

**Metropolitan Transportation Commission
Programming and Allocations Committee**

June 8, 2022

Agenda Item 2e - 22-0889

MTC Resolution No. 4520

Subject:

Adoption of the \$37.5 million FY 2022-23 Regional State Transit Assistance (STA) Program

Background:

As the Regional Transportation Planning Agency for the nine county Bay Area, MTC is responsible for the programming and allocation of STA funds. STA funds are derived from a sales tax on diesel and split evenly at the state level into a population-based account and a revenue-based account. MTC has discretion over the programming of population-based funds and MTC Resolution No. 4321 establishes the framework (70 percent by County Block Grant formula, 30 percent to a Regional Program, and a small off the top set aside for a Transit Emergency Service Contingency Fund) for the apportionment of these funds. This item presents the proposed annual program for the 30 percent of these funds apportioned to support regional transit priorities.

Revenue Outlook:

Due to high diesel prices, the original revenue estimate for FY 2021-22 increased by \$3.4 million to \$19.5 million and for FY 2022-23, the revenue is expected to increase by an additional \$2 million, to \$21.5

Staff has also assessed program needs for FY 2022-23 and have determined that the funding typically set aside for the Clipper START program can be redirected for the upcoming fiscal year to fund other regional priorities and commitments. MTC Resolution No. 4321 commits to an annual programming of approximately \$8 million from MTC's share of STA to support Clipper START, the regional transit fare discount pilot program for riders with lower incomes. This annual amount was set aside based on estimates of what would be needed to fund a robust program. As a result of the pandemic, transit ridership has been severely depressed for over two years and ridership recovery remains slow. In FY 2021-22, this programming was suspended because sufficient funding existed to fulfill MTC's program commitment to fund the pilot (ending in June 2023). There continues to be sufficient funds to meet the regional contribution to the Clipper START pilot program and staff proposes suspending the FY 2022-23 STA funds as

well, in order to fund specific needs and commitments as outlined below. Towards the end of 2022, evaluation findings and recommendations on the Clipper START pilot will be presented to the Commission for consideration.

FY 2022-23 Program:

Five projects comprise all but \$1 million of the program and are described below. For detailed information about the projects, please refer to MTC Resolution No. 4520 (Attachment A and B).

- **Clipper:** The Clipper operating program used the bulk of funds from this program until revenue increased through the Road Repair and Accountability Act of 2017 (aka SB1). MTC's share of Clipper operating costs are expected to increase with the deployment of Next Generation Clipper system. This project receives around \$8 million annually. This year, the project team has also requested its \$2.5 million reserve for total programming of \$10 million.
- **Caltrain Right-of-Way Payment:** To fulfill the commitment of the Caltrain right-of-way repayment, \$8 million is proposed to be programmed to SamTrans for transit operations. More information on this funding commitment can be found in agenda item 3c. Inclusion of this project in the Regional STA program is subject to approval of agenda item 3c.
- **Continued staffing commitment:** Set aside of \$11.5 million to support staffing costs – salaries, benefits, and overhead – for one to two staff over approximately the next ten to fifteen years.
- **Transit Transformation Action Plan:** This month's PAC Agenda item 3a presents the programming for \$85 million in funding to implement the Transit Transformation Action Plan. As a reminder, upon approval of the American Rescue Plan (ARP) funding distribution in October 2021 through which \$85 million in funding previously set aside for Blue Ribbon Action Plan implementation was distributed to transit operators in order to preserve Bay Area operator ability to compete for additional federal discretionary COVID funding relief, staff was directed to work with transit operators to reserve an equivalent amount of near term funding to replace the relinquished ARP set-aside. Approximately \$21.4 million of this funding will come from redirecting FY2022-23 shares of County Block Grant funds, but these funds will not be on-hand until late 2022. In order to allow projects to advance now, a cash flow advance of up to \$5 million is proposed. This advance would be repaid to the Regional Program by the end of FY 2022-

23. In addition to this advance, an additional \$2 million is proposed to support implementation of the Action Plan.

Issues:

MTC has full discretion over the population-based share of STA funds that come to the San Francisco Bay Area region. As described above, MTC Resolution No. 4321 establishes the framework for the apportionment of these funds. MTC retains thirty percent for regional programs, or \$21.5 million, while seventy percent, or around \$50.2 million, is available for county transportation agencies to program to transit-supportive services. Due to high diesel prices, funding has grown above projections creating additional discretionary funding. However, in order to provide additional support for regional priorities such as the Transit Transformation Action Plan and other regional transit coordination, the Commission could reassess the current framework for these funds for future years.

Recommendations:

Refer MTC Resolution No. 4520 to the Commission for approval. Inclusion of programming for the Caltrain ROW payment is contingent upon Committee and Commission approval of agenda item 3c.

Attachments:

MTC Resolution No. 4520



Alix Bockelman

Date: June 22, 2022
W.I.: 1221, 1224, 1229, 2655
2700
Referred by: PAC

ABSTRACT

Resolution No. 4520

This resolution establishes the FY 2022-2023 program for the MTC State Transit Assistance (STA) Regional Coordination Program funds.

The resolution includes the following attachments:

- Attachment A, STA Regional Coordination Program Summary
- Attachment B, STA Regional Coordination Program: Project Descriptions

Further discussion is contained in the MTC Programming and Allocations Committee Summary Sheet dated June 8, 2022.

Date: June 22, 2022
W.I.: 1221, 1224, 1229, 2655
2700
Referred by: PAC

RE: FY 2022-23 MTC Regional Coordination Program for State Transit Assistance (STA) Funds

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4520

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, the State Transit Assistance (STA) fund is created pursuant to Public Utilities Code § 99310 et seq., and

WHEREAS, Public Utilities Code § 99313 provides for the allocation by the Controller of State Transit Assistance (STA) 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, in accordance with Public Utilities Code § 99316(a) MTC has created the State Transit Assistance fund with Alameda County for deposit of STA funds received from the State Controller; 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, MTC has adopted a Transit Coordination Implementation Plan pursuant to Government Code Section 66516.5 which identifies a number of projects to be implemented by MTC and the region's transit agencies to improve coordination of services; and

WHEREAS, the projects listed in Attachment A to this resolution, attached hereto, and incorporated herein as though set forth at length, are consistent with the STA Population-Based Consolidated policy established in MTC Resolution No. 4321; and

WHEREAS, MTC has provided information about the programming of STA funds for projects in FY 2022-23 as shown in Attachment B to this resolution, attached hereto, and incorporated herein as though set forth at length; and

WHEREAS, the implementation of the projects and purposes listed in Attachment B comply with the requirements of the California Environmental Quality Act, Public Resources Code § 21000 et seq., and the State EIR Guidelines (14 Cal. Code of Regs. § 15000 et seq.); and

WHEREAS, MTC has complied with the applicable rules and regulations for an allocation of STA funds under 21 Cal. Code of Regs. § 6730 et seq.; now, therefore, be it

RESOLVED, that STA funds are programmed by MTC in the amounts and for the purposes that are specified in Attachment A and described in Attachment B to this resolution, attached hereto and made a part of this resolution; and be it further

RESOLVED, that the Executive Director is authorized to make programming changes to Attachment A, up to \$300,000 for each project, in consultation with the affected 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 June 22, 2022.

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Date: June 22, 2022
W.I.: 1221, 1224, 1229, 2655
2700
Referred by: PAC

Attachment A
MTC Resolution No. 4520
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**STA Regional Coordination Program Summary
FY 2022-23**

Summary of Revenue and Programming			
Estimated New Revenue for FY 2022-23 ¹	\$ 21,509,903		
Carryover Balance ²	\$ 25,252,700		
Carryover Commitments	\$ (355,000)		
New Programming	\$ (37,457,000)		
Estimated Balance	\$ 8,950,603		

Programming by Project			
Project Name	Claimant	Carryover Programming	New Programming
Clipper [®]	MTC	\$ -	\$ 10,000,000
Clipper [®]	GGBHTD	\$ -	\$ 10,000
Long-Term Transit Funding Staff Set-Aside ³			\$ 11,500,000
Caltrain ROW Payment	SamTrans		\$ 8,000,000
Blue Ribbon Program Advance ⁴			\$ 5,000,000
Blue Ribbon Program	MTC	\$ 250,000	\$ 2,000,000
Means-based Fare Pilot Program ⁵	MTC	see note 3	\$ -
Transit Hub Signage	AC Transit	\$ -	\$ 291,000
Transit Hub Signage	MTC	\$ -	\$ 21,000
511 Transit	MTC	\$ 80,000	\$ 120,000
Regional Paratransit Database	CCCTA	\$ -	\$ 75,000
Grant Management and Database	MTC	\$ -	\$ 215,000
ITS Architecture	MTC	\$ 25,000	\$ -
MTC Website Support	MTC		\$ 25,000
Transit Projects Contingency	MTC	\$ -	\$ 200,000
	Subtotal	\$ 355,000	\$ 37,457,000
Grand Total		\$ 37,812,000	

Notes:

1. This amount is based on the FY2022-23 Fund Estimate (FE), MTC Res. No. 4450, adopted in Feb 2022.
2. The carryover amount is based on information from FY 2022-23 FE and adjusted for allocations made after January 31, 2022.
3. These funds will be transferred to a separate account and be reported on and programmed through the annual Regional STA Program.
4. This advance will be repaid once other STA population-based funds programmed to the Blue Ribbon in the FY 2022-23 Fund Estimate, MTC Res. No. 4450 are received.
5. There will be an STA carryover balance of over \$30 M at the end of FY 2021-22 held in a separate account (and shown in the FE) sufficient to support the program. No funds are proposed for programming.

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Attachment B
MTC Resolution No. 4520
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STA Regional Coordination Program: Project Descriptions

FY 2022-23

The State Transit Assistance (STA) Regional Coordination Program funds have historically supported MTC's regional operations projects as well as other planning and operational efforts to improve coordination of, and access to, transit services in the Bay Area. The proposed FY 2022-23 STA Regional Coordination Program is approximately \$38 million. The following five projects comprise \$36.5 million of the program:

- \$10 million for Clipper® operations, including a \$2.5 million reserve;
- \$8 million for Caltrain right-of-way payment to SamTrans;
- \$11.5 million for long-term staff set aside;
- \$5 million for Blue Ribbon Program advance; and.
- \$2 million for the Blue Ribbon program.

Other regional transit projects such as 511 Transit, and the Hub Signage Program will receive a small amount of funding. In addition, there is approximately \$0.35 million in carryover commitments. Use of the STA funds by MTC is further subject to MTC's budget and project approval processes. Additional details about the specific projects and the amount of STA funds programmed to each is provided below.

Programmed funds must be encumbered in FY 2022-23 fiscal year except for the Long-term staff set aside. Funds not encumbered by the end of the fiscal year will not be available for the project. If a project team is unable to encumber funds, they should coordinate with the regional program administer and request to have unencumbered funds included in next fiscal year's program.

Clipper®

Programmed to MTC: \$ 10,000,000

Programmed to GGBHTD: \$ 10,000

Clipper[®] allows transit riders to pay transit fares with a reloadable Clipper[®] smart card. Clipper[®] may be used on most transit systems in the San Francisco Bay Area. MTC's Clipper[®] responsibilities include oversight of a contract with Cubic Transportation Systems, Inc. to design, build, operate and maintain the Clipper[®] system and a number of other contracts related to the implementation and operation of the Clipper[®] system. This programming includes \$2.5 million in STA reserves from previous years. GGBHTD is programmed \$10,000 for their assistance in the administration of Federal Transit Administration funds.

Long-term Transit Funding Staff Set Aside

Programmed to MTC: \$11,500,000

In order to provide a secure source of funding for staff resource needs, funding is proposed to be set aside to support one to two staff members including salary, benefits, and related overhead, for the next ten to fifteen years.

Caltrain ROW Payment

Programmed to SamTrans: \$8,000,000

In MTC Resolution No. 4509, MTC is committed to providing \$19.6 million to SamTrans for their upfront financial payment of the Caltrain right of way purchase in 1991. To fulfill this commitment, \$8 million in STA funds to be programmed to SamTrans for transit operations is proposed. The balance of the \$19.6 million will be made up of \$4.6 million in Low Carbon Transit Operations Program (LCTOP) and \$7 million One Bay Area Grant Program (OBAG 3. Inclusion of this project is contingent upon approval of agenda item 3c of the Programming and Allocations Committee and full Commission in June 2022.

Blue Ribbon Action Plan Program Advance

Programmed to MTC: \$5,000,000

MTC planned to program \$85 million in American Rescue Plan Act (ARP) funds to support implementation of the Transit Transformation Action Plan (Action Plan) that was developed as part of the Blue Ribbon Transit Recovery Task Force. However, ARP funds were instead programmed to allow transit operators to compete for federal discretionary funds. In exchange, transit operators agreed to provide alternate revenue sources to support implementation of the Action Plan. It is anticipated that two-thirds of the funding will come from STA, that will be

allocated and disbursed over the course of FY 2022-23. However, these transit operator payments have not been finalized and to proceed with implementation of the Action Plan, a \$5 million cash flow advance from the regional discretionary is proposed. This advance will be fully repaid to the MTC STA Discretionary Program by the end of FY 2022-23.

Blue Ribbon Program

Programmed to MTC: \$2,000,000

Staff proposes to supplement investment in the Transit Transformation Action Plan by programming \$2 million to support program implementation. Most of the \$85 million in Blue Ribbon funding is focused on three initiatives—Fare Coordination, Regional Wayfinding, and Transit Priority. These funds would be used to support implementation of the overall program and other actions.

Transit Hub Signage

Programmed to AC Transit: \$291,000

Programmed to MTC: \$ 21,000

MTC is committed to maintaining the information in transit information displays (TIDs) at 24 regional transit hubs. MTC has an agreement with AC Transit for them to maintain these displays on behalf of the region. The agreement with AC Transit documents the scope of work in exchange for the direct allocation of STA funds. The agreement covers FY 2022-23 through FY 2024-25 and identifies the anticipated amounts of STA funds that will be made available to AC Transit, subject to Commission programming and allocation actions.

MTC will use STA funds for ongoing operations, maintenance of other hub signage, and transit connectivity projects.

511 Transit

Programmed to MTC: \$80,000 plus carryover of \$120,000

STA funds will be used to supplement the funds for the 511 Transit program. 511 Transit collects, maintains, updates, and distributes region-wide transit service information for the benefit of the traveling public and MTC's transit partners. These funds may be used to support ongoing work, Transit Transformation Action Plan efforts, or other new initiatives

Regional Paratransit Program

Programmed to CCCTA: \$75,000

STA funds will support the continued administration of the Regional Paratransit Program by CCCTA, on behalf of other operators. CCCTA will coordinate paratransit operational activities such as:

- Oversight of the Paratransit Eligibility Program and Regional Eligibility Database, and delivery of the Paratransit Technical Assistance Program through a consultant; and
- Liaison between the Paratransit Technical Coordination Council (PTCC) and MTC, including reporting on the status of activities.

The lead agency will provide progress reports summarizing work performed.

Grant Management and Database

Programmed to MTC: \$215,000

MTC administers over \$800 million in funds through the Transportation Development Act and State Transit Assistance Program in addition to other funding programs. These funds will support modernization of the funding processes and data collection and may include a grants management portal and database.

Intelligent Transportation System (ITS) Architecture

Programmed to MTC: \$25,000

The Bay Area ITS Architecture is a blueprint for integrating and coordinating various technologies, known as ITS. The purpose of the architecture is to accurately represent the region's existing and future use of information, technology, and automated systems to improve the safety and efficiency for travelers and agencies providing transportation services across all modes. Funds will support update and maintenance of the ITS Architecture.

Agency Website Support

Programmed to MTC: \$25,000

Approximately a year ago, MTC launched a new website. Funds will be used to support ongoing operation, maintenance, and enhancement of the MTC website.

Transit Project Contingency

Programmed to MTC: \$200,000

These funds would be used in the event of unforeseen project needs or operating shortfalls with respect to MTC's regional transit projects such as Clipper®, 511 Transit, Regional Transit Mapping, and transit planning. These funds would also allow MTC to respond to unexpected regional or sub-regional transit planning needs or requests as they arise. Unspent contingency funds will be returned to the STA Program.