans, fire suppression, fire alarm, intruder detection, CCTV cameras, and emergency “blue light” phones. Adequate justification that the proposed project will address safety and/or security issues must be provided. The TFWG will be provided an opportunity to review proposed projects before a project is programmed funds in a final program. Projects that contribute to a 1% security requirement will be considered Score 16.	

ADA/Non Vehicle Access Improvement	14
ADA - capital projects needed for ADA <i>compliance</i> . Does not cover routine replacement of ADA-related capital items. Project sponsor must provide detailed justification that the project is proposed to comply with ADA. Subject to TFWG review.	
Fixed/Heavy Equipment, Maintenance/Operating Facilities	13
Fixed/Heavy equipment and Operations/Maintenance facility - replacement/rehabilitation of major maintenance equipment, generally with a unit value over \$10,000; replacement/rehabilitation of facilities on a schedule based upon the useful life of the components.	
Station/Intermodal Stations/Parking Rehabilitation	12
Stations/Intermodal Centers/Patron Parking Replacement/Rehab - replacement/rehabilitation of passenger facilities. Includes computer/communications systems with a primary purpose of communicating with/controlling escalators or elevators, and public address or platform display systems at stations or platforms.	
Service Vehicles	11
Service Vehicles - replacement/rehabilitation of non-revenue and service vehicles based on useful life schedules.	
Tools and Equipment	10
Tools and Equipment - maintenance tools and equipment, generally with a unit value below \$10,000.	
Administrative Computer Systems and Office Equipment	9
Office Equipment - computers, copiers, fax machines, etc. Includes administrative - MIS, financial, HR, scheduling, transit asset management, and maintenance management systems.	
Preventive Maintenance	9
Preventive Maintenance - ongoing maintenance expenses (including labor and capital costs) of revenue and non-revenue vehicles that do not extend the life of the vehicle. This includes mid-life change-out of tires, tubes, engines and transmissions that do not extend the life of the vehicle beyond the twelve years life cycle. Preventive Maintenance may be treated as Score 16 under certain circumstances; see Section V. Programming Policies, Preventive Maintenance Funding.	
Operational Improvements/Enhancements	8
Operational Improvement/Enhancements - any project proposed to improve and/or enhance the efficiency of a transit facility.	
Operations	8
Operations—costs associated with transit operations such as the ongoing maintenance of transit vehicles including the cost of salaries. See Section V, Limited Use of FTA Funds for Operating Purposes.	
Expansion	8
Expansion - any project needed to support expanded service levels.	

C. Programming Policies

Project Apportionment Model for Eligible Urbanized Areas

There are four elements that need to be considered to determine operators' urbanized area apportionment: multi-county agreements, high-scoring capital needs, the 10% ADA set-aside amounts, the Lifeline set-aside amounts, and the Unanticipated Costs Reserve. The Regional Priority Model, as explained in paragraph (a), establishes funding priority for apportioning high-scoring capital projects to eligible urbanized areas. Funding may be limited by multi-county agreements as explained in paragraph (b) below. Eligible programming revenues are net of the 10% ADA set-aside discussed in paragraph (c) below, and the Vehicle Procurement Reserve, if any, described at the end of this section.

- a) *Regional Priority Programming Model*: The 2000 Census changes to the region's urbanized areas made numerous operators eligible to claim funds in more than one urbanized area. This has necessitated a procedure for apportioning projects to eligible urbanized areas. The *Regional Priority Model*, as described below, was fashioned to prioritize funds for the replacement of the region's transit capital plant, while minimizing the impact of the 2000 Census boundary changes. The 2010 Census did not result in any major changes to the region's urbanized areas.

The model assumes a regional programming perspective and constrains regional capital demand to the amount of funds available to the region, prior to apportioning projects to urbanized areas. It then apportions projects to urbanized areas in the following order:

- i. Funds are apportioned first for operators that are the exclusive claimant in a single UA (e.g., LAVTA, Fairfield, etc.)
 - ii. Fund projects for operators that are restricted to receiving funds in one urbanized area (e.g., SFMTA, AC, WestCAT, CCCTA, etc.)
 - iii. Fund balance of operator projects among multiple urbanized areas, as eligibility allows, with the objective of fully funding as many high scoring projects as possible.
 - iv. Reduce capital projects proportionately in urbanized areas where need exceeds funds available.
 - v. Fund lower scoring projects (additional programming flexibility) to operators in urbanized areas where apportionments exceed project need.
- b) *Multi-County Agreements*: For some operators, urbanized area (UA) apportionments are guided by multi-county agreements. Aside from the

acknowledged agreements, funds are apportioned based on the regional priority model.

There are three specific agreements that are being honored under the negotiated multi-county agreement model: the Caltrain Joint Powers Board Agreement, the Altamont Commuter Express (ACE) Cooperative Services Agreement and the Sonoma County-Santa Rosa City Bus Agreement.

Consideration for future agreements will include representation from each interested county, interested transit property, or an appointed designee, and be approved by all operators in the affected UA and MTC.

- c) *10% ADA Paratransit Service Set-Aside*: The FAST Act caps the share of each urbanized area's Section 5307 apportionment that can be programmed for ADA paratransit service operating costs at 10%. An amount equal to 10% of each participating urbanized area's FTA Section 5307 apportionment will be set-aside to assist operators in defraying ADA paratransit operating expenses. The purpose of this set-aside is to ensure that in any one year, a transit operator can use these funds to provide ADA service levels necessary to maintain compliance with the federal law, without impacting existing levels of fixed route service. ADA set-aside programmed to small UA operators will not impact eligible programming amounts in large UAs.

The formula for distributing the 10% ADA operating set-aside among the eligible operators in each UA is based on the following factors:

- (i) Annual Demand Response (DR) Operating Expenses (40%),
- (ii) Annual Demand Response (DR) Ridership (40%), and
- (iii) Annual Overall Ridership (20%).

Table 7 shows the percentages by operator and urbanized area for FY 2016-17 and FY2017-18 (Data Source: NTD, Year: 2014). The table will be used for the preliminary program for FY2018-19 and FY2019-20, and will be revised based on updated NTD data after FY2017-18.

Table 7: ADA Set-aside Amounts by Urbanized Area and Operator

New Formula – ADA Set-Aside Percentages by Urbanized Area and Operator

Operator	San Francisco-Oakland	San Jose	Concord	Antioch	Vallejo	Livermore	Gilroy-MH	Petaluma
AC Transit	29.24%							
ACE	0.10%		1.8%					
BART	12.44%		32.6%	13.3%				
Caltrain	0.28%	3.7%						
CCCTA			56.8%					
Fairfield-Suisun Transit	Not Applicable							
GGBHTD ⁴	1.33%							
LAVTA			8.8%			100.0%		
Marin County Transit ⁴	5.32%							
Napa VINE					17.9%			
Petaluma Transit								77.9%
SamTrans	13.45%							
SFMTA	34.81%							
SolTrans					82.1%			
Sonoma Cty Transit	Not Applicable							
SR City Bus	Not Applicable							
Tri-Delta				86.7%				
Union City	1.02%							
Vacaville	Not Applicable							
VTA		96.3%					100.0%	
WestCAT	1.96%							
WETA	0.06%							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

- 1) Updated with 2014 NTD reporting
- 2) Urbanized Areas not shown are not participating in 10% ADA set-aside policy.
- 2) Formula based on three factors weighted as shown: a) Operator's Annual Demand Response Expenses (40%); b) Operators Demand Response Ridership (40%); and c) Operator's Annual Overall Ridership (20%)
- 3) To calculate funding amounts, multiply 10% of related urbanized area revenue estimate against percentages shown for operators in that urbanized area.
- 4) GGBHTD share split with Marin County Transit per agreement between the two operators. 20/80 split.
- 5) If operator was eligible for funds in multiple UA's, we used GIS spatial analysis to calculate percentage of operator's share (based on no. of stops) in each UA.

An operator may use its share of the FTA Section 5307 set-aside for other Score 16 projects if the operator can certify that:

- Their ADA paratransit operating costs are fully funded in its proposed annual budget;
- For jointly-funded paratransit services, operators' FTA Section 5307 ADA set-aside shares have been jointly considered in making decisions on ADA service levels and revenues.

If MTC is satisfied with the operator's certification, the operator may re-program its set-aside for any Score 16 project(s), including those projects funded under FG caps. To ensure that the Section 5307 10% set-aside funding is duly considered for annual ADA paratransit needs, there will be no multi-year programming of the 10% ADA set-aside to capital-only purposes.

- d) *Lifeline Set-Aside*: MAP-21 eliminated the Job Access and Reverse Commute (JARC) program (Section 5316) and combined JARC functions and funding with the Urbanized Area Formula (Section 5307) and the Non-urbanized Area Formula (Section 5311) programs. JARC projects were made eligible for 5307 funding, and 3.07% of 5307 appropriations are apportioned by the JARC low-income formula. However, there are no minimum or maximum amounts that can be programmed for JARC projects.

The region has historically used JARC funds apportioned to large urbanized areas to support the Lifeline program. In recognition of the changes to the JARC program and the continued need for funding for the Lifeline program:

- The first priority for 5307 funds apportioned by the JARC formula is the Lifeline program;
- In the FY2016-17 through FY2019-20 Section 5307 programs, funds will be set aside for the Lifeline program based on an analysis of the amount of apportionments in each UA that is apportioned by the low-income formula;
- Section 5307 funds programmed for JARC projects shall be subject to the Lifeline Program guidelines in effect for that year of programming, rather than to the TCP Policies, provided such projects are consistent with federal laws and regulations related to Section 5307.

- e) *Unanticipated Costs Reserve*: Unanticipated costs, such as capital improvements required to comply with new regulations, can be difficult to accommodate in the TCP program after the preliminary program has been developed and adopted. To improve the region's ability to provide funding to meet such unanticipated costs, a reserve of approximately \$2 million of TCP funds will be set aside before developing the preliminary programs for FY2016-17 through FY2019-20. The reserve will be set aside from all urbanized areas proportional to each urbanized area's projected apportionments in each program. Any proposals to program

from the reserve will be reviewed with the Transit Finance Working Group. Any Unanticipated Cost Reserve funds that are not programmed will roll over and be available for programming in the following year.

Limited Use of FTA Funds for Operating Purposes

FTA permits the use of FTA Section 5307 small urbanized funds to be used for operating purposes. For operators eligible to claim in both large and small urbanized areas, the amount of funds used for operating will be deducted from the amount of capital claimed in the large UA.

MAP-21 provided new eligibility for small and medium-sized bus operators in large urbanized areas to use Section 5307 funds for operating assistance. For operators with up to 75 buses, 75% of the urbanized area's apportionment attributable to the operator (as measured by vehicle revenue hours) may be programmed for operating assistance. For operators with 76 to 100 buses, 50% of the urbanized area's apportionment attributable to the operator (as measured by vehicle revenue hours) may be programmed for operating assistance. Eligible operators may request operating assistance up to the maximum eligible amount, but operating assistance will be programmed only after higher scoring projects in the urbanized area are funded. Operating assistance requests will be treated at Score 8 in the programming process (see Table 6 Project Scores above).

Specified Urbanized Area Flexibility

In urbanized areas with only one transit operator (Fairfield, Vacaville, Napa) greater flexibility for funding lower scoring projects will be allowed, providing that other operators in the region are not impacted. These operators will also be allowed to use funds for operating, without reduction of funding for capital projects, providing that capital is adequately maintained and replaced on a reasonable schedule as outlined in each operator's SRTP or other board-approved capital plan, and in accordance with goals outlined in the RTP for maintaining the region's capital plant (maintenance of effort).

Associated Transit Improvements

The FAST act eliminated the requirement that 1% of the FTA section 5307 apportionments in large urbanized areas be programmed for Associated Transit Improvements (formerly referred to as transit enhancements). However, designated recipients must still submit an annual report listing projects carried out in the preceding year with these funds as part of the Federal fiscal year's final quarterly progress report in TrAMS. The report should include the following elements:

- (A) Grantee name;
- (B) UZA name and number;
- (C) FTA project number;
- (D) Associated transit improvement category;

- (E) Brief description of improvement and progress towards project implementation;
- (F) activity line item code from the approved budget; and
- (G) Amount awarded by FTA for the project. The list of associated transit improvement categories and activity line item (ALI) codes may be found in the table of Scope and ALI codes in TrAMS. To assist MTC staff in preparing this report, grantees should continue to identify associated transit improvement projects that will receive funding from the Urbanized Area Formula Program.

Preventive Maintenance Funding

Preventive maintenance will be considered a Score 9 funding priority in Transit Capital Priorities, unless the conditions for one of the following four policy elements are met, in which case preventive maintenance will be treated as Score 16. For an individual operator to make use of preventive maintenance funding, other operators in the region must be able to move forward with planned capital replacement. It is the intent of this policy that funding for preventive maintenance will not increase the region's transit capital shortfall.

- a) *Funding Exchange*: Operators who wish to exchange a capital project for preventive maintenance funding in order to use their local or state funds to ease federal constraints or strictly as a financing mechanism may do so providing that the replacement asset funded with local funds is comparable to the asset being replaced and is maintained in service by the purchasing operator for its full useful life as outlined in Section V. The Funding Exchange element can be applied to lower scoring capital projects as well as preventive maintenance. Operators using the Funding Exchange element must certify in writing that the assets will be replaced with non-federal funds.
- b) *Capital Exchange*: In this option, an operator could elect to remove an eligible capital project from TCP funding consideration for the useful life of the asset in exchange for preventive maintenance funding. The funding is limited to the amount of capital funding an operator would have received under the current TCP policy in a normal economic climate. If an operator elects to replace the asset - removed from regional competition for funding under these provisions – earlier than the timeline established for its useful life, the replacement will be considered an expansion project. Operators using the Capital Exchange element will be limited to two years preventive maintenance funding within a 12-year period.
- c) *Negotiated Agreement within an Urbanized Area*: In the third option, an operator may negotiate with the other operators in the affected urbanized areas to receive an amount of preventive maintenance funding, providing that a firewall is established between the affected urbanized area(s) and all other urbanized areas. This will ensure that other operators' high-scoring capital replacement projects are not jeopardized.

d) *Budgetary Shortfalls*: Requests for preventive maintenance to meet budgetary shortfalls will be considered on a case-by-case basis if a fiscal need can be demonstrated by the requesting operator based on the guidelines outlined below. MTC must declare that a fiscal need exists to fund preventive maintenance where such action would displace higher scoring capital projects ready to move forward in a given fiscal year. A fiscal need can be declared if the following conditions exist:

- An operator must demonstrate that all reasonable cost control and revenue generation strategies have been implemented and that a residual shortfall remains.
- An operator can demonstrate that the shortfall, if not addressed, would result in a significant service reduction.

The Commission will consider the severity of the shortfall and the scope and impact of the service cuts in determining whether fiscal need exists. Operators establishing a fiscal need must also adhere to the following four requirements in order to be eligible to receive funding for preventive maintenance:

- i. Operators must successfully show a board approved bridging strategy that will sustain financial recovery beyond the year for which preventive maintenance is requested.
- ii. The bridging strategy should not rely on future preventive maintenance funding to achieve a balanced budget. In other words, should a service adjustment be required to balance the budget over the long run, preventive maintenance should not be invoked as a stopgap to inevitable service reductions.
- iii. Funds programmed to preventive maintenance should not be considered as a mechanism to sustain or replenish operating reserves.
- iv. Operators requesting FTA formula funds will be limited to two years preventive maintenance funding within a 12-year period.

The requesting operator will enter into an MOU with MTC or other formal agreement or action, such as Board approvals, and if applicable, with other transit properties affected by the preventive maintenance agreement. The agreement or actions will embody the four eligibility requirements outlined above as well as any other relevant terms and conditions of the agreement.

Bus Diesel Emission Reduction Device Funding Program

MTC provided approximately \$14 million in CMAQ funds in FY2003-04 and FY2004-05 to assist with the procurement of approximately 1,600 bus emission reduction devices to help operators meet California Air Resources Board (CARB) requirements. The devices or

their components may need to be replaced periodically. New upgraded devices also provide greater NO_x reduction benefits than the original devices.

In response to the need to install or replace bus diesel emission reduction devices to comply with CARB requirements, the Transit Capital Priorities policy includes a bus emission reduction device funding program. The elements of this policy attempt to strike a balance between facilitating operators' ability to remain in compliance with CARB requirements and to exceed those requirements by achieving greater NO_x reductions on the one hand, and making the most effective use of the region's limited capital funds on the other. The elements of bus emission reduction device replacement program are:

- Requests to replace bus emission reduction devices or device components in order to maintain compliance with or exceed CARB requirements, including first-time retrofits, upgrades, replacements and spares, will be treated as Score 16 projects, subject to the following requirements:
 - Devices or components must be installed on buses that are scheduled to remain in service for at least five (5) years from year of programming. Devices or components to be installed on buses that are scheduled to be replaced prior to the specified years will be treated as Preventive Maintenance (Score 9).
- Requests to procure spare devices or components up to 10% of the operators' current device inventory will be treated as Score 16. Spare devices or components in excess of 10% of the inventory will be treated as Preventive Maintenance (Score 9)
- Projects treated as Score 16 under the bus emission reduction device funding program require a 50% local match, rather than the standard 20%. The intent of this element is to encourage cost-effective use of the region's limited capital funding, and to align with the original policy for procuring the devices, which had the regional contribution to NO_x reduction and the local contribution for PM reduction.
- Participation in the program is entirely voluntary. It is the responsibility of each operator to determine the best approach to achieving and maintaining compliance with CARB requirements.

Vehicle Procurement Reserves

The TCP Program may reserve funds for future programming for major vehicle replacement/procurement projects (e.g. BART, SFMTA, Caltrain). The programming of such reserves will be based on the cash-flow needs of the projects and available revenue streams.

Grant Spend-down Policy

This policy conditions new programming on the expenditure of prior year grants in order to direct the region’s limited funds to the projects most in need of additional resources and accelerate the delivery of TCP projects.

The focus of this policy is on fixed guideway (FG) projects, as vehicle procurement projects are generally completed in a timely manner. Each year, MTC staff will calculate the balance of older FG grants from TrAMS data in consultation with each operator. The goal amounts will be compared against TrAMS grant balances for the appropriate grants in September of each year to determine if the goals have been met. The policy establishes a target for spending a specified percentage of the grant balance each year. Table 9 below explains the spend-down goals for each program year.

If the goals for each operator are met, the full FG cap amounts specified for that operator in the relevant section above will be programmed, subject to funding availability. However, if the target is not met, staff will defer the FG funding for those operators not meeting their goals proportionate to the percentage of the prior-year grants unexpended. If the goal is then met in subsequent years, the full FG cap would be programmed, subject to funding availability. Additionally, operators will have the opportunity to request deferred FG cap amounts in later years, subject to meeting their grant spend-down goals and availability of funding. Programming of these deferred caps will be treated as a lower priority than other Score 16 projects.

Fixed guideway programming for FY2016-17 will be based on an analysis of grant spending in September of 2016. The preliminary program for FY2017-18 through FY2019-20 will include the full cap amounts, but will be conditioned on meeting the grant spend-down goals in the appropriate year. Should an operator not meet its target in a given year, the FG cap amount in the preliminary program would be reduced accordingly in that year’s POP amendment.

Table 9: FY2016-17 to FY2019-20 Program Grant Spend-Down Policy

Program Year	Basis for Balance	Spend-Down Target	Spend-Down Period
FY2015-16	Undisbursed balance of FG grants awarded FY2011-12 or earlier, as of 9/ 2014	1/3 of balance	9/2014 to 9/2015
FY2016-17		½ of remaining balance, as of 9/2015	9/2015 to 9/2016
FY2017-18		Remaining balance, as of 9/2016	9/2016 to 9/2017
FY2018-19	Undisbursed balance of FG grants awarded FY2014-15 or earlier, as of 9/2017	1/3 of balance	9/2017 to 9/2018
FY2019-20		½ of remaining balance, as of 9/2018	9/2018 to 9/2019
FY2020-21		Remaining balance, as of 9/2019	9/2019 to 9/2020

Joint Procurements

In recognition of the policy direction of the Transit Sustainability Project Resolution No. 4060, before TCP funds are programmed for revenue vehicles, non-revenue vehicles, communications and vehicle location systems, fare collection equipment, bus emission reduction devices, computer systems, including management information systems and maintenance/asset management systems, or other equipment, operators must evaluate and pursue, as appropriate, opportunities for joint procurements and integrated operations with other operators. The “Compensation for Cost Effective Bus Purchases” that was introduced into the TCP Policy with the prior update will provide operators an extra incentive to pursue joint procurement opportunities. MTC will coordinate discussions if requested.

Transit Asset Management

FTA issued a final rule related to transit asset management and NTD reporting for transit providers in July, 2016; the effective date of the rule is October 1, 2016. The rule establishes a National Transit Asset Management (TAM) System in accordance with the Moving Ahead for Progress in the 21st Century Act (MAP-21). The National TAM System elements include the definition of “state of good repair”, a requirement that providers develop and carry out a TAM plan, performance measures and targets for capital assets, reporting requirements, and the application of analytical processes and decision support tools.

Implementation Timeline & Rule Compliance

TAM Plans

A provider’s initial TAM plan must be completed **no later than two years after the effective date of the final rule i.e. by September 2018**. A TAM Plan must cover a horizon period of at least four (4) years and must be updated at least once every four years. The Plan update should coincide with the planning cycle for the relevant Transportation Improvement Program or Statewide Transportation Improvement Program.

TAM Plan Requirements

TAM Plan Requirements apply to all direct recipients and sub-recipients of Federal financial assistance under 49 U.S.C. Chapter 53 that own, operate, or manage capital assets used for providing public transportation. The TAM Plan requirements also vary based on whether the provider is a Tier 1, or Tier 2 provider:

- Tier 1 Providers – All rail transit providers and all recipients that own, operate or manage 101 or more vehicles in revenue service during peak regular service across all fixed route modes or in any one non-fixed route mode. Tier 1 providers must develop TAM plans including elements 1 – 9 listed below.
- Tier 2 Providers – A recipient that owns, operates, or manages 100 or fewer vehicles in revenue service during peak regular service across all non-rail fixed

route modes or in any one non-fixed route mode, or is a sub-recipient under the 5311 Rural Area Formula Program. Tier 2 operators may develop their own TAM plan or participate in a group TAM plan and need only include elements 1 – 4 as listed below. A sponsor must develop a group TAM plan for its Tier 2 sub-recipients, except those sub-recipients that are also direct recipients under 49 U.S.C. 5307.

TAM Plan Elements

- i. An inventory of the number and type of capital assets owned by the provider except equipment with an acquisition value under \$50,000 that is not a service vehicle. The inventory must include third-party owned or jointly procured exclusive-use maintenance facilities, administrative facilities, rolling stock, and guideway infrastructure used by a provider in the provision of public transportation. The asset inventory must be organized at a level of detail commensurate with the level of detail in the provider's program of capital projects.
- ii. A condition assessment of those inventoried assets for which a provider has direct capital responsibility.
- iii. A description of the analytical processes or decision-support tools that a provider uses to estimate capital investment needs over time and develop its investment prioritization.
- iv. A provider's project-based prioritization of investments
- v. A provider's TAM and SGR policy
- vi. A provider's TAM plan implementation strategy
- vii. A description of key TAM activities that a provider intends to engage in over the TAM plan horizon period
- viii. A summary or list of the resources, including personnel, that a provider needs to develop and carry out the TAM plan; and
- ix. An outline of how a provider will monitor, update, and evaluate, as needed, its TAM plan and related business practices to ensure continuous improvement of TAM practices

MTC is proposing that the region take a coordinated approach in complying with the rule, in order to maximize the potential for region-wide benefits, including, but not limited to, the development of a group plan for Tier 2 operators.

Performance Targets

Additionally, recipients need to report on the condition of their system and performance targets. The final rule establishes SGR standards and four SGR performance measures. Targets for the following fiscal year must be set, for each applicable asset class, within **three months of the effective date of the final rule (January 1, 2017) and each subsequent year thereafter**. To the extent practicable, a provider must coordinate with the States and MPOs in the selection of State and MPO

performance targets. In addition, MTC will need to set regional performance targets for transit asset condition.

The individual operator targets will also serve as the basis of the regional performance targets. To facilitate the translation of operator to regional performance targets, MTC is proposing some parameters for operators to follow in the setting of their agency TAM targets, including:

- Consistency with Plan Bay Area and Transit Capital Priorities (TCP) Policies – With a goal of establishing a nexus between performance targets and MTC’s programming and planning policies, transit operator performance targets should be as consistent as possible with Plan Bay Area investments and current programming policies.
- Limited/Consistent Asset Classes – Since targets are required to be set for each relevant asset class, MTC is proposing to limit or consolidate the number of motor bus asset classes that have associated targets to be consistent with the bus/van price list used in the TCP process and guidance from the FTA on target-setting by asset class for facilities. Without some standardization of asset classes, the variations of asset classes among operators would result in an unwieldy number of targets.

MTC, as a designated recipient, is required to report to the Department of Transportation on the condition of its recipients’ public transportation systems and performance targets. Therefore, all operators are required to report their targets to MTC prior to the end of each calendar year.

Transit Core Capacity Challenge Grant Program: Resolution No. 4123

The Transit Core Capacity Challenge Grant program (CCCGP) makes a policy commitment of approximately \$7.4 billion in federal, state, regional and local funds over the FY2014-15 to FY2029-30 period to high-priority transit capital projects that will improve the capacity and state of good repair of transit services in the urban core of the region.

The \$7.4 billion Core Capacity Challenge Grant program:

- * Focuses on the SFMTA, BART, and AC Transit – the three transit operators that carry 80% of the region’s passengers as well as more than three-quarters of the minority and low-income passengers.
- * Leverages regional discretionary funds and local contributions, including proposed Cap and Trade revenue.
- * Accelerates and solidifies funding for fleet replacement projects, and identifies new funding for key enhancement projects.
- * Requires that the participating operators meet the performance objectives of the Transit Sustainability Project.

TCP programming for all projects identified in the CCCGP will be consistent with the funding amounts, local match requirements and other terms and conditions specified in MTC Resolution No. 4123.

All projects proposed for TCP funding in the CCCGP that are not otherwise Score 16 will be treated as Score 16. CCCGP fixed guideway infrastructure projects included in the CCCGP program of projects may be funded with a combination of fixed guideway cap funds and additional TCP funds above the operator's fixed guideway cap. Programming for CCCGP projects is based on cash flow needs, funding availability, and other policy elements.

In order to meet cash flow needs of the CCCGP and other TCP projects in years in which project funding needs exceed the region's annual FTA apportionments, financing may be required to advance future FTA/STP revenues. Debt service, including principal and interest payments, for any such financing will be treated as Score 17.

Financing

MTC staff, working with financial and legal advisors, and transit operator staff through the Partnership's Transit Finance Working Group, has been developing plans to finance one or more transit capital projects by borrowing against future Federal Transit Administration (FTA) formula funds. The projects would be funded all or in part with proceeds of the financing, rather than annual FTA apportionments programmed through the Transit Capital Priorities (TCP) program. A portion of the region's apportionments would be used to make debt service payments. The objective of financing is to accelerate the funding and delivery of critical capital projects by advancing FTA funds from future years when annual apportionments are projected to exceed high-priority needs, to the next four-year TCP programming cycle, when needs are projected to exceed annual apportionments.

The need for financing was anticipated when MTC adopted the Core Capacity Challenge Grant Program (Resolution 4123) in 2013, which established a \$7.5 billion, 16-year funding framework for a set of key projects designed to increase capacity and improve the state of good repair of transit service in the urban core of the region, including fleet replacement and expansion for BART, SFMTA and AC Transit, and related infrastructure projects. The Core Capacity funding plan includes \$3.5 billion in FTA and other federal funds, of which a portion would be advanced through financing to accelerate completion of the projects.

The specific terms of any financing would be subject to agreements between the operator and MTC, MTC, the operator, and FTA, and MTC and bondholders. Debt service, including principal and interest payments, will have the highest priority among programming needs and will receive a Score 17 in developing the program. Debt service will be paid from apportionments in the same urbanized area(s) in which the operator

whose project(s) are being financed is eligible. It is expected that any debt would be repaid over a 10-15 year period.

Vanpool Reporting & Programming

Vanpool service providers under contract to MTC will report vanpool miles and other data to NTD starting in NTD Reporting Year 2018 (i.e., starting with vanpool services provided from July 2017 through June 2018). As part of the development of the TCP program, starting with the FY2019-20 program, staff will present to TFWG an analysis of the projected amount of 5307 apportionments generated in each urbanized area by vanpool mileage reporting (5307 apportionments are based on NTD data from two years earlier, i.e., data reported to NTD in Reporting Year 2018 will be used to calculate apportionments for FY20). Staff will propose to include in the TCP program, starting with the FY2019-20 program, 5307 funds for the Vanpool Support Program.

The amount proposed for programming from each urbanized area will not exceed the projected apportionments generated by vanpool reporting in the urbanized area. Any apportionments that are generated by vanpool reporting but are not programmed for the Vanpool Support Program will be available for programming to transit operator projects following the TCP programming guidelines. Staff anticipates submitting its own 5307 grants to FTA to request funds programmed for the Vanpool Support Program, but may elect to ask one or more transit operators to request the funds on MTC's behalf, and enter into a pass-through agreement with MTC.

IV. ONE BAY AREA GRANT PROGRAM TRANSIT CAPITAL PROGRAM

The Commission's Cycle 2 / One Bay Area Grant Program (OBAG 1) Program Project Selection Criteria and Programming Policy for FY2012-13 through FY 2016-17, MTC Resolution No. 4035, Revised, included \$201 million in STP/CMAQ funding for transit capital needs, including Clipper® Fare Collection Media, Transit Capital Rehabilitation, and the Transit Performance Initiative (TPI) Program. Specific projects are included in Attachment B-1 to MTC Resolution No. 4035, Revised.

The Commission's One Bay Area Grant Program Second Round (OBAG 2) Project Selection Criteria and Programming Policy for FY2017-18 through FY 2021-22, MTC Resolution No. 4202, Revised, includes \$189 million in STP/CMAQ funding for transit priorities, including BART car replacement and expansion, replacement of Clipper equipment and development of Clipper 2.0, and the TPI Program. Specific projects will be included in Attachment B-1 to MTC Resolution No. 4202, Revised.

This section specifies the programming policies for OBAG 1 and OBAG 2 funds for TPI and TCP projects.

Transit Performance Initiative

Under OBAG 1, this program includes investment and performance incentive elements. The investment element implements transit supportive investments in major transit corridors that can be carried out within two years. The focus is on making cost-effective operational improvements on significant trunk lines which carry the largest number of passengers in the Bay Area including transit signal prioritization, passenger circulation improvements at major hubs, and boarding/stop improvements. Under OBAG 1 (FY2012-13 through FY2016-17), a total of \$82 million has been made available for this program.

The incentive program provided financial rewards to transit agencies that improve ridership and/or productivity. For FY2012-13, \$15 million was distributed based on each operator's share of ridership based on final audited FY2010-11 ridership figures. For FY2013-14 through FY2015-16, \$15 million was available annually based on a formula distribution factoring in ridership increase, passenger per hour increase, and ridership. The incentive program is proposed to be discontinued after FY2015-16, as OBAG 2 funding is proposed to be focused on transit capital needs and as the incentive program was generally found to not be as effective as was hoped in incentivizing productivity improvements.

Transit Capital Priorities

OBAG 1 and OBAG 2 funds that are not programmed for Transit Performance Initiative projects are programmed for transit capital replacement and rehabilitation projects to supplement the FTA funds in the Transit Capital Priorities program. STP/CMAQ funds for

TCP projects from OBAG 1 were programmed in the TCP programs for FY2012-13 through FY2015-16. STP/CMAQ funds for TCP projects from OBAG 2 will be programmed in the TCP program for FY2016-17 through FY2019-20. OBAG 2 funds for TCP projects will be programmed using the same policies and procedures as used for the FTA formula funds, as specified in Section III. FTA Formula Funds, with priority given to Score 16 projects that meet the eligibility criteria for STP or CMAQ, and that cannot be fully funded with FTA funds within the program's fiscal constraints.

APPENDIX 1 – BOARD RESOLUTION

***Sample Resolution of Board Support
FTA Section 5307, 5337, and 5339, and Surface Transportation Program Project Application***

Resolution No. _____

**AUTHORIZING THE FILING OF AN APPLICATION FOR FTA FORMULA PROGRAM AND SURFACE
TRANSPORTATION PROGRAMS FUNDING FOR (project name) AND COMMITTING THE
NECESSARY LOCAL MATCH FOR THE PROJECT(S) AND STATING THE ASSURANCE OF (name of
jurisdiction) TO COMPLETE THE PROJECT**

WHEREAS, Fixing America’s Surface Transportation (FAST, Public Law 114-94) continues and establishes new Federal Transit Administration formula programs (23 U.S.C. §53) and continues the Surface Transportation Program (23 U.S.C. § 133); and

WHEREAS, pursuant to FAST, and the regulations promulgated there under, eligible project sponsors wishing to receive Federal Transit Administration (FTA) Section 5307 Urbanized Area, Section 5337 State of Good Repair, or Section 5339 Bus and Bus Facilities (collectively, FTA Formula Program) grants or Surface Transportation Program (STP) grants for a project shall submit an application first with the appropriate metropolitan transportation planning organization (MPO), for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

WHEREAS, the Metropolitan Transportation Commission is the MPO for the San Francisco Bay region; and

WHEREAS, (applicant) is an eligible project sponsor for FTA Formula Program or STP funds; and

WHEREAS, (applicant) wishes to submit a grant application to MTC for funds from the FY2016-17 through FY2019-20 FTA Formula Program or STP funds, for the following project(s):
(project description) .

WHEREAS, MTC requires, as part of the application, a resolution stating the following:

- 1) the commitment of necessary local matching funds (18-50% for FTA Formula Program funds, depending on project type, and 11.47% for STP funds); and
- 2) that the sponsor understands that the FTA Formula Program and STP funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded from FTA Formula Program or STP funds; and

- 3) the assurance of the sponsor to complete the project as described in the application, and if approved, as programmed in MTC's TIP; and
- 4) that the sponsor understands that FTA Formula Program funds must be obligated within three years of programming and STP funds must be obligated by January 31 of the year that the project is programmed for in the TIP, or the project may be removed from the program.

NOW, THEREFORE, BE IT RESOLVED by (governing board name) that (applicant) is authorized to execute and file an application for funding under the FTA Formula Program and/or Surface Transportation Program in the amount of (\$request) for (project description); and

BE IT FURTHER RESOLVED that (governing board) by adopting this resolution does hereby state that:

- 1) (applicant) will provide (\$ match amount) in local matching funds; and
- 2) (applicant) understands that the FTA Formula Program and STP funding for the project is fixed at (\$ actual amount), and that any cost increases must be funded by the (applicant) from local matching funds, and that (applicant) does not expect any cost increases to be funded with FTA Formula Program and Surface Transportation Program funds; and
- 3) (project name) will be built as described in this resolution and, if approved, for the amount shown in the Metropolitan Transportation Commission (MTC) Transportation Improvement Program (TIP) with obligation occurring within the timeframe established below; and
- 4) The program funds are expected to be obligated by January 31 of the year the project is programmed for in the TIP; and
- 5) (applicant) will comply with FTA requirements and all other applicable Federal, State and Local laws and regulations with respect to the proposed project; and

BE IT FURTHER RESOLVED*, that (agency name) is an eligible sponsor of projects in the program for FTA Formula Program and STP funds; and

BE IT FURTHER RESOLVED*, that (agency name) is authorized to submit an application for FTA Formula Program and STP funds for (project name); and

BE IT FURTHER RESOLVED*, that there is no legal impediment to (agency name) making applications for FTA Formula Program and STP funds; and

BE IT FURTHER RESOLVED*, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of (agency name) to deliver such project; and

BE IT FURTHER RESOLVED, that (agency name) agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866; and

BE IT FURTHER RESOLVED that a copy of this resolution will be transmitted to the MTC prior to MTC programming the FTA Formula Program or Surface Transportation Program funded projects in the Transportation Improvement Program (TIP); and

BE IT FURTHER RESOLVED that the MTC is requested to support the application for the project described in the resolution and to program the project, if approved, in MTC's TIP.

*** Not required if opinion of counsel is provided instead.**

APPENDIX 2 – OPINION OF COUNSEL

Sample Opinion of Legal Counsel
FTA Section 5307, 5337, 5339 and STP Project Application

(Date)

To: Metropolitan Transportation Commission
Fr: (Applicant)
Re: Eligibility for FTA Section 5307 Program, FTA 5337 State of Good Repair Program, FTA 5339 Bus and Bus Facilities Program, and Surface Transportation Program (STP)

This communication will serve as the requisite opinion of counsel in connection with the application of (Applicant) _ for funding from the FTA Section 5307, 5337 or 5339 programs, or STP, made available pursuant to the Fixing America’s Surface Transportation federal transportation authorization (FAST, Public Law 114-94) or successor legislation.

1. (Applicant) is an eligible sponsor of projects for the FTA Section 5307, 5337 or 5339 programs, or the STP program.
2. (Applicant) is authorized to submit an application for FTA Section 5307, 5337 or 5339 funding, or STP funding for (project).
3. I have reviewed the pertinent state laws and I am of the opinion that there is no legal impediment to (Applicant) making applications FTA Section 5307, 5337 or 5339 program funds, or STP funds. Furthermore, as a result of my examinations, I find that there is no pending or threatened litigation which might in any way adversely affect the proposed projects, or the ability of (Applicant) to carry out such projects.

Sincerely,

Legal Counsel

Print name

Optional Language to add to the Resolution for Local Support

Project sponsors have the option of consolidating the 'Opinion of Legal Counsel' within the Resolution of Local Support, by incorporating the following statements into the Resolution of Local Support:

Resolved, that (agency name) is an eligible sponsor of projects in the FTA Formula Program and STP Programs; and be it further

Resolved, that (agency name) is authorized to submit an application for FTA Formula Program and STP funds for (project name); and be it further

Resolved, that there is no legal impediment to (agency name) making applications for FTA Formula Program and STP funds; and be it further

Resolved, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of (agency name) to deliver such project; and be it further

If the above language is not provided within the Resolution of Local Support, an Opinion of Legal Counsel is required as provided (Appendix 2).

Date: March 22, 2017
W.I.: 1514
Referred by: PAC
Revised: 04/26/17-C
07/26/17-C
12/20/17-C

ABSTRACT

Resolution No. 4262, Revised

This resolution establishes the AB 664 Net Bridge Toll Revenues program of projects for FY2016-17 through FY2019-20. The initial program consists of funds programmed to SFMTA and AC Transit towards their fleet replacement projects in FY2016-17 consistent with the Transit Capital Priorities Program, and reprogramming of FY2012-13 AB 664 funds for BART, SFMTA, and WETA that had lapsed due to unforeseen project delays. This resolution will be amended to add the remainder of FY2016-17 programming and attachments for FY2017-18 through FY2019-20 AB 664 program in conjunction with final revisions to the FY2016-17 through FY2019-20 Transit Capital Priorities program.

The following attachments are provided with this resolution:

Attachment A – Program of AB 664 Net Bridge Toll Revenue Projects FY2016-17

Attachment B – Program of AB 664 Net Bridge Toll Revenue Projects FY2017-18

Attachment C – Program of AB 664 Net Bridge Toll Revenue Projects FY2018-19

Attachment D – Program of AB 664 Net Bridge Toll Revenue Projects FY2019-20

Attachment A of this resolution was revised on April 26, 2017 to reprogram FY2012-13 AB 664 Bridge Toll funds for AC Transit that had lapsed due to unforeseen project delays.

Attachment A of this resolution was revised on July 26, 2017 to program the remainder of the FY2016-17 AB 664 Bridge Toll funds based on the final revisions to the FY2016-17 Transit Capital Priorities program.

Attachments B through D of this resolution were revised on December 20, 2017 to program AB 664 Bridge Tolls funds to AC Transit, BART, and SFMTA in FY2017-18 through FY2019-20 consistent with the Transit Capital Priorities Program and commitments of the Core Capacity

Challenge Grant Program, and to reprogram FY2013-14 funds for AC Transit, SFMTA, and WestCAT that had lapsed due to unforeseen project delays.

Further discussion of the AB 664 program of projects is contained in the Programming and Allocations Committee summary sheets dated March 8, 2017, April 12, 2017, July 12, 2017, and December 13, 2017.

Date: March 22, 2017
W.I.: 1514
Referred by: PAC

RE: Programming of AB 664 Net Bridge Toll Revenues in FY 2016-17 through FY 2019-20

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4262

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq., and

WHEREAS, pursuant to Streets and Highways Code § 30892, after deduction for MTC's administrative costs, MTC shall allocate toll bridge net revenues to public entities operating public transportation systems to achieve MTC's capital planning objectives in the vicinity of toll bridges as set forth in its adopted Regional Transportation Plan (RTP) ("Net Revenues"); and

WHEREAS, pursuant to Streets and Highways Code § 30894, MTC has adopted MTC Resolution No. 4015, which sets forth MTC's Bridge Toll Revenue Allocation Policy; and

WHEREAS, MTC has adopted a transit capital priorities program which set forth the priorities for funding transit capital projects in the Transportation Improvement Program (TIP); and

WHEREAS, "claimants" certify that their respective projects programmed in the TIP are in conformance with MTC's Regional Transportation Plan, with the requirements of the California Environmental Quality Act (Public Resources Code § 2100 et seq.) and the State EIR Guidelines (14 Cal. Admin. Code § 15000 et seq.); now therefore, be it

RESOLVED, that MTC approves the FY2016-17 through FY2019-20 programming of AB 664 Net Bridge Toll Revenues to the claimants, in the amounts, for the purposes, and subject to the conditions listed on Attachments A-D to this resolution, attached hereto and incorporated herein as though set forth at length.

METROPOLITAN TRANSPORTATION COMMISSION

A handwritten signature in black ink, appearing to read "Jake Mackenzie", is written over a horizontal line. The signature is stylized and cursive.

Jake Mackenzie, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California on March 22, 2017.

PROGRAM OF AB 664 NET BRIDGE TOLL REVENUE PROJECTS

FY2017-18 Program			East Bay	West Bay
	Revenue		17,556,072	24,288,000
	Previous Year Carry-Over (if any)			
	Expirations and Rescissions		1,692,629	1,007,472
	Total Funds Available		19,248,701	25,295,472
Sponsor	Eligible Capital Projects	Fund Source		
<u>Current Year Programming</u>				
<i>AC Transit Non-Core Capacity Projects</i>				
AC Transit	CAD/AVL	§ 5307/§ 5337 FG		
AC Transit	Radio Communication System	§ 5307/§ 5309 FG		
AC Transit	Paratransit Van Leasing	§ 5307/§ 5309 FG		
AC Transit	(51) Diesel Particulate Filters for 30' Buses	§ 5309/37 FG		
AC Transit	Replace (28) 2000 40' Urban Buses	§ 5307/§ 5309/37 FG		
AC Transit	Replace (40) 2002 40' Urban Buses	§ 5307/§ 5309/37 FG		
AC Transit	Replace (27) 2003 60' Urban Buses	§ 5307/§ 5309/37 FG		
AC Transit	Fare Box Replacement	§ 5307/§ 5309/37 FG		
	<i>Subtotal - Non-Core Capacity Projects (1)</i>		<i>1,648,072</i>	<i>-</i>
<u>AC Transit Core Capacity Projects</u>				
AC Transit	Purchase (59) 40ft Urban Buses - Diesel	§ 5307		
AC Transit	Purchase (10) Double Decker Buses	§ 5307		
	<i>Subtotal - Core Capacity projects</i>		<i>4,999,473</i>	<i>-</i>
	Total Amount Programmed to AC Transit (1)		6,647,545	-
BART	Railcar Procurement Program	§ 5307/§ 5337		
	Total Amount Programmed to BART		12,556,599	-

PROGRAM OF AB 664 NET BRIDGE TOLL REVENUE PROJECTS

FY2017-18 Program			East Bay	West Bay
<u>SFMTA Non-Core Capacity Projects</u>				
SFMTA	45 40' NABI Replacement	§ 5307/§ 5339 FG		
SFMTA	35 22' Paratransit vans	§ 5307 FG		
SFMTA	58 40' Neoplan Bus Replacement	§ 5307 FG		
SFMTA	26 60' Neoplan Bus Replacement	§ 5307 FG		
SFMTA	60 60' New Flyer Trolley Bus Replacement	§ 5307 FG		
SFMTA	ITS Radio System Replacement	§ 5307/§ 5337 FG		
SFMTA	Muni Rail Replacement	§ 5337 FG		
SFMTA	Cable Car Renovation Program	§ 5337 FG		
SFMTA	Accessible Light Rail Stops	§ 5309 FG		
SFMTA	ATCS Inductive Loop Cable in the Muni Metro Subv	§ 5307 FG		
SFMTA	Automatic Fare Collection Equip	§ 5307/§ 5309 FG		
SFMTA	Central Control & Communication (C3)	§ 5307/§ 5309 FG		
SFMTA	Escalator Rehabilitation	§ 5307/§ 5309 FG		
SFMTA	Historic Vehicle Renovation	§ 5307/§ 5309 FG		
SFMTA	Misc. Security Expenditures	§ 5307 FG		
SFMTA	Overhead Lines Rehab	§ 5309 FG		
SFMTA	Rehabilitation of 16 Ex-SEPTA PCCs	§ 5307/§ 5309 FG		
SFMTA	Signal Rehab on 2nd Street	§ 5307 FG		
	<i>Subtotal - Non-Core Capacity Projects (3)</i>		-	855,722
<u>SFMTA Core Capacity Projects</u>				
SFMTA	Replacement of 40' Trolley Coaches	§ 5307/§ 5337		
SFMTA	Replacement of 60' Motor Coaches	§ 5307		
	<i>Subtotal - Core Capacity projects (2)</i>		-	24,288,000
	Total Amount Programmed to SFMTA (2,3)		-	25,143,722

PROGRAM OF AB 664 NET BRIDGE TOLL REVENUE PROJECTS

FY2017-18 Program			East Bay	West Bay
SamTrans	Capital Maintenance-Fuel	§ 5307		
SamTrans	Advanced Communication System Upgrades	§ 5307		
SamTrans	Replacement of 19 2007 Cutaway Buses	§ 5307		
	Total Amount Programmed to SamTrans (4)		-	151,750
Westcat	Revenue Vehicle Replacement	§ 5307 FG		
Westcat	Service Vehicle Replacement	§ 5307 FG		
Westcat	Replacement of 2 35' suburban diesel transit buses	§ 5307 FG		
Westcat	Replacement of 2 35' suburban diesel transit buses	§ 5307 FG		
	Total Amount Programmed to WestCAT (5)		44,557	-
Fund Balance			-	-

Notes:

- 1 Includes AC Transit reallocation of lapsed FY2013-14 funds \$1,648,072
- 2 These programming actions are conditioned on Commission approval and execution of final terms of financing, allowing for a total of \$69,443,401 of AB 664 funds to be reprogrammed from BART to SFMTA and replaced with proceeds of financing. Should financing not be completed, these funds would be reprogrammed back to BART,
- 3 Includes SFMTA reallocation of lapsed FY2013-14 funds \$855,722
- 4 Includes SamTrans reallocation of lapsed FY2013-14 funds \$151,750
- 5 Includes WestCAT reallocation of lapsed FY2013-14 funds \$44,557

PROGRAM OF AB 664 NET BRIDGE TOLL REVENUE PROJECTS

FY2018-19 Program			East Bay	West Bay
	Revenue Projections		700,734	1,250,000
	Previous Year Carry-Over (if any)			
	Expirations and Rescissions			
	Total Funds Available		700,734	1,250,000
Sponsor	Eligible Capital Projects	Fund Source		
<u>Current Year Programming</u>				
<u>AC Transit Core Capacity Projects</u>				
AC Transit	Replace (24) 60-ft Articulated Urban Buses - Hybrid	\$ 5307		
	<i>Subtotal - Core Capacity projects</i>		700,734	-
	Total Amount Programmed to AC Transit		700,734	-
<u>SFMTA Core Capacity Projects</u>				
SFMTA	Replace 35 Paratransit Cutaway Vans	\$ 5307		
	<i>Subtotal - Core Capacity projects</i>		-	1,250,000
	Total Amount Programmed to SFMTA		-	1,250,000
		Fund Balance	-	-

PROGRAM OF AB 664 NET BRIDGE TOLL REVENUE PROJECTS

FY2019-20 Program			East Bay	West Bay
	Revenue Projections		388,240	29,255,174
	Previous Year Carry-Over (if any)			
	Expirations and Rescissions			
	Total Funds Available		388,240	29,255,174
Sponsor	Eligible Capital Projects	Fund Source		
Current Year Programming				
<i>AC Transit Core Capacity Projects</i>				
AC Transit	Replace (27) 40-ft Urban Buses - Hybrid	§ 5307		
	<i>Subtotal - Core Capacity projects</i>		388,240	-
	Total Amount Programmed to AC Transit		388,240	-
SFMTA	Cable Car Vehicle Renovation Program	§ 5307/§ 5337		
SFMTA	Muni Rail Replacement	§ 5307/§ 5337		
SFMTA	Overhead Line Rehabilitation	§ 5307/§ 5337		
SFMTA	Wayside/Central Train Control & Trolley Signal Systems Rehabilitation	§ 5307/§ 5337		
SFMTA	Cable Car Infrastructure	§ 5307/§ 5337		
SFMTA	Wayside Fare Collection	§ 5307/§ 5337		
SFMTA	Station-Area Pedestrian and Bicycle Access Improvements	§ 5307/§ 5337		
	Total Amount Programmed to SFMTA (1)		-	29,255,174
		Fund Balance	-	-

Notes:

- Resolution 4123 programs AB664 bridge tolls to SFMTA for fleet replacement projects as part of the Core Capacity Challenge Grant Program. Because fleet replacements were funded in earlier years from FTA formula funds due to project timing, bridge tolls in FY20 are programmed to other Score 16 SFMTA projects. These programming actions are conditioned on Commission approval and execution of final terms of financing, allowing for a total of \$69,443,401 of AB 664 funds to be reprogrammed from BART to SFMTA and replaced with proceeds of financing. Should financing not be completed, these funds would be reprogrammed back to BART, including \$28,672,165 in FY20.

Date: March 22, 2017
W.I.: 1512
Referred by: PAC
Revised: 04/26/17-C
07/26/17-C
12/20/17-C

ABSTRACT

Resolution No. 4263, Revised

This resolution allocates AB 664 Net Bridge Toll Revenues to eligible transit operators for FY2016-17 through FY2019-20. The initial allocation will be for FY2016-17 for AC Transit and SFMTA projects consistent with the Transit Capital Priorities Program, and reallocation of FY2012-13 AB 664 funds for BART, SFMTA, and WETA that had lapsed due to unforeseen project delays. This resolution will be amended to add the remainder of the FY2016-17 AB 664 allocations in conjunction with final revisions to the FY2015-16 Transit Capital Priorities program. Additionally, this resolution will be amended annually to add each year's AB 664 allocation, through FY2019-20.

The following attachments are provided with this resolution:

Attachment A – Allocation of AB 664 Net Bridge Toll Revenue FY2016-17

Attachment B – Allocation of AB 664 Net Bridge Toll Revenue FY2017-18

Attachment C – Allocation of AB 664 Net Bridge Toll Revenue FY2018-19

Attachment D – Allocation of AB 664 Net Bridge Toll Revenue FY2019-20

Attachment A of this resolution was revised on April 26, 2017 to reallocate FY2012-13 AB 664 Bridge Toll funds for AC Transit that had lapsed due to unforeseen project delays.

Attachment A of this resolution was revised on July 26, 2017 to allocate the remainder of the FY2016-17 AB 664 Bridge Toll funds based on the final revisions to the FY2016-17 Transit Capital Priorities program.

Attachment B of this resolution was revised on December 20, 2017 to allocate AB 664 Bridge Tolls funds to AC Transit, BART, and SFMTA in FY2017-18 consistent with the Transit Capital Priorities Program and commitments of the Core Capacity Challenge Grant Program, and to

ABSTRACT

MTC Resolution No. 4263, Revised

Page 2

reallocate FY2013-14 funds for AC Transit, SFMTA, SamTrans, and WestCAT that had lapsed due to unforeseen project delays.

Further discussion of the AB 664 program of projects is contained in the Programming and Allocations Committee summary sheet dated March 8, 2017, April 12, 2017, July 12, 2017, and December 13, 2017.

Date: March 22, 2017
W.I.: 1512
Referred by: PAC

RE: Allocation of AB 664 Net Bridge Toll Revenues for FY 2016-17 through FY 2019-20

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4263

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code § 66500 et seq.; and

WHEREAS, pursuant to Streets and Highways Code § 30892, after deduction for MTC's administrative costs, MTC shall allocate toll bridge net revenues to public entities operating public transportation systems to achieve MTC's capital planning objectives in the vicinity of toll bridges as set forth in its adopted Regional Transportation Plan (RTP) ("Net Revenues"); and

WHEREAS, MTC Resolution No. 4015 sets forth MTC's bridge toll revenue allocation policies; and

WHEREAS, pursuant to Streets and Highways Code § 30895, MTC has prepared and submitted to the Legislature a report on the capital planning and ferry system objectives of MTC to be achieved through the allocation of net toll revenues; and

WHEREAS, "Claimants" have each submitted an application to MTC for an allocation of net bridge toll revenues in FY2016-17 through FY2019-20 for the projects and purposes set forth in Attachments A-D to this resolution, attached hereto and in MTC Resolution No. 4262, and incorporated herein as though set forth at length; and

WHEREAS, MTC Resolution No. 4262 programs Net Bridge Toll Revenues for FY2016-17 through FY2019-20; and


WHEREAS, claimants certify that their respective projects and purposes set forth in Attachment A-D are in compliance with the requirements of the California Environmental

Quality Act (Public Resources Code § 21000 et seq.) and the State EIR Guidelines (14 Cal. Code Regs. § 15000 et seq.); now, therefore, be it

RESOLVED, that MTC finds that the Claimants' projects and purposes as set forth in Attachment A-D are in conformance with MTC's Regional Transportation Plan, MTC's bridge toll revenue allocation policies, and MTC's capital planning and ferry system objectives; and, be it further

RESOLVED, that MTC approves the allocation of net bridge toll revenues in FY2016-17 through FY2019-20 to Claimants, in the amounts, for the purposes, and subject to the conditions listed on Attachments A-D to this resolution and consistent with MTC Resolution 4262.

METROPOLITAN TRANSPORTATION COMMISSION



Jake Mackenzie, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California on March 22, 2017.

Date: March 22, 2017
W.I.: 1512
Referred by: PAC
Revised: 12/20/17-C

Attachment B
Resolution No. 4263
Page 1 of 1

**ALLOCATION OF AB 664 NET BRIDGE TOLL REVENUE
FY 2017-18 Program**

PO/Acct. Code	Project Sponsor	Project	East Bay Allocation	West Bay Allocation	Approval Date
18-4263-01/585	AC Transit ¹	Capital projects programmed in MTC Resolution No. 4262	6,647,545		12/20/2017
18-4263-02/585	BART	Capital projects programmed in MTC Resolution No. 4262	12,556,599		12/20/2017
18-4263-03/585	SFMTA ²	Capital projects programmed in MTC Resolution No. 4262		2,585,902	12/20/2017
18-4263-04/585	SamTrans ³	Capital projects programmed in MTC Resolution No. 4262		151,750	12/20/2017
18-4263-05/585	WestCAT ⁴	Capital projects programmed in MTC Resolution No. 4262	44,557		12/20/2017
					Grand Total
Total Allocations			\$ 19,248,701	\$ 2,737,652	\$ 21,986,353

Notes:

- 1 Includes AC Transit reallocation of lapsed FY2013-14 funds \$1,648,072
- 2 Includes SFMTA reallocation of lapsed FY2013-14 funds \$855,722
- 3 Includes SamTrans reallocation of lapsed FY2013-14 funds \$151,750
- 4 Includes WestCAT reallocation of lapsed FY2013-14 funds \$44,557

Date: March 22, 2017
W.I.: 1512
Referred By: PAC
Revised: 07/26/17-C
12/20/17-C

ABSTRACT

Resolution No. 4272, Revised

This resolution approves the FY2016-17 through FY2019-20 Transit Capital Priorities preliminary program of projects for inclusion in the Transportation Improvement Program (TIP). The program includes projects funded with FTA Section 5307 Urbanized Area, Section 5337 State of Good Repair, and Section 5339 Bus and Bus Facilities Formula Programs and initially only programs funds in the first year – FY2016-17. In addition, One Bay Area Grant Cycle 2 (OBAG 2) Transit Priorities funds are being programmed in MTC Resolution No. 4202, Revised, and AB 664 Bridge Toll revenues and BATA Project Savings are programmed in MTC Resolution No. 4262 and Resolution No. 4169, Revised, respectively, for FY2016-17 through FY2019-20 Transit Capital Priorities projects. This resolution will be amended to add the remainder of the FY2016-17 through FY2019-20 Transit Capital Priorities program at a future date.

This resolution supersedes and replaces MTC Resolution No. 4219.

This Resolution includes the following attachments:

- Attachment A – FY2016-17 Program of Projects
- Attachment B – FY2017-18 Program of Projects
- Attachment C – FY2018-19 Program of Projects
- Attachment D – FY2019-20 Program of Projects
- Attachment E – FY2016-17 through FY2019-20 Programming Notes

Attachment A of this resolution was revised on July 26, 2017 to make revisions to the Transit Capital Priorities (TCP) program of projects for FY2016-17 as requested by operators and to reconcile the program to expected final FTA apportionments for the same year.

Attachments A through E of this resolution were revised on December 20, 2017 to program the remainder of FY2017-18 through FY2019-20 TCP programming and make revisions to two projects in the FY2016-17 program of projects as requested by operators.

ABSTRACT

MTC Resolution No. 4272, Revised

Page 2

Further discussion of the TCP program of projects is contained in the Programming and Allocations Committee summary sheet dated March 8, 2017, July 12, 2017, and December 13, 2017.

Date: March 22, 2017
W.I.: 1512
Referred By: PAC

RE: San Francisco Bay Area Regional Transit Capital Priorities

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4272

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq.; and

WHEREAS, MTC is the designated Metropolitan Planning Organization (MPO) for the nine-county Bay Area and is required to prepare and endorse a Transportation Improvement Program (TIP) which includes a list of priorities for transit capital projects; and

WHEREAS, MTC is the designated recipient of the Federal Transit Administration (FTA) Section 5307 Urbanized Area, Section 5337 State of Good Repair, and Section 5339 Bus and Bus Facilities funds for the large urbanized areas of San Francisco-Oakland, San Jose, Concord, Antioch, and Santa Rosa, and has been authorized by the California Department of Transportation (Caltrans) to select projects and recommend funding allocations subject to state approval for the FTA Section 5307 and Section 5339 funds for the small urbanized areas of Vallejo, Fairfield, Vacaville, Napa, Livermore, Gilroy-Morgan Hill, and Petaluma in MTC's Federal Transportation Improvement Program; and

WHEREAS, MTC has worked cooperatively with the cities, counties and transit operators in the region and with Caltrans to establish priorities for the transit capital projects to be included in the TIP; and

WHEREAS, the process and criteria used in the selection and ranking of such projects are set forth in MTC Resolution No. 4242; and

WHEREAS, the projects to be included in the TIP are set forth in the detailed project listings in Attachments A-D, which are incorporated herein as though set forth at length; now, therefore, be it

RESOLVED, that MTC adopts the FY 2016-17 through FY2019-20 Transit Capital Priorities program of projects to be included in the TIP as set forth in Attachments A-D; and, be it further

RESOLVED, that this resolution supersedes and replaces MTC Resolution 4219, previously approved and adopting a program of projects for the FY2016-17 and FY2017-18 Transit Capital Priorities program; and, be it further

RESOLVED, that the Executive Director or designee is authorized to revise Attachments A-E as necessary to reflect the programming of projects as the projects are revised in the TIP; and be it further

RESOLVED, that the Executive Director of MTC is authorized and directed to forward a copy of this resolution to FTA, and such agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

A handwritten signature in black ink, appearing to read "Jake Mackenzie", is written over a horizontal line. The signature is stylized and cursive.

Jake Mackenzie, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California on March 22, 2017.

FY 2016-17 Transit Capital Priorities / Transit Capital Rehabilitation Program					
TIP ID	Operator	Project Description	FTA Section 5307	FTA Section 5337	FTA Section 5339
Final Apportionments			216,350,798	200,398,884	12,319,127
Previous Year Carryover			4,422,587	17,174,630	577,473
Funds Available for Programming			220,773,385	217,573,514	12,896,600
Lifeline Set-Aside					
Reserved	Various	Reserved for programming in Lifeline Transportation Program	3,368,200		
ADA Operating Set-Aside					
ALA990076	AC Transit	ADA Paratransit Assistance	3,856,331		
NEW	ACE	ADA Set-Aside	51,578		
BRT99T01B	BART	ADA Paratransit Capital Accessibility Improvements	2,415,999		
NEW	Caltrain	TVM Rehab and Clipper Functionality	175,410		
CC-99T001	CCCTA	ADA Paratransit Assistance	1,207,778		
CC-030035	ECCTA	ADA Operating Assistance	541,024		
MRN130015	GGBHTD	Transit System Enhancements	175,309		
ALA990077	LAVTA	ADA Paratransit Operating Subsidy	341,904		
MRN110047	Marin Transit	ADA Paratransit Assistance	701,236		
NAP030004	Napa Vine	ADA Operating Assistance	63,311		
SON150007	Petaluma	ADA Set-Aside	90,300		
SM-990026	SamTrans	ADA Paratransit Operating Subsidy	1,773,353		
SON170003	Santa Rosa	ADA Operating Assistance	236,154		
SF-990022	SFMTA	ADA Paratransit Operating Support	4,591,625		
SOL110025	SolTrans	ADA Paratransit Operating Subsidy	290,178		
SON110049	Sonoma County	SCT Replacement Bus Purchase	25,581		
ALA170039	Union City	ADA Set-Aside	134,260		
SCL050046	VTA	ADA Operating Set-Aside	3,754,433		
CC-990045	Westcat	ADA Paratransit Operating Subsidy	258,365		
Total Program Set-asides and Commitments			24,052,329	-	-
Funds Available for Capital Programming			196,721,056	217,573,514	12,896,600
Capital Projects					
NEW	AC Transit	Purchase 35 40-ft Hybrid-Electric Buses	14,472,150		
ALA170032	AC Transit	Purchase 19 60-ft Articulated Urban Buses	4,587,713		1,336,665
ALA170029	AC Transit	PM Swap - Replace 9 40' Urban Buses - Battery	3,003,000		
ALA990052	AC Transit	Paratransit Van Capital Costs	1,168,994		
ALA170030	AC Transit	Preventive Maintenance (deferred comp)	780,640		
ALA170048	ACE	FG: Capital Access Fees and Track/Signal Maintenance	1,355,640	134,360	
NEW	ACE	Railcar Midlife Overhaul		3,080,000	
REG090037	BART	Railcar Procurement Program	364,117	6,062,179	
BRT030005	BART	Traction Power	12,777,726	4,222,274	
BRT030004	BART	Train Control	10,000,000		
BRT97100B	BART	Rail, Way, and Structures Program		17,000,000	
ALA090065	BART	Fare Collection Equipment		6,211,000	
SF-010028	Caltrain	Caltrain Electrification - EMU Procurement	31,805,399		
SM-170005	Caltrain	South San Francisco Station Rehabilitation		16,207,600	
SM-03006B	Caltrain	Systemwide Track Rehabilitation		4,693,408	
REG090051	Caltrain	Revenue Vehicle Rehab Program		5,000,000	
SM-050041	Caltrain	Communications System/Signal Rehabilitation		1,200,000	
CC-070092	ECCTA	Transit Bus Replacements	2,043,440		
SOL010006	Fairfield	Operating Assistance	2,493,081		
SOL110041	Fairfield	Bus Replacement			269,387
MRN050025	GGBHTD	Facilities Rehabilitation	4,600,000		
MRN030010	GGBHTD	Ferry Fixed Guideway Connectors		3,000,000	
MRN170009	GGBHTD	Replacing 6 Paratransit 22' Gas Cut-away Vehicles			557,202
MRN170003	Marin Transit	Replace 3 Paratransit Vehicle	218,940		
MRN170004	Marin Transit	Replace 2 Paratransit Vehicles with Vans	85,280		
NAP970010	Napa VINE	Operating Assistance	2,084,334		
NAP090008	Napa VINE	Replacement and Upgrades to Equipment	15,278		164,747
SON170004	Petaluma	Purchase 1 Replacement Paratransit Vehicle	45,100		
SON170005	Petaluma	Transit Yard & Facilities Improvements	45,100		
SM-150005	SamTrans	Replacement of 2003 Gillig Buses	1,976,200		
SON090023	Santa Rosa	Operating Assistance	1,526,857		
SON090024	Santa Rosa	Preventive Maintenance	455,861		
SF-150005	SFMTA	Replacement of 40' Motor Coaches	63,128,520		
SF-150006	SFMTA	Replacement of 60' Motor Coaches	5,295,178		4,713,328
SF-170004	SFMTA	Replacement of 40' Trolley Coaches		95,660,612	

Date: March 22, 2016
W.I.: 1512
Referred by: PAC
Revised: 07/26/17-C
12/20/17-C

Attachment A
Resolution No. 4272
Page 2 of 2

FY 2016-17 Transit Capital Priorities / Transit Capital Rehabilitation Program					
TIP ID	Operator	Project Description	FTA Section 5307	FTA Section 5337	FTA Section 5339
SF-170005	SFMTA	Replacement of 60' Trolley Coaches		28,100,579	
SOL090034	SolTrans	Bus Purchase (Alternative Fuel)	1,824,023		366,316
SOL070032	SolTrans	Preventive Maintenance	837,984		
NEW	SolTrans	Technology Enhancements	320,000		
SOL170003	SolTrans	Facilities & Amenities Improvements	240,000		
SON030005	Sonoma County	Preventive Maintenance	1,337,521		
SON150013	Sonoma County	SCT Replacement Bus Purchase	430,080		180,009
ALA170014	Union City	Replace 6 2009 Paratransit Cut-away vehicles	846,240		
ALA170015	Union City	Replace 1 2003 Paratransit Vehicle	141,040		
SOL010007	Vacaville	Operating Assistance	890,000		
SCL050001	VTA	Standard and Small Bus Replacement	17,107,280		2,892,720
SCL170005	VTA	Paratransit Vehicle Procurement	2,893,751		
SCL170011	VTA	Replace Rail Crossing Control Equipment		4,368,000	
SCL050002	VTA	Rail Replacement Program		4,334,405	
SCL050049	VTA	Rail Substation Rehab/Replacement		2,644,841	
SCL170006	VTA	Replace Fault Monitoring System on LRVs		2,255,200	
SCL170010	VTA	Guadalupe Train Wash Replacement		1,448,000	
SCL110099	VTA	Light Rail Bridge & Structure SGR		1,440,000	
SCL170008	VTA	Vasona Pedestrian Back Gates		1,207,559	
SCL150005	VTA	Train-to-Wayside Communications System Upgrade		1,084,600	
SCL170007	VTA	Pedestrian Swing Gates Replacement		704,000	
SCL170009	VTA	Chaboya Yard Well Removal		196,000	
NEW	WestCAT	Replacement of 2 40' Revenue Vehicles	882,320		
NEW	WestCAT	Purchase of 2 Fast Fare Electronic Fareboxes	28,498		
		Total Capital Projects	192,107,285	210,254,617	10,480,374
		Total Programmed	216,159,614	210,254,617	10,480,374
		Fund Balance	4,613,771	7,318,897	2,416,226

FY 2017-18 Transit Capital Priorities / Transit Capital Rehabilitation Program						
TIP ID	Operator	Project Description	FTA Section 5307	FTA Section 5337	FTA Section 5339	
			Estimated Apportionments	219,316,869	203,859,832	12,577,829
			Previous Year Carryover	4,613,771	7,318,897	2,416,226
			Funds Available for Programming	223,930,640	211,178,729	14,994,055
Lifeline Set-Aside						
Reserved	Various	Reserved for programming in Lifeline Transportation Program	3,437,064			
ADA Operating Set-Aside						
ALA990076	AC Transit	ADA Paratransit Assistance	3,935,175			
NEW	ACE	ADA Set-Aside	52,633			
BRT99T01B	BART	ADA Paratransit Capital Accessibility Improvements	2,465,395			
REG090051	Caltrain	ADA Set-Aside - For Rev. Veh. Rehab	37,332			
CC-99T001	CCCTA	ADA Paratransit Assistance	1,232,472			
MRN130015	GGBHTD	Transit System Enhancements	178,839			
ALA990077	LAVTA	ADA Paratransit Operating Subsidy	348,688			
MRN110047	MCTD	ADA Paratransit Assistance	715,573			
NAP030004	Napa Vine	ADA Operating Assistance	64,494			
SON150007	Petaluma	ADA Set-Aside	92,025			
SM-990026	SamTrans	ADA Paratransit Operating Subsidy	1,809,609			
SON170003	Santa Rosa	ADA Operating Assistance	240,982			
SF-990022	SFMTA	ADA Paratransit Operating Support	4,685,502			
SOL110025	SolTrans	ADA Paratransit Operating Subsidy	295,598			
SON110049	Sonoma County	SCT Replacement Bus Purchase	26,070			
CC-030035	ECCTA	ADA Operating Assistance	552,085			
ALA170039	Union City	ADA Set-Aside	137,005			
SCL050046	VTA	ADA Operating Set-Aside	3,830,990			
CC-990045	Westcat	ADA Paratransit Operating Subsidy	263,648			
REG090057	WETA	Ferry Mid-Life Refurbishment - Solano, Taurus, Mare Island, & Intintoli	7,929			
			Total Program Set-asides and Commitments	24,409,106	-	-
			Funds Available for Capital Programming	199,521,534	211,178,729	14,994,055
Capital Projects						
NEW	AC Transit	Purchase (10) Double Decker Buses	4,582,729			
ALA990052	AC Transit	Paratransit Van Capital Costs	1,449,739			
NEW	AC Transit	Purchase (59) 40ft Urban Buses - Diesel			5,820,689	
ALA170048	ACE	FG: Capital Access Fees and Track/Signal Maintenance	1,381,496	108,504		
NEW	ACE	Railcar Midlife Overhaul		3,080,000		
REG090037	BART	Railcar Procurement Program	22,229,682	4,383,674		
BRT97100B	BART	Rail, Way, and Structures Program		17,000,000		
BRT030005	BART	Traction Power		17,000,000		
BRT030004	BART	Train Control		9,563,082		
ALA090065	BART	Fare Collection Equipment		6,211,000		
SF-010028	Caltrain	Caltrain Electrification - EMU Procurement	8,891,375			
SM-03006B	Caltrain	Systemwide Track Rehabilitation		12,893,000		
SM-050041	Caltrain	Comm. System/Signal Rehab.		819,309		
SM050040	Caltrain	ADA Set-Aside - For Rev. Veh. Rehab		141,664		
NEW	CCCTA	Replace 42 22' Gasoline 7-Year Paratransit Vans	2,681,525		1,623,475	
NEW	CCCTA	Replace 3 Gasoline 7-Year Paratransit Minivans	130,380			
CC-070092	ECCTA	Clipper II Digital Communication Equipment	142,748		851,494	
SOL010006	Fairfield	Operating Assistance	2,540,565			
SOL110041	Fairfield	Bus Replacement			275,044	
NEW	GGBHTD	Replace 67 Fixed Rte 40' Buses	47,477,988		979,092	
MRN150014	GGBHTD	Ferry Major Components Rehab - MS Marin		2,000,000		
MRN150015	GGBHTD	Ferry Propulsion: MS Marin		2,000,000		
NEW	MCTD	Replace Four (4) Rural Cutaway Vehicles	505,120			
NEW	MCTD	Vehicle Replacement- one Shuttle	102,500			
NAP970010	Napa Vine	Operating Assistance	1,539,260			
NAP090008	Napa Vine	Replacement and upgrades to equipment	16,307		168,207	
NEW	Petaluma	Purchase (1) Replacement Fixed Route Bus	185,867			
NEW	Petaluma	Purchase (2) Replacement Paratransit Vans	147,600			
SON170005	Petaluma	Transit Yard and Facility Improvements	45,800			
NEW	Petaluma	Purchase Service Vehicle	28,000			
NEW	Petaluma	AVL Equipment	19,200			
SON090023	Santa Rosa	Operating Assistance	1,614,870			
SON090024	Santa Rosa	Preventive Maintenance	532,965			
SF-150006	SFMTA	Replacement of 60' Motor Coaches	30,089,305			

FY 2017-18 Transit Capital Priorities / Transit Capital Rehabilitation Program					
TIP ID	Operator	Project Description	FTA Section 5307	FTA Section 5337	FTA Section 5339
SF-150005	SFMTA	Replacement of 40' Motor Coaches	21,085,890		
SF-170004	SFMTA	Replacement of 40' Trolley Coaches		58,663,634	
SF-970170	SFMTA	Muni Rail Replacement		10,002,337	
SF-99T005	SFMTA	Rehab Historic Streetcars		7,000,000	
SF-050024	SFMTA	Wayside/Central Train Control & Trolley Signal Systems Rehabilitation		4,500,000	
SF-970170	SFMTA	Overhead Line Rehabilitation		3,750,000	
SF-150007	SFMTA	Farebox Replacement		2,060,800	
SF 99T002	SFMTA	Cable Car Infrastructure		1,250,000	
SF-970073	SFMTA	Cable Car Vehicle Renovation Program		1,018,464	
SF-170006	SFMTA	Station-Area Pedestrian and Bicycle Access Improvements		250,000	
SF-030013	SFMTA	Wayside Fare Collection		250,000	
SOL090034	SolTrans	Bus Purchase (Alternative Fuel)	2,000,000		374,009
SOL070032	SolTrans	Preventive Maintenance	800,000		
SOL110040	SolTrans	Operating Assistance	288,841		
SON030005	Sonoma County	Preventive Maintenance	1,280,000		
SON150013	Sonoma County	Replacement Bus Purchase	346,523		173,569
SOL010007	Vacaville	Operating Assistance	890,000		
SCL050001	VTA	Standard and Small Bus Replacement	17,046,533		2,953,467
SCL170005	VTA	Paratransit Fleet Program	1,301,449		
SCL050002	VTA	Rail Replacement Program		11,088,000	
SCL110104	VTA	Light Rail Track Crossovers and Switches		7,914,090	
NEW	VTA	SCADA Control Center System Replacement		3,015,200	
SCL170007	VTA	Pedestrian Swing Gates		2,720,000	
SCL150008	VTA	VTA Track Intrusion Abatement		1,600,000	
NEW	VTA	Light Rail Roadway Protection System		1,551,200	
NEW	VTA	SCADA Middleware Replacement		1,150,400	
SCL170008	VTA	Vasona Pedestrian Back Gates		1,112,441	
SCL090044	VTA	OCS Rehabilitation Program		1,000,000	
SCL050001	VTA	Standard and Small Bus Replacement			
SF-110053	WETA	Richmond Ferry Service	14,868,858		
REG090057	WETA	Ferry Mid-Life Refurbishment - Solano, Taurus, Mare Island, & Intintoli		11,928,071	
REG090054	WETA	Ferry Channel Dredging		2,480,000	
		Total Capital Projects	186,243,115	209,504,869	13,219,046
		Total Programmed	210,652,222	209,504,869	13,219,046
		Fund Balance	13,278,418	1,673,860	1,775,009

FY 2018-19 Transit Capital Priorities / Transit Capital Rehabilitation Program						
TIP ID	Operator	Project Description	FTA Section 5307	FTA Section 5337	FTA Section 5339	
			Estimated Apportionments	223,841,571	207,370,277	12,844,479
			Previous Year Carryover	13,278,418	1,673,860	1,775,009
			Funds Available for Programming	237,119,989	209,044,137	14,619,488

MTC Debt Service

NEW	MTC	Debt Service	2,820,000	19,050,000	
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Lifeline Set-Aside

Reserved	Various	Reserved for programming in Lifeline Transportation Program	3,508,001		
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ADA Operating Set-Aside

ALA990076	AC Transit	ADA Paratransit Assistance	4,016,392		
NEW	ACE	ADA Set-Aside	53,719		
BRT99T01B	BART	ADA Paratransit Capital Accessibility Improvements	807,883		
CC-99T001	CCCTA	ADA Paratransit Assistance	1,257,908		
MRN130015	GGBHTD	ADA Set-Aside	182,585		
ALA990077	LAVTA	ADA Paratransit Operating Subsidy	355,883		
MRN110047	MCTD	ADA Paratransit Assistance	730,341		
NAP030004	Napa Vine	ADA Operating Assistance	65,824		
SON150007	Petaluma	ADA Set-Aside	93,924		
SON170003	Santa Rosa	ADA Operating Assistance	245,955		
SM-990026	SamTrans	ADA Paratransit Operating Subsidy	1,846,957		
SF-990022	SFMTA	ADA Paratransit Operating Support	4,782,205		
SOL110025	SolTrans	ADA Paratransit Operating Subsidy	301,696		
SON110049	Sonoma County	Replacement Bus Purchase	26,608		
CC-030035	ECCTA	ADA Operating Assistance	563,479		
ALA170039	Union City	ADA Set-Aside	139,832		
SCL050046	VTA	ADA Operating Set-Aside	3,910,055		
CC-990045	Westcat	ADA Paratransit Operating Subsidy	269,089		

Total Program Set-asides and Commitments	25,978,339	19,050,000	-
Funds Available for Capital Programming	211,141,651	189,994,137	14,619,488

Capital Projects

NEW	AC Transit	Replace (24) 60ft Artic Urban Buses - Hybrid	7,904,190	2,500,000	5,872,055
ALA990052	AC Transit	Paratransit Van Capital Costs	1,580,574		
NEW	AC Transit	Replace (10) 24ft Cut-Away Vans	637,000		
NEW	AC Transit	Replace (6) 24ft Cut-Away Vans	382,200		
NEW	ACE	Railcar Midlife Overhaul	1,409,997	1,665,609	
ALA170048	ACE	FG: Capital Access Fees and Track/Signal Maintenance		1,490,000	
REG090037	BART	Railcar Replacement Program	19,492,886	16,867,363	
ALA090065	BART	Fare Collection Equipment	6,211,000		
BRT97100B	BART	Rail,Way, and Structures Program		17,000,000	
BRT030005	BART	Traction Power		17,000,000	
BRT030004	BART	Train Control		10,000,000	
BRT99T01B	BART	ADA Paratransit Capital Accessibility Improvements		1,708,395	
SF-010028	Caltrain	Caltrain Electrification - EMU Procurement	44,757,944		
SM-03006B	Caltrain	Systemwide Track Rehabilitation		13,193,000	
SM-050041	Caltrain	Comm. System/Signal Rehab.		1,200,000	
SM-050040	Caltrain	Revenue Vehicle Rehab (ADA Set-Aside)		182,691	
CC-070092	ECCTA	Transit Bus Replacements (Paratransit)			439,290
SOL010006	Fairfield	Operating Assistance	2,592,978		
SOL110041	Fairfield	Bus Replacement			280,875
MRN050025	GGBHTD	Facilities Rehabilitation	8,600,000		
MRN030010	GGBHTD	Ferry Fixed Guideway Connectors		13,500,000	
MRN150015	GGBHTD	Ferry Vessel Propulsion Systems Rehab		500,000	
NEW	GGBHTD	Replace 14 Paratransit Vehicle			1,044,680
NEW	MCTD	Replace Articulated Vehicles	7,330,800		
NAP970010	Napa Vine	Operating Assistance	1,587,660		
NAP090008	Napa Vine	Equipment Replacement & Upgrades			171,772
SM150011	SamTrans	Purchase of Replacement Minivans	619,920		
SON090023	Santa Rosa	Operating Assistance	1,095,895		
NEW	Santa Rosa	Fixed Route Bus Replacement	571,096		740,177
SON090024	Santa Rosa	Preventive Maintenance	460,616		
NEW	SFMTA	40' Motor Coach Mid-Life Overhaul	35,662,338		
NEW	SFMTA	60' Motor Coach Mid-Life Overhaul	19,392,931		
SF-150007	SFMTA	Farebox Replacement	336,000		
SF-970170	SFMTA	Muni Rail Replacement		12,226,000	

FY 2018-19 Transit Capital Priorities / Transit Capital Rehabilitation Program					
TIP ID	Operator	Project Description	FTA Section 5307	FTA Section 5337	FTA Section 5339
SF-970170	SFMTA	Overhead Line Rehabilitation		10,000,000	
SF-050024	SFMTA	Wayside/Central Train Control & Trolley Signal Systems Rehabilitation		8,300,000	
SF-99T005	SFMTA	Rehab Historic Streetcars		8,000,000	
SF 99T002	SFMTA	Cable Car Infrastructure		2,000,000	
SF-970073	SFMTA	Cable Car Vehicle Renovation Program		1,042,907	
SF-030013	SFMTA	Wayside Fare Collection		1,000,000	
SF-170006	SFMTA	Station-Area Pedestrian and Bicycle Access Improvements		500,000	
SF-150006	SFMTA	Replacement of 60' Motor Coaches			-
SOL110040	SolTrans	Operating Assistance	2,152,564		
SOL070032	SolTrans	Preventive Maintenance	1,000,000		
SOL090034	SolTrans	Bus Purchase Alternative Fuel			381,937
SON030005	Sonoma County	Preventive Maintenance	1,280,000		
SON150013	Sonoma County	Replacement Bus Purchase	438,786		182,413
SOL010007	Vacaville	Operating Assistance	890,000		
SCL050001	VTA	Standard & Small Bus Replacement	15,882,771	1,101,148	3,016,081
SCL110104	VTA	Light Rail Track Crossovers and Switches		16,252,644	
SCL090044	VTA	OCS Rehabilitation Program		5,460,000	
SCL 050002	VTA	Rail Replacement Program		4,328,000	
NEW	WestCAT	Replacement of (9) 40ft Revenue Vehicles	4,171,886		
NEW	WestCAT	Replace (2) Minivans	255,840		
NEW	WestCAT	Purchase of (9) Fast Fare Electronic Fareboxes	128,241		
NEW	WestCAT	Purchase of (2) Radio systems for (2) Cut Away Vans	1,600		
SF-110053	WETA	Ferry Vessel Replacement - Bay Breeze		15,306,920	
REG090057	WETA	Ferry Major Component Rehabilitation		7,544,000	
		Total Capital Projects	186,827,713	189,868,677	12,129,280
		Total Programmed	212,806,052	208,918,677	12,129,280
		Fund Balance	24,313,937	125,460	2,490,208

FY 2019-20 Transit Capital Priorities / Transit Capital Rehabilitation Program						
TIP ID	Operator	Project Description	FTA Section 5307	FTA Section 5337	FTA Section 5339	
			Estimated Apportionments	228,462,093	210,941,101	13,116,782
			Previous Year Carryover	24,313,937	125,460	2,490,208
			Funds Available for Programming	252,776,030	211,066,561	15,606,990

MTC Debt Service

NEW	MTC	Debt Service	3,900,000	31,170,000	
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Lifeline Set-Aside

Reserved	Various	Reserved for programming in Lifeline Transportation Program	3,580,439		
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ADA Operating Set-Aside

ALA990076	AC Transit	ADA Paratransit Assistance	4,099,329		
NEW	ACE	ADA Set-Aside	54,828		
BRT99T01B	BART	ADA Paratransit Capital Accessibility Improvements	2,568,239		
SM-050040	Caltrain	ADA Set-Aside - For Rev. Veh. Rehab	38,890		
CC-99T001	CCCTA	ADA Paratransit Assistance	1,283,884		
MRN110047	GGBHTD	ADA Set-Aside	186,356		
ALA990077	LAVTA	ADA Paratransit Operating Subsidy	363,231		
MRN110047	MCTD	ADA Paratransit Assistance	745,422		
NAP030004	Napa Vine	ADA Operating Assistance	67,183		
SON150007	Petaluma	ADA Set-Aside	95,863		
SM-990026	SamTrans	ADA Paratransit Operating Subsidy	1,885,096		
SON170003	Santa Rosa	ADA Operating Assistance	251,035		
SF-990022	SFMTA	ADA Paratransit Operating Support	4,880,956		
SOL110025	SolTrans	ADA Paratransit Operating Subsidy	307,924		
SON110049	Sonoma County	SCT Replacement Bus Purchase	27,157		
CC-030035	ECCTA	ADA Operating Assistance	575,115		
ALA170039	Union City	ADA Set-Aside	142,720		
SCL050046	VTA	ADA Operating Set-Aside	3,990,795		
CC-990045	Westcat	ADA Paratransit Operating Subsidy	274,646		
REG090057	WETA	Ferry Major Component Rehabilitation	8,260		

Total Program Set-asides and Commitments			29,327,367	31,170,000	-
Funds Available for Capital Programming			223,448,663	179,896,561	15,606,990

Capital Projects

NEW	AC Transit	Replace (27) 40ft Urban Buses - Hybrid	7,464,518		6,935,646
ALA990052	AC Transit	Paratransit Van Capital Costs	1,523,374		
ALA170049	ACE	FG: Capital Access Fees and Track/Signal Maintenance	1,439,102	330,898	
NEW	ACE	Railcar Midlife Overhaul		2,800,000	
REG090037	BART	Railcar Replacement Program	72,840,313	48,870,273	
BRT97100B	BART	Rail, Way, and Structures Program		17,000,000	
BRT030005	BART	Traction Power		17,000,000	
BRT030004	BART	Train Control		10,000,000	
ALA090065	BART	Fare Collection Equipment		6,211,000	
SF-010028	Caltrain	Caltrain Electrification - EMU Procurement	65,696,009		
SM-03006B	Caltrain	Systemwide Track Rehabilitation		13,193,000	
SM-050041	Caltrain	Comm. System/Signal Rehab.		1,200,000	
SM-050040	Caltrain	Revenue Vehicle Rehab (ADA Set-Aside)		147,574	
NEW	Clipper	Clipper Next Gen Fare Collection System	14,764,642		
SOL010006	Fairfield	Operating Assistance	2,646,501		
SOL110041	Fairfield	Bus Replacement			286,830
NEW	GGBHTD	Replace 6 Fixed Route 45' Buses with 7 40' Hybrids	5,183,220		
MRN050025	GGBHTD	Facilities Rehab	3,750,000		
NEW	GGBHTD	Replace 2 Paratransit Vehicles	15,880		
MRN990017	GGBHTD	Ferry Dredging		17,000,000	
MRN030010	GGBHTD	Fixed Guideway Connectors		6,060,000	
NEW	MCTD	Replace Paratransit Vehicles	1,207,040		
NEW	MCTD	Replace Nine (9) Shuttle Vehicles	952,020		
NEW	MCTD	Replace 2- 35ft diesel vehicles	697,000		
NEW	MCTD	Preventative Maintenance	70,520		
NAP970010	Napa Vine	Operating Assistance	1,620,432		
NAP090008	Napa Vine	Equipment Replacement & Upgrades			175,415
SON170005	Petaluma	Transit Yard and Facility Improvements	90,528		
NEW	Petaluma	Purchase (2) Replacement Paratransit Vans	23,157		127,723
SM150011	SamTrans	Replacement of Cut-away Buses	1,375,140		
SON090023	Santa Rosa	Operating Assistance	1,535,279		
SON090024	Santa Rosa	Preventive Maintenance	636,242		

FY 2019-20 Transit Capital Priorities / Transit Capital Rehabilitation Program					
TIP ID	Operator	Project Description	FTA Section 5307	FTA Section 5337	FTA Section 5339
SF-970170	SFMTA	Muni Rail Replacement		4,288,000	
SOL110040	SoTrans	Operating Assistance	2,217,638		
SOL070032	SoTrans	Preventive Maintenance	1,000,000		
SOL090034	SoTrans	Bus Purchase (Alternative Fuel)			390,035
SON030005	Sonoma County	SCT Preventive Maintenance	1,280,000		
SON150013	Sonoma County	SCT Replacment Bus Purchase	474,265		
SON150013	Sonoma County	Replacement Bus Purchase			186,280
NEW	Union City	Replacement of Heavy-Duty Transit Vehicles	1,251,960		
SOL010007	Vacaville	Operating Assistance	890,000		
SCL050001	VTA	Standard and Small Bus Replacement	16,919,979		3,080,021
NEW	VTA	Paratransit Fleet Program	4,800,000		
NEW	VTA	1% Security Project	405,558		
NEW	VTA	Non-Revenue Vehicle Procurement	320,000		
SCL050049	VTA	Rail Substation Rehab/Replacement		11,392,000	
SCL050002	VTA	Rail Replacement Program		10,992,255	
NEW	WestCAT	Replacement of 6 40' Revenue Vehicles	2,745,360		
NEW	WestCAT	Purchase of 6 Fast Fare Electronic Fareboxes	85,494		
REG090067	WETA	Ferry Fixed Guideway Connectors		6,000,000	
REG090057	WETA	Ferry Major Component Rehabilitation		3,554,140	
Total Capital Projects			215,921,170	176,039,140	11,181,950
Total Programmed			245,248,538	207,209,140	11,181,950
Fund Balance			7,527,493	3,857,421	4,425,040

Transit Capital Priorities / Transit Capital Rehabilitation Program Notes

1	FY17 Program is based on final apportionments. FY18-FY20 Program is based on estimated apportionments, and will be revised when final apportionments are issued by FTA. Program assumes availability of financing proceeds, subject to future Commission authorization. If financing is not secured, this program will be revised accordingly.
2	AC Transit: \$25,416,508 of BATA Project Savings and \$7,672,907 of AB 664 Bridge Toll funds have been programmed to AC Transit's Core Capacity Challenge Grant Program (CCCGP) projects, proportionately, according to the CCCGP funding plan from FY2016-17 through FY2019-20. AC Transit is exercising a Preventive Maintenance Funding Exchange in FY2016-17 for electric battery buses (\$3,003,000), using 5307 for PM in place of local funds for the bus purchases. They are also using compensation for deferred replacement of 40 40-foot diesel electric hybrids for one year (from FY17 to FY18) for \$780,640.
3	Caltrain's FY17 FG cap reduced by \$3,264,826 (\$1,570,770 from FY16 and \$1,694,056 from FY17) to \$11,128,174 due to failure to meet grant spend-down goals in FY15 and FY16. Programming of 5337 funds to the South San Francisco Station and Revenue Vehicle Rehab projects in FY17 is conditioned on action by the SMCTA Board to program an equal dollar amount to the PCEP, fixed guideway projects (up to Caltrain's cap amount) or other Score 16 projects. In July 2017, \$5.2M of 5337 reprogrammed from Systemwide Track Rehab to the South San Francisco Station project to offset an equal reprogramming from the station project to track rehab in the FY15 program. Also, \$5.2 million of 5337 reprogrammed from South San Francisco station project (to be replaced with San Mateo local funds) to the Revenue Vehicle Rehab project; there is no net decrease in funding to the station project from these actions.
4	Petaluma is using compensation for deferred replacement of a paratransit vehicle from FY12 to FY17. They are applying compensation to Transit Yard Facility Project in FY17 (\$45,100).
5	SamTrans, in FY17, is applying for the incremental cost difference between 10 diesel and 10 hybrid 40-foot buses that were programmed in FY15 and FY16. This will help fund the increased cost of purchasing 10 electric buses from the 60 bus replacement project (SM150005) for a demonstration project.
6	SFMTA: \$12,741,300 of BATA Project Savings and \$6,283,687 of AB 664 Bridge Toll funds have been programmed to SFMTA's CCCGP projects, proportionately, according to the CCCGP funding plan in FY2016-17 through FY2019-20. Additionally, CCCGP Funds totalling \$152 million (\$69,443,401 of AB 664 and \$83,000,000 of BATA Project Savings) have been reprogrammed from BART to SFMTA in the FY17-FY20 program period. Allocation of these funds will be committed upon the execution of financing. In FY17, SFMTA's FG reduced by \$21,470,406 to \$12,555,594 due to failure to meet grant spend-down goals in FY16.
7	WETA: \$4,941,210 of FG caps voluntarily deferred in FY15 (\$3,424,000) and FY16 (\$1,517,210) are being restored through FY20.
8	VTA requested and was granted a waiver to program \$5M in FG projects above FG cap amounts in FY17. VTA to produce an SRTP or similar by the end of FY17 so that staff can ensure sufficient FTA funds are available to cover VTA capital needs before granting exceptions for FY18-FY20.
9	GGBHTD: \$23,628,000 of FG caps voluntarily deferred from FY11 through FY16 are being restored in FY19.
10	In FY20, MCTD will request less than bus list price for 2 35-ft diesel buses, and apply 1/12 of savings to a PM project.
11	Petaluma is using compensation for deferred replacement of a paratransit vehicle from FY15 to FY18 and another from FY16 to FY18. They are applying compensation to purchase a service vehicle in FY18 (\$28,000). Petaluma is using compensation for deferred replacement of two paratransit vehicles from FY17 to FY20. They are applying compensation to Transit Yard Facility Project in FY20 (\$90,528).
12	VTA and Caltrain are executing a local fund swap in FY18 and FY19, with VTA applying \$300K of local sales tax funds on a Score 16 FG project for Caltrain and Caltrain directing \$300K of FTA funds for a FG project for VTA. Caltrain's FY18 programming for Systemwide Track Rehab was reduced by \$300K in the San Jose UZA, and VTA's FY19 programming for their Rail Replacement Program was increased by \$300K.
13	WestCat is deferring replacement of 4 40-ft diesel buses from FY17 to FY19. They are applying compensation from deferred replacement to supplement funding for the replacement of 4 40-ft diesel buses with 4 40-ft TBD buses in FY19. The FY19 TCP program will need to be revised to specify the type of buses being procured before WestCAT includes these funds in an FTA grant.
14	WETA is exercising a fund swap, using local funds for ferry vessel replacement purchases and applying FTA funds in the same amount to Richmond Ferry Service expansion in FY18.
15	BART's FY18 FG cap reduced by \$436,918 to \$49,774,082 due to failure to meet grand spend-down goals in FY17.
16	Caltrain's FY18 FG cap reduced by \$380,691 to \$14,012,309 due to failure to meet grand spend-down goals in FY17.
17	SFMTA's FY18 FG cap reduced by \$14,023,663 to \$20,002,337 due to failure to meet grand spend-down goals in FY17.
18	FG Caps for FY19 to FY20 for all FG operators will be revised if necessary based on performance against grant spend-down targets as specified in TCP policy.

Date: December 20, 2017
W.I.: 1515
Referred by: PAC

ABSTRACT

Resolution No. 4313

This resolution adopts the allocations for the Caltrans transit State of Good Repair Program for the San Francisco Bay Area.

This resolution includes the following attachments:

Attachment A – FY2017-18 State of Good Repair Program

Attachment B – State of Good Repair Program Recipient Certifications and Assurances

Further discussion of this action is contained in the Programming and Allocations Summary Sheet dated December 13, 2017.

Date: December 20, 2017
W.I.: 1515
Referred by: PAC

RE: Caltrans Transit State of Good Repair Program

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4313

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq.; and

WHEREAS, Plan Bay Area 2040 (“Plan”), the region’s integrated long-range transportation and land use plan adopted by MTC, provides the planning foundation for transportation improvements and regional growth throughout the San Francisco Bay Area through 2040; and

WHEREAS, the Plan includes a \$14 billion anticipated reserve from anticipated future state and federal funding; and

WHEREAS, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act of 2017, establishes the State of Good Repair Program (SGR Program); and

WHEREAS, the SGR Program will provide approximately \$105 million annually to transit operators in California for eligible transit maintenance and capital projects; and

WHEREAS, Public Utilities Code § 99313 provides for the allocation by the Controller of SGR Program funds to MTC based on the ratio of the population of the area under MTC' s jurisdiction to the total population of the State of California; and

WHEREAS, Public Utilities Code § 99313.6(d) provides that MTC is an eligible claimant for such population-based STA funds for projects to achieve regional transit coordination objectives; and

WHEREAS, funds allocated per Public Utilities Code § 99313 shall be allocated to projects in the region based on the local needs; and

WHEREAS, the allocation of population-based SGR Program funds to MTC in Fiscal Year 2017-18 is estimated to be \$10,247,507 by the State Controller's Office as of November 3, 2017; and

WHEREAS, the State Department of Transportation (Caltrans) is responsible for administering the SGR Program; and

WHEREAS, Caltrans has developed guidelines for the purpose of administering and distributing SGR Program funds to eligible project sponsors; and

WHEREAS, MTC has established the Core Capacity Challenge Grant Program (Core Capacity Program) to provide funding for transit capital replacement and rehabilitation needs as well as for key transit infrastructure enhancements needed to support future transit service expansion; and

WHEREAS, the Core Capacity Program targets federal, state and regional funds to high-priority transit capital projects; and

WHEREAS, staff has prepared a SGR Program population-based funding allocation request list, Attachment A, for submittal to Caltrans, said attachment attached hereto and incorporated herein as though set forth at length; now, therefore, be it

RESOLVED, that MTC adopts the Fiscal Year 2017-18 SGR Program population-based funding allocation request list, attached hereto as Attachment A, and finds it consistent with the Plan; and, be it further

RESOLVED, that MTC agrees to comply with all conditions and requirements set forth in the applicable statutes, regulations, guidelines, and Certifications and Assurances, attached hereto as Attachment B, for all SGR Program funded transit projects; and, be it further

RESOLVED, that MTC hereby authorizes the submittal of the SGR Program population-based funding allocation request list, attached hereto as Attachment A; and, be it further

RESOLVED, that should the final Fiscal Year 2017-18 amount differ from the State Controller's Office estimate, any amount above or below the estimate will be allocated to the projects listed in Attachment A; and, be it further

RESOLVED, that the Executive Director is authorized to make minor changes to Attachment A to conform to sponsor requests, and Caltrans and State Controller's actions.

METROPOLITAN TRANSPORTATION COMMISSION

Jake Mackenzie, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, on December 20, 2017.

FY 2017-18 State of Good Repair Program

Agency	Project(s)	FY 2017-18 State of Good Repair Population-Based Funding	Date
BART	Railcar Procurement Project	\$ 10,247,507	12/20/17
TOTAL		\$ 10,247,507	

Available amount based on State Controller's Office Letter dated 11/3/2017

Date: December 20, 2017
W.I.: 1515
Referred by: PAC

Attachment B
MTC Resolution No. 4313
Page 1 of 4

State Transit Assistance State of Good Repair Program

Recipient Certifications and Assurances

Recipient: Metropolitan Transportation Commission

Effective Date: December 20, 2017

In order to receive State of Good Repair Program (SGR) funds from the California Department of Transportation (Department), recipients must agree to following terms and conditions:

A. General

- (1) The recipient agrees to abide by the State of Good Repair Guidelines as may be updated from time to time.
- (2) The potential recipient must submit to the Department a State of Good Repair Program Project List annually, listing all projects proposed to be funded by the SGR program. The project list should include the estimated SGR share assigned to each project along with the total estimated cost of each project..
- (3) The recipient must submit a signed Authorized Agent form designating the representative who can submit documents on behalf of the recipient and a copy of the board resolution authorizing the agent.

B. Project Administration

- (1) The recipient certifies that required environmental documentation will be completed prior to expending SGR funds. The recipient assures that each project approved for SGR funding comply with Public Resources Code § 21100 and § 21150.
- (2) The recipient certifies that SGR funds will be used for transit purposes and SGR funded projects will be completed and remain in operation for the estimated useful lives of the assets or improvements.

- (3) The recipient certifies that it has the legal, financial, and technical capacity to deliver the projects, including the safety and security aspects of each project.
- (4) The recipient certifies that there is no pending litigation, dispute, or negative audit findings related to any SGR project at the time an SGR project is submitted in the annual list.
- (5) Recipient agrees to notify the Department immediately if litigation is filed or disputes arise after submission of the annual project list and to notify the Department of any negative audit findings related to any project using SGR funds.
- (6) The recipient must maintain satisfactory continuing control over the use of project equipment and/or facilities and will adequately maintain project equipment and/or facilities for the estimated useful life of each project.
- (7) Any and all interest the recipient earns on SGR funds must be reported to the Department and may only be used on approved SGR projects or returned to the Department.
- (8) The recipient must notify the Department of any proposed changes to an approved project list by submitting an amended project list.
- (9) Funds will be expended in a timely manner.

C. Reporting

- (1) Per Public Utilities Code § 99312.1 (e) and (f), the recipient must submit the following SGR reports:
 - a. Annual Expenditure Reports within six months of the close of the fiscal year (by December 31st) of each year.
 - b. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of SGR funds. A copy of the audit report must be submitted to the Department within six months of the close of each fiscal year in which SGR funds have been received or expended.

D. Cost Principles

- (1) The recipient agrees to comply with Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) The recipient agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition

Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

- (3) Any project cost for which the recipient has received payment that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, are subject to repayment by the recipient to the State of California (State). Should the recipient fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the recipient from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

E. Record Retention

- (1) The recipient agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the recipient, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of the recipient, its contractors and subcontractors connected with SGR funding shall be maintained for a minimum of three (3) years from the date of final payment and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the recipient, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the recipient pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the recipient's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the recipient's contracts with third parties pursuant to Government Code § 8546.7, the recipient, its contractors and subcontractors and the Department shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits,

examinations, excerpts, and transactions, and the recipient shall furnish copies thereof if requested.

- (3) The recipient, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

- (1) Recipient acknowledges that if a project list is not submitted timely, the recipient forfeits its apportionment for that fiscal year.
- (2) Recipients with delinquent expenditure reports may risk future eligibility for future SGR funding.
- (3) Recipient acknowledges that the Department shall have the right to perform an audit and/or request detailed project information of the recipient's SGR funded projects at the Department's discretion from SGR award through 3 years after the completion and final billing of any SGR funded project.. Recipient agrees to provide any requested project information.

I certify all of these conditions will be met.

METROPOLITAN TRANSPORTATION COMMISSION

BY: _____
STEVE HEMINGER, Executive Director
Metropolitan Transportation Commission