

**Metropolitan Transportation Commission
Programming and Allocations Committee**

June 8, 2022

Agenda Item 3a - 22-0677

MTC Resolution Nos. 4519, 4202, Revised, and 4505, Revised

Subject:

Proposed programming of approximately \$117 million to support implementation of the Transit Transformation Action Plan including \$85 million through adoption of the Blue Ribbon Transit Transformation Action Plan (Action Plan) Funding Framework and Program of Projects and amendment of One Bay Area Grant (OBAG) 2; and \$31.6 million through the One Bay Area Grant, Cycle 3 (OBAG3) program.

Background:

In September 2021, the Commission received and accepted the Blue Ribbon Transit Recovery Task Force's 27-point Transit Transformation Action Plan (Action Plan). The Action Plan sets a course for accelerating the Bay Area's transit network transformation while integrating with recovery actions that are on-going in the wake of the pandemic. Central to the Action Plan was a focus on three initiatives that were underway prior to the pandemic. These initiatives--Fare Integration and Policy, Regional Mapping and Wayfinding (Customer Information), and Transit Priority on Roadways) were identified and endorsed for accelerated action and focus.

In October 2021, an estimated funding need for the overall Action Plan was presented as information to the Commission. This month, staff is presenting a proposed Blue Ribbon Funding Framework, Program of Projects, and programming of approximately \$117 million to support implementation of the Action Plan. The \$117 million is comprised of \$85 million in Blue Ribbon funding (MTC Resolution No. 4519, Attachments A and B) and \$31.6 million in OBAG3 funding (MTC Resolution No. 4505, Revised). Approximately ninety percent of this funding is proposed to be programmed to the three accelerated initiatives. The table below summarizes the programming actions presented in this agenda item.

Blue Ribbon Initiative	Blue Ribbon Program	OBAG 3	Total
Fare Coordination/Integration	\$ 28,000,000		\$ 28,000,000
Regional Mapping and Wayfinding	\$ 18,200,000	\$ 3,600,000	\$ 21,800,000
Transit Priority on Roadways	\$ 26,000,000	\$28,000,000	\$ 54,000,000
Transit Planning (<i>Action 13-20</i>)	\$ 3,250,000		\$ 3,250,000
Accessibility (<i>Action 21-25</i>)	\$ 4,550,000		\$ 4,550,000
Staff Support	\$ 5,000,000		\$ 5,000,000
Total	\$ 85,000,000	\$ 31,600,000	\$ 116,600,000

Blue Ribbon Program of Projects (MTC Resolution No. 4519):

The \$85 million in near-term Blue Ribbon funding comes from a commitment made by the Commission during the programming of the third tranche of federal COVID-relief funds. The Blue Ribbon Action Plan Program of Projects, Attachment B, identifies the programmed amounts for each of the five initiatives plus staffing support. Specific programming actions within each initiative will be taken as projects are ready to move forward.

Approximately \$8.4 million of the \$85 million is proposed to be programmed to specific projects this month as follows:

- \$6 million for the Institutional Pass pilot. Funds will support Phase 1, Phase 2, and project administration;
- \$1.25 million for preliminary design of Bay Bridge Forward projects (BBF). Within this amount, staff is proposing a fund source change for \$500,000 of these funds. As a result, \$500,000 in OBAG 2 funding will be programmed to the BBF project and \$500,000 in Blue Ribbon funding will be programmed to the new Regional Transit Card (RTC) platform;
- \$1.1 million to support payment of paratransit trips using Clipper.

As specific components of each initiative are ready to advance, staff will return to the Commission to periodically amend the program of projects. Following this programming action complementary actions may be needed per the respective fund sources.

The proposed revisions to the OBAG 2 program can be found under Agenda Item 2c.

Additional One Bay Area Grant (OBAG) Blue Ribbon Investments:

In addition to establishing the funding framework and program of projects for the \$85 million in Blue Ribbon funding, staff also recommends programming OBAG 3 funds as part of a broader regional investment strategy to accelerate delivery of the Blue Ribbon Action Plan. \$31.6 million in OBAG 3 funds is proposed to be programmed. Within the Regional Multimodal Systems Operations and Performance program, \$28 million will be programmed to transit priority on roadways (\$13 million for Forwards/ highway investments and \$15 million for arterial investments) and \$3.6 million for the Mapping and Wayfinding project.

The proposed revisions to the OBAG 2 and 3 program described above can be found under Agenda Items 2c and 4a, respectively.

Issues:

1. Advance of \$5 million to support implementation and cash flow.

As part of the programming of American Rescue Plan Act of 2021 (ARP) (H.R. 1319), the third tranche of Coronavirus pandemic funding provide by the federal government, the Commission adopted a policy that included setting aside funding to implement the Action Plan. However, to allow transit operators to compete for federal discretionary ARP funds, the entire Bay Area share of ARP funds was programmed to operators in October 2021. In return, operators committed to providing an equivalent amount of near-term funding from alternate sources (shown in Attachment 1). Staff is working with operators to secure these funds during FY 2022-23.

Since the \$85 million in funding is not currently available, staff proposes to advance up to \$5 million of the regional share of population-based State Transit Assistance (STA) funds to support cash flow and allow for the initiation of projects identified in Attachment B now. This advance will be repaid in FY2022-23 once MTC receives other STA funds identified in Attachment B. Programming of the \$5 million advance is included in PAC Agenda Item 2f.

2. Additional Funding Needed to Deliver Action Plan

Staff is working to advocate for and secure additional funds to implement the Action Plan. While \$117 million is a significant down payment towards the estimated overall near-term funding need (a minimum of \$150 million) to advance all twenty-seven action items. Tier 3 Fare Integration is expected to cost over \$70 million annually and additional capital costs are estimated to be over \$250 million to fully deliver other initiatives. As project scopes for action items are further refined, staff will update the estimate of near-term funding needs. Furthermore, beyond the initial set aside for staffing resources, additional and ongoing funding for staffing resources is needed to support Action Plan implementation and is not included in the current cost estimate.

Recommendations:

Refer MTC Resolution Nos. 4519, 4202, Revised, and 4505, Revised to the Commission for approval. Resolution Nos. 4202 and Resolution 4505 are also proposed for revisions under Agenda Item 2c and Agenda Item 4a, respectively, and are included in those items with all proposed revisions. Only items approved by the Committee will be forwarded to the Commission.

Attachments:

- MTC Resolution No. 4519
- Attachment 1: Anticipated Funding Contribution by Operator and Fund Source
- **Other Resolutions and Agenda Items:** MTC Resolution No. 4202, Revised, can be found under Agenda Item 2c
- MTC Resolution No. 4505, Revised, can be found under Agenda Item 4a



Alix Bockelman

Anticipated Funding Contribution by Operator and Fund Source
to Support the Blue Ribbon Transit Transformation Action Plan Program of Projects

Operator	ARP \$85M Set-Aside Distribution	Fund Sources					Notes
		STA Population-Based (Res. 4504)	STA Revenue-Based ¹	TCP/FTA Formula	OBAG 2	Total	
AC Transit	\$ 6,175,442	\$ 6,175,442	\$ -	\$ -		\$ 6,175,442	
ACE	\$ 335,130	\$ -	\$ -	\$ 335,130		\$ 335,130	
BART	\$ 30,908,967	\$ 851,330	\$ 15,028,819	\$ 15,028,818		\$ 30,908,967	
Caltrain	\$ 3,839,537	\$ -	\$ 1,919,769	\$ 1,919,768		\$ 3,839,537	
CCCTA	\$ 548,920	\$ 548,920	\$ -	\$ -		\$ 548,920	
ECCTA	\$ 178,426	\$ 178,426	\$ -	\$ -		\$ 178,426	
GGBHTD	\$ 5,390,277	\$ 1,048,348	\$ 2,353,795	\$ 1,988,134		\$ 5,390,277	
LAVTA	\$ 535,322	\$ 535,322	\$ -	\$ -		\$ 535,322	
Marin Transit	\$ 243,613	\$ 243,613	\$ -	\$ -		\$ 243,613	
NVTA	\$ 216,814	\$ 216,814	\$ -	\$ -		\$ 216,814	
SamTrans	\$ 1,460,519	\$ 1,460,519	\$ -	\$ -		\$ 1,460,519	
SFMTA	\$ 26,921,813	\$ 3,853,147	\$ 11,534,333	\$ 11,534,333		\$ 26,921,813	
Solano County Operators	\$ 613,192	\$ 613,192	\$ -	\$ -		\$ 613,192	
Sonoma County Operators*	\$ 868,262	\$ 118,262	\$ -	\$ -	\$ 750,000	\$ 868,262	1
TJPA	\$ -	\$ -	\$ -	\$ -		\$ -	
Union City Transit	\$ 42,344	\$ 42,344	\$ -	\$ -		\$ 42,344	
VTA	\$ 5,202,490	\$ 5,202,490	\$ -	\$ -		\$ 5,202,490	
WCCTA	\$ 270,627	\$ 270,627	\$ -	\$ -		\$ 270,627	
WETA	\$ 1,248,305	\$ -	\$ 1,248,305	\$ -		\$ 1,248,305	
Total	\$ 85,000,000	\$ 21,358,796	\$ 32,085,021	\$ 30,806,183	\$ 750,000	\$ 85,000,000	

Notes

1. STA Revenue-based amounts from Caltrain, GGBHTD, and WETA (totaling \$5,521,869 will be put into a Blue Ribbon set aside account within the Rev-based STA program and then directly allocated to operators to support Blue Ribbon projects. It is anticipated that these funds will be used as part of the Institutional Pass Pilot.
2. OBAG 2 funds were originally programmed to Sonoma to support transit integration and coordination planning. SCTA will use local funds for that work instead and are using this funding as part of their county's funding commitment.

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Date: June 22, 2022
W.I.: 1517
Referred by: Programming and Allocations (PAC)

ABSTRACT
Resolution No. 4519

This resolution adopts the Blue Ribbon Transit Transformation Action Plan Funding Framework and the Blue Ribbon Program of Projects.

The resolution contains the following attachments:

Attachment A – Blue Ribbon Transit Transformation Action Plan Funding Framework
Attachment B – Blue Ribbon Transit Transformation Action Plan Program of Projects

Further information is contained in memorandum to the Programming and Allocations Committee Summary Sheets dated June 8, 2022.

Date: June 22, 2022
W.I.: 1514
Referred by: PAC

RE: Adoption of the Blue Ribbon Transit Transformation Action Plan Funding Framework and Program of Projects

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4519

WHEREAS, the Metropolitan Transportation Commission (MTC) is the Regional Transportation Planning Agency (RTPA) for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq.; and

WHEREAS, MTC is the designated Metropolitan Planning Organization (MPO) for the nine-county San Francisco Bay Area region; and

WHEREAS, MTC, as the RTPA/MPO for the San Francisco Bay Area, is assigned programming and project selection responsibilities for certain state and federal funds; and

WHEREAS, MTC convened the Blue Ribbon Transit Recovery Task Force (Task Force) to respond to the COVID-19 pandemic; and

WHEREAS, the Task Force developed and endorsed the Transit Transformation Action Plan (Action Plan) in July 2021 and the Action Plan was received and accepted by MTC in September 2021; and

WHEREAS, the Action Plan identifies near-term actions needed to achieve a more connected, efficient, and user-focused mobility network across the Bay Area and beyond; and

WHEREAS, the American Rescue Plan Act of 2021 (ARP) (H.R. 1319) was signed into law in response to the nationwide Coronavirus pandemic and provides supplemental appropriations for Emergency Transit Operations Assistance through the Federal Transit Administration (FTA) Section 5307 Urbanized Area and Section 5311 Rural Area formula programs; and

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W.I.: 1514

Referred by: PAC

WHEREAS, MTC approved an ARP funding distribution policy in MTC Resolution No. 4481, which identified that a minimum of \$85 million in ARP funds “should support the implementation of certain recommendations from the Blue Ribbon Transit Recovery Task Force”; and

WHEREAS, to best position Bay Area transit agencies to compete for additional FTA discretionary financial assistance, MTC distributed the reserved \$85 million in ARP funds to operators and in return transit operators agreed to collectively provide an equivalent amount in alternate near-term revenue sources to implement the Action Plan and recommendations from the Task Force; and

WHEREAS, MTC staff, in discussion with transit operators have identified the contribution amounts by operator or county and likely fund sources in Attachment A, Blue Ribbon Transit Transformation Action Plan Funding Framework, incorporated herein as though set forth at length, and MTC staff is working with transit operators to secure these funds; and

WHEREAS, the fund sources identified in Attachment A, Blue Ribbon Transit Transformation Action Plan Funding Framework, may be subject to change; and

WHEREAS, the initiatives and related programming amounts for each initiative are identified in Attachment B, Blue Ribbon Transit Transformation Action Plan Program of Projects, incorporated herein as though set forth at length; and

WHEREAS, each initiative identified in Attachment B, Blue Ribbon Action Plan Program of Projects will be comprised of one or more projects, which are or will be identified in Attachment B, Blue Ribbon Program of Projects; and

WHEREAS Attachment B, Blue Ribbon Transit Transformation Action Plan Program of Projects, will be revised to identify projects and programming amounts under the various initiative as projects are ready to proceed; and

WHEREAS, programming and allocations of funds related to each initiative and project identified in Attachment B, Blue Ribbon Transit Transformation Action Plan Program of

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Referred by: PAC

Projects will be further subject to the program policies for each fund source, respectively; now therefore be it

RESOLVED, that MTC approves the Blue Ribbon Transit Transformation Action Plan Funding Framework as set forth in Attachment A of this Resolution; and be it further

RESOLVED, that MTC approves the Blue Ribbon Transit Transformation Action Plan Program of Projects and programming set forth in Attachment B of this Resolution; and be it further

RESOLVED, that the Executive Director or designee is authorized to revise the fund sources in Attachment A, Blue Ribbon Transit Transformation Action Plan Funding Framework; and be it further

RESOLVED, that the Executive Director or designee may make technical adjustments and other non-substantial revisions to Attachment A, Blue Ribbon Transit Transformation Action Plan Funding Framework and/or Attachment B, Blue Ribbon Transit Transformation Action Plan Program of Projects; and be it further

RESOLVED, that the Executive Director or designee is authorized to revise Attachment B, Blue Ribbon Transit Transformation Action Plan Program of Projects, to add projects and related programming under each initiative up to \$1,000,000; and be it further

RESOLVED, staff shall return to the Commission to revise this Resolution to add projects and related programming that exceed \$1,000,000.

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 June 22, 2022.

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Attachment A: Blue Ribbon Transit Transformation Action Plan Funding Framework

I. Funding

This funding framework pertains to the \$85 million in funds anticipated to be available to support implementation of the Transit Transformation Action Plan (Action Plan). The Action Plan was developed as part of the Blue Ribbon Transit Recovery Task Force and sets a course for accelerating the Bay Area’s transit network transformation while integrating with recovery actions that are on-going in the wake of the pandemic.

As part of the distribution of federal COVID relief funds provided through the American Rescue Plan Act (ARP), MTC initially set aside a minimum amount of \$85 million in ARP funding for the implementation of Blue Ribbon initiatives. In October 2021, to address and optimize transit operator funding opportunities at the Federal level, the \$85 million was directly distributed to transit operators and, in exchange, transit operators agreed to work with MTC staff to identify alternate near-term revenue sources. Transit operators and County Transportation Agencies, in the case of Sonoma and Solano, have agreed to provide funding in the respective amounts shown in Table 1 to support implementation of the Action Plan.

The \$85 million in funding is focused on three initiatives to accelerate transformation of the transit system for the benefit of transit customers in the San Francisco Bay Area and to support on-going transit recovery in the wake of the pandemic. These initiatives are Fare Coordination/Integration, Regional Mapping and Wayfinding (Customer Information), and Transit Priority on Roadways. The \$85 million is primarily intended to support near-term implementation activities for these initiatives. A smaller share of the funds is also available to support other initiatives coming out of the Action Plan and to provide staff resources for implementation.

More funding is needed to fully implement the three accelerated initiatives as well as other actions in the Action Plan. MTC will collaborate with partner agencies, including transit operators, to advocate for and secure other funds to implement the Action Plan.

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Attachment A

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Table 1: Funding Amounts by Operator

Operator	Funding
AC Transit	\$ 6,175,442
ACE	\$ 335,130
BART	\$ 30,908,967
Caltrain	\$ 3,839,537
CCCTA	\$ 548,920
ECCTA	\$ 178,426
GGBHTD	\$ 5,390,277
LAVTA	\$ 535,322
Marin Transit	\$ 243,613
NVTA	\$ 216,814
SamTrans	\$ 1,460,519
SFMTA	\$ 26,921,813
Solano County Operators	\$ 613,192
Sonoma County Operators	\$ 868,262
Union City Transit	\$ 42,344
VTA	\$ 5,202,490
WCCTA	\$ 270,627
WETA	\$ 1,248,305
Total	\$ 85,000,000

II. Fund Sources

MTC and transit operators have identified a variety of fund sources to fulfill the \$85 million funding commitment. These potential fund sources include, but are not limited to:

- Population-based State Transit Assistance (STA);
- Revenue-based STA;
- Federal Transit Administration funds through the Transit Capital Priorities; and
- Federal STP/CMAQ funds through One Bay Area Grant Programs.

The specific fund sources will be identified through programming actions contained in Attachment B, Blue Ribbon Action Plan Program of Projects, to this resolution. MTC and transit operators will continue to work together to secure funds to fulfill the \$85 million funding

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Attachment A

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commitment. MTC will be able to independently program some of these fund sources while others will require additional coordination with and participation of transit operators.

Funding exchanges may be needed to implement the Blue Ribbon Action Plan Program of Projects. MTC will pursue funding exchanges, as necessary, to fulfill the \$85 million funding commitment.

III. Programming and Allocations Process

The Blue Ribbon Action Plan Program of Projects, Attachment B, identifies the programmed amounts for each initiative. Specific programming actions within each initiative will be taken as projects are ready to move forward. Should additional funding be secured to implement the projects identified in Attachment B, recommendations to shift funds between initiatives may be made based on project eligibility for different funding and overall needs of the Blue Ribbon Program.

Programming of funds, up to \$1 million, may be made through the Executive Director's Administrative Authority.

Additional actions may be needed following the adoption of the Blue Ribbon Program of Projects that are specific to the fund source assigned to a project. Project sponsors are responsible for ensuring completion and compliance with any additional actions needed to secure the funds identified for the project through this resolution in Attachment B.

A summary of subsequent actions necessary to obligate or encumber the expected fund sources is provided below. This information is not exhaustive and additional fund sources may be identified and incorporated into the Blue Ribbon Funding Plan at a future date. Project sponsors are responsible for complying with all policies related to the respective fund sources programmed to the project in Attachment B.

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State Transit Assistance Funds:

An allocation request should be submitted to MTC by the project sponsor or subrecipients in order to encumber funds to the project.

Federal Transit Administration (FTA) 5307 or 5311:

Following or concurrent with the programming through Attachment B, these funds must be programmed through the MTC Transit Capital Priorities Program. The project sponsor must then add the funds to the Transportation Improvement Program (TIP) and, following approval of the TIP, submit a request to FTA for the funds.

Federal Transportation Program Funds—Surface Transportation Block Grant (STP) or Congestion Management and Air Quality Improvement (CMAQ) funds:

Along with the programming through Attachment B, these funds must be formally amended into the One Bay Area Grant Program. The project sponsor must then add the funds to the Transportation Improvement Program (TIP), and following approval of the TIP, submit a request to Caltrans for the funds. Caltrans will issue an authorization to proceed.

IV. Timely Use of Funds

Project sponsors shall adhere to the respective project delivery milestones, invoice, and funding expiration deadline, or other requirements of the funding received.

The Blue Ribbon funds are intended to support the near-term (approximately three years) implementation of Transit Transformation Action Plan. Should priorities or conditions change, or if a project is not ready to advance, funds may be reassigned to another project.

Blue Ribbon Transit Transformation Action Plan Program of Projects

Initiative	Action # ¹	Sponsor	Project	Funding by Initiative	SUM(A:E) Total Project Programming	Fund Sources					Notes
						A	B	C	D	E	
						Population-based STA ²	Revenue-based STA	STA Revenue-based STA Exchange	FTA	OBAG 2	
						\$ 21,358,796	\$ 5,521,869	\$ 26,563,152	\$ 30,806,183	\$ 750,000	
I. Fare Coordination/Integration (Actions 1-3)				\$ 28,000,000							
	1a	MTC	Institutional Pass Pilot		\$ 6,000,000	\$ 478,131	\$ 5,521,869				
II. Regional Mapping and Wayfinding (Actions 4-6)				\$ 18,200,000							
III. Transit Priority on Roadways (Actions 7-12)				\$ 26,000,000							
	25a(9aX)	MTC	Regional Transit Card (RTC) Improvements (exchange with Bay Bridge Forward)		\$ 500,000	\$ 500,000					3
	9a	MTC	Bay Bridge Forward - Preliminary Engineering		\$ 750,000					\$ 750,000	
IV. Transit Planning (Actions 13-20)				\$ 3,250,000							
V. Accessibility (Actions 21-25)				\$ 4,550,000							
	23a	MTC	Paratransit Fare Payment Clipper		\$ 1,100,000	\$ 1,100,000					
VI. Staff Support				\$ 5,000,000							
		MTC	MTC Staff		\$ -						
Total Programming				\$ 85,000,000	\$ 8,350,000	\$ 2,078,131	\$ 5,521,869	\$ -	\$ -	\$ 750,000	
Balance				\$ 76,650,000		\$ 19,280,665	\$ -	\$ 26,563,152	\$ 30,806,183	\$ -	

Notes:

1. Action # refers to the twenty-seven actions in the Transit Transformation Action Plan. Actions 26 and 27, related to Funding, are not included in this Blue Ribbon Program of Projects. Additional alphabetical identifiers have been added to identify projects related to the initiative and action. "X" signifies a funding exchange.
2. Population-based STA is programmed to the Blue Ribbon Program through MTC Res. No. 4450, FY 2022-23 Fund Estimate.
3. The Bay Bridge Forward project, 9a, will receive OBAG 2 funds from the RTC project (Action 25a) and the RTC Project will be allocated \$500,000 in Blue Ribbon funds.