

Date: December 20, 2023
W.I.: 1255
Referred by: PAC
Revised: 1/24/24-C; 2/28/24-C;
3/27/24-C; 6/26/24-C;
7/24/24-C; 10/23/24-DA;
6/25/25-C; 6/25/25-DA
7/23/25-C; 10/22/2025-DA;
12/17/25-C

ABSTRACT

Resolution No. 4615, Revised

This resolution approves the allocation of Regional Measure 3 funds for Muni Fleet Expansion & Facilities Program, sponsored by San Francisco Municipal Transportation Agency.

This Resolution includes the following attachments:

Attachment A – Allocation Summary

Attachment B – Conditions of Allocation

Attachment C – Project and Subproject Details, Funding Plan, and Schedule

Attachment D – RM3 Cash Flow Plan

This resolution allocates \$3.5 million in RM3 funds to the San Francisco Municipal Transportation Agency (SFMTA) for the construction phase of the Potrero Modernization Project (RM3 Project #10.1).

This resolution was revised on January 24, 2024, to allocate \$33.5 million in RM3 funds to SFMTA for the construction phase of the Light Rail Vehicle (LRV) Procurement project (RM3 Project #10.2 for \$6.5 million) and 40’/60’ hybrid buses project (RM3 Project #10.3 for \$27 million).

This resolution was revised on February 28, 2024, to allocate \$6.2 million in RM3 funds to SFMTA for the environmental and early design phases for the Kirkland Yard Electrification Project (RM3 Project #10.4 for \$3.8 million), and for the design phase for the Battery Electric Bus Procurement Project (RM3 Project #10.5 for \$2.38 million).

This resolution was revised on March 27, 2024, to allocate \$12.6 million in RM3 funds to SFMTA for the Project Approval and Environmental Document (PA&ED) phase of the Presidio Modernization Project (RM3 Project #10.6).

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This resolution was revised on June 26, 2024, to allocate \$6.718 million in RM3 funds to SFMTA for the Construction/Procurement phase of the Vintage Streetcar Rehabilitation (RM3 Project #10.7) and \$11.34 million for the Construction/Procurement phase of the New Flyer Midlife Overhaul Project (RM3 Project #10.8).

This resolution was revised on July 24, 2024, to allocate \$2.694 million in RM3 funds to SFMTA for the design phase of the Kirkland Yard Electrification Project (RM3 Project #10.4). This resolution was also revised to include the RM3 subproject numbers for each allocation.

This resolution was revised on October 23, 2024, via Delegated Authority, to recommend a second allocation for \$640,000 in RM3 funds to SFMTA for the design phase for the Battery Electric Bus Procurement Project (RM3 Project #10.5). These revisions also include updates to this subproject's funding plan and schedule.

This resolution was revised on June 25, 2025, to allocate \$8.9 million in RM3 funds to SFMTA for the construction/vehicle procurement phase of the Battery Electric Bus Procurement Project (RM3 Project #10.5).

This resolution was revised on June 25, 2025 via Delegated Authority to extend the expiration dates of the following projects: 1) 40'/60' hybrid buses project (RM3 Project #10.3 for \$27 million for construction) from June 30, 2025, to June 30, 2028; 2) Kirkland Yard Electrification Project (RM3 Project #10.4, Allocation No. 24460902 for \$2.69 million and Allocation No. 25461509 for \$3.8 million for the environmental and design phases) from June 30, 2025 to June 30, 2026; and 3) New Flyer Midlife Overhaul Project (RM3 Project #10.8 for \$11.34 million for the construction/procurement) from June 30, 2025 to June 30, 2027. These revisions also include updates to these subprojects' funding plan, schedule and cash flow.

This resolution was revised on July 23, 2025, to allocate \$2.85 million in RM3 funds to SFMTA for the construction/vehicle procurement phase of the Battery Electric Bus Procurement Project (RM3 Project #10.5).

This resolution was revised on October 22, 2025, via Delegated Authority to rescind \$330,000 from the design phase for the Battery Electric Bus Procurement Project (RM3 Project #10.5, Allocation No. 24461505) and to reallocate \$330,000 to SFMTA for the construction phase of Light Rail Vehicle (LRV)

ABSTRACT

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Procurement project (RM3 Project #10.2; Allocation No. 24461502). These revisions also include updates to the funding plan and cashflow for both subprojects.

This resolution was revised on December 17, 2025, to allocate \$42.39 million to the San Francisco Municipal Transportation Agency (SFMTA) for the PSE phase of the Potrero Modernization Project (RM3 Project #10.1).

Further discussion of this action is contained in the Programming and Allocations Summary Sheets dated December 13, 2023, January 10, 2024, February 14, 2024, March 13, 2024, June 12, 2024, July 10, 2024, June 11, 2025, July 9, 2025, and December 10, 2025.

Date: December 20, 2023
W.I.: 1255
Referred by: PAC

RE: Approval of Allocation of Regional Measure 3 Funds for Muni Fleet Expansion & Facilities Program.

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4615

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, on June 5, 2018, a special election was held in the City and County of San Francisco, and the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma (individually, each a “County” and, collectively, the “Counties”) to approve a toll increase of three dollars (\$3.00) phased in over time, including a one dollar (\$1.00) toll increase on January 1, 2019, a one dollar (\$1.00) toll increase on January 1, 2022, and a one dollar (\$1.00) toll increase on January 1, 2025, for vehicles traveling on the state-owned bridges located in the San Francisco Bay Area (“Regional Measure 3”); and

WHEREAS, on September 26, 2018, BATA adopted Resolution No. 126 accepting certified statements from the Registrar of Voters of the City and County of San Francisco and each of the Counties and observing that a majority of all voters voting on Regional Measure 3 (“RM3”) at such special election voted affirmatively for RM3; and

WHEREAS, RM3 establishes the RM3 Expenditure Plan and identifies specific capital projects and programs and operating programs eligible to receive RM3 funding as identified in Sections 30914.7(a) and (c) of the California Streets and Highways Code; and

WHEREAS, BATA shall fund the projects of the RM3 Expenditure Plan by bonding or transfers to MTC; and

WHEREAS, MTC adopted RM3 Policies and Procedures for the implementation of the RM3 Expenditure Plan, specifying the allocation criteria and project compliance requirements for RM3 funding (MTC Resolution No. 4404, Revised); and

WHEREAS, the Muni Fleet Expansion & Facilities Program is identified as capital project number 10 under the RM3 expenditure plan and is eligible to receive RM3 funding as identified in Streets and Highways Code Sections 30914.7(a); and

WHEREAS, the San Francisco Municipal Transportation Agency (SFMTA) is the project sponsors for the Program; and

WHEREAS, SFMTA has submitted a request for the allocation of RM3 funds for the Potrero Modernization Project; and

WHEREAS, SFMTA has submitted an initial Project Report (IPR), as required pursuant to Streets and Highways Code Section 30914.7(d); and

WHEREAS, Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length, lists the project and phase for which the SFMTA is requesting RM3 funding and the amount recommended for allocation by MTC staff; and

WHEREAS, Attachment B to this resolution, attached hereto and incorporated herein as though set forth at length, lists the required project specific conditions which must be met prior to execution of the allocation and any reimbursement of RM3 funds; and

WHEREAS, Attachment C to this resolution, attached hereto and incorporated herein as though set forth at length, includes MTC staff's review of SFMTA's IPR for each project; and

WHEREAS, Attachment D attached hereto and incorporated herein as though set forth at length, lists the cash flow of RM3 funds and complementary funding for the deliverable RM3 project segment or product; and

WHEREAS, the claimants to which funds are allocated under this resolution have certified that the projects and purposes listed and recorded in Attachment A are in compliance with the requirements of the California Environmental Quality Act (Public Resources Code

Section 21000 et seq.), and with the State Environmental Impact Report Guidelines (14 California Code of Regulations Section 15000 et seq.); now, therefore, be it

RESOLVED, that MTC approves MTC staff's review of SFMTA's IPR for each project as set forth in Attachment C; and, be it further

RESOLVED, that MTC approves the allocation and reimbursement of RM3 funds in accordance with the amount, reimbursement schedule, and allocation expiration dates for the phases and activities as set forth in Attachment A; and, be it further

RESOLVED, that the allocation and reimbursement of RM3 funds as set forth in Attachment A are conditioned upon SFMTA complying with the provisions of the RM3 Policies and Procedures as set forth at length in MTC Resolution No. 4404, Revised; and, be it further

RESOLVED, that the allocation and reimbursement of RM3 funds are further conditioned upon the project specific conditions set forth in attachment B; and, be it further

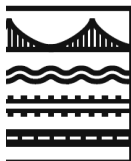
RESOLVED, that the allocation and reimbursement of RM3 funds as set forth in Attachment A are conditioned upon the availability and expenditure of any complementary funding as set forth in Attachment D; and, be it further

RESOLVED, that a certified copy of this resolution shall be forwarded to the project sponsor.

METROPOLITAN TRANSPORTATION COMMISSION

Alfredo Pedroza, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a duly called and noticed meeting held in San Francisco, California and at other remote locations, on December 20, 2023.



Regional Measure 3

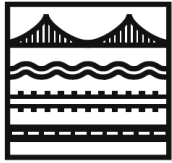
Allocation of Funds

Allocation Summary

RM3 Project Number	10.1
Project Title	Potrero Modernization Project
Project Sponsor	San Francisco Municipal Transportation Authority

Activities to be funded with Allocation #1:					
The allocation request will finalize the bus facility design, as well as help with FEIR and entitlements for the SFMTA's new Potrero bus facility – which is being constructed to have a lifespan of approximately 100 years.					
Allocation Instruction No.	Approval Date	Phase	Reimbursement Year	Expiration Date	Allocation Amount
24461501	20-Dec-23	PSE	FY 2023-24	30-Jun-25	\$ 3,503,055
Cumulative Total - Allocation 1					\$ 3,503,055

Activities to be funded with Allocation #2:					
This allocation request will go toward Milestone Payment 1, a required SFMTA payment that is due to the developer upon reaching Financial Closing, which establishes the notice to proceed with preconstruction portion of the design-build scope under the terms of the Design-Build-Finance Project Agreement for the bus yard.					
Funding Information:					
Allocation Instruction No.	Approval Date	Phase	Reimbursement Year	Expiration Date	Allocation Amount
26461514	17-Dec-25	PSE	FY 2025-26	30-Jun-27	\$ 42,393,000
Cumulative Total - Allocation 2					\$42,393,000
Cumulative Total - Project 10.1					\$45,896,055



Regional Measure 3

Allocation of Funds

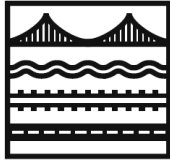
Conditions of Allocation

RM3 Project Number	10.1
Project Title	Potrero Modernization Project
Project Sponsor	San Francisco Municipal Transportation Authority

The allocation and reimbursement of RM3 funds for the above project are conditioned upon the following:

Conditions of Allocation #1	
1	none

Conditions of Allocation #2	
1	none

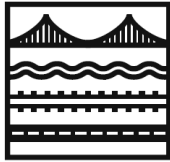


Regional Measure 3

Allocation of Funds

IPR Review (Project and Subproject Details, Funding Plan, and Schedule)

RM3 Project Number	10.1	
Project Title	Potrero Modernization Project	
Lead Sponsor(s)	Other Sponsor(s)	Implementing Agency
San Francisco Municipal Transportation Agency (SFMTA)		SFMTA
Legislated Project Description		RM3 Legislated Funding (in \$1,000,000)
(10) MUNI Fleet Expansion and Facilities. Fund replacement and expansion of the San Francisco Municipal Transportation Agency's MUNI vehicle fleet and associated facilities. The project sponsor is the San Francisco Municipal Transportation Agency. One hundred forty million dollars (\$140,000,000).		\$140,000
Sponsor Programming and Allocation Request Action		
Approval of the initial Project Report and Allocation Request by the SFMTA Board of Directors on November 21, 2023 (Res. No. 231121-096). Approval of the second Project Report and Allocation Request by the SFMTA Board of Directors on October 21, 2025 (Res. No. 251021-098).		
Detailed Project/Subproject Description		
The Potrero Modernization Project will result in the demolition and reconstruction of the existing 100+ year old transit facility to service an all-electric trolley bus transit fleet, with the facility having a built-in capacity and capability to possibly transition to service of battery-electric buses (BEBs) in the future. The site is 4.4 acres located at 2500 Mariposa Street at the cross streets of Bryant, Hampshire and 17th Streets. The existing facility was built in 1915, and services 153 40' and 60' trolley buses in a building designed to maintain streetcars that was last significantly upgraded in 1950. The new facility is projected to service 246 40' and 60' electric trolley buses and a centralized training program for operators and transit staff. The new facility will allow for possible transition to service of battery-electric buses (BEBs) in the future.		



Regional Measure 3 Allocation of Funds

IPR Review (Project and Subproject Details, Funding Plan, and Schedule)

RM3 Project Number	10.1
Project Title	Potrero Modernization Project
Project Sponsor	San Francisco Municipal Transportation Authority

Project Funding Plan

Project Schedule

Phase	Funding Source	Committed? (Yes/No)	Total Amount (\$1,000s)	Start	End
ENV	Prop K	Yes	\$ 2,750	2019	2024
	Operating	Yes	\$ 1,000		
	<i>Env Subtotal</i>		\$ 3,750		
PSE	RM3 (Allocation 1)	Yes	\$ 3,503	2023	2027
	RM3 (Allocation 2) ¹	Yes	\$ 42,393		
	Prop K ¹	Yes	\$ 3,023		
	FTA 5337	Yes	\$ 350		
	Prop L	Yes	\$ 12,500		
	SB1 SGR	Yes	\$ 3,216		
	SB1 SGR ¹	Yes	\$ 5,150		
	FTA 5307 ¹	Yes	\$ 10,706		
	Prop B	Yes	\$ 2,452		
	Prop B ¹	Yes	\$ 5,750		
	<i>PSE Subtotal</i>		\$ 89,043		
ROW	<i>Row Subtotal</i>			N/A	N/A
CON	FTA 5307	No	\$ 6,731		
	Prop B	No	\$ 385		
	SB1 SGR	No	\$ 5,750		
	Various sources TBD	No	\$ 46,307		
	TBD (GO Bond, Prop L, Impact Fees) ²	No	\$ 200,000		
	TBD (Prop B, Prop L, SB1) ³	No	\$ 1,292,000		

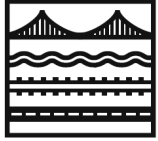
	<i>Subtotal CON</i>		\$ 1,551,173	2026	2030
	Capital Funding Total		\$ 1,643,966		

Footnotes

¹ Milestone Payment 1: Assumed at \$65M, paid at Financial Closing. Final amount may vary and will be confirmed before Commercial Closing.

² Milestone Payment 2: Assumed at \$200M, paid in FY2030, contingent on meeting Project Agreement performance requirements.

³ Annual Payments: Total nominal value over 30-year term (FY2032–FY2062).



Regional Measure 3

Allocation of Funds

Cash Flow Plan

RM3 Project Number	10.1
Project Title	Potrero Modernization Project
Project Sponsor	San Francisco Municipal Transportation Authority

Cash Flow Plan for RM3 Deliverable Segment(s) - Funding by planned year of expenditure

Funding Source	Phase	Prior	2025-26	2026-27	2027-28	2028-29	Future committed	Total Amount (\$ thousands)
Prop K	ENV	\$ 2,750						\$ 2,750
Operating	ENV	\$ 1,000						\$ 1,000
ENV Subtotal		\$ 3,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,750
RM3 (Allocation 1)	PSE	\$ 3,503						\$ 3,503
RM3 (Allocation 2) ¹	PSE		\$ 42,393					\$ 42,393
Prop K ¹	PSE	\$ 2,023	\$ 1,000					\$ 3,023
FTA 5337	PSE	\$ 350						\$ 350
Prop L	PSE	\$ 1,485	\$ 3,665	\$ 4,200	\$ 3,151			\$ 12,500
SB1 SGR	PSE	\$ 893	\$ 2,323					\$ 3,216
SB1 SGR ¹	PSE		\$ 5,150					\$ 5,150
FTA 5307 ¹	PSE		\$ 10,706					\$ 10,706
Prop B	PSE	\$ 88	\$ 1,182	\$ 1,182				\$ 2,452
Prop B ¹	PSE		\$ 5,750					\$ 5,750
PSE Subtotal		\$ 8,341	\$ 72,169	\$ 5,382	\$ 3,151	\$ -	\$ -	\$ 89,043
ROW Subtotal						\$ -	\$ -	\$ -
FTA 5307	CON			\$ 1,683	\$ 1,262	\$ 3,786		\$ 6,731
Prop B	CON			\$ 1,438	\$ 1,078	\$ 3,234		\$ 5,750
SB1 SGR				\$ 96	\$ 72	\$ 217		\$ 385
Various sources TBD	CON			\$ 11,577	\$ 11,577		\$ 23,154	\$ 46,307
TBD (GO Bond, Prop L, Impact Fees) ²	CON						\$ 200,000	\$ 200,000
TBD (Prop B, Prop L, SB1) ³	CON						\$ 1,292,000	\$ 1,292,000
CON Subtotal		\$ -	\$ -	\$ 14,793	\$ 13,989	\$ 7,237	\$ 1,515,154	\$ 1,551,172
RM 3 Funding Subtotal		\$ 3,503	\$ 42,393	\$ -	\$ -	\$ -	\$ -	\$ 45,896
Capital Funding Total		\$ 12,091	\$ 72,169	\$ 20,176	\$ 17,140	\$ 3,023	\$ 1,515,154	\$ 1,643,966

Footnotes

¹ Milestone Payment 1: Assumed at \$65M, paid at Financial Closing. Final amount may vary and will be confirmed before Commercial Closing.

² Milestone Payment 2: Assumed at \$200M, paid in FY2030, contingent on meeting Project Agreement performance requirements.

³ Annual Payments: Total nominal value over 30-year term (FY2032–FY2062).