San Mateo County Transit District

Report of the Measure W Citizens' Oversight Committee

Fiscal Year 2022 (July 2021- June 2022)



samTrans

SAN MATEO COUNTY Transportation Authority

The Measure W Citizens Oversight Committee (COC) is pleased to provide its Fiscal Year 2021-22 (FY2022) annual report on the expenditure of proceeds from the San Mateo County Transit District's (District) 2018 Measure W.

The principal duties of the COC are to ensure that the proceeds have been expended for the purposes set forth in the Measure W ballot language and to provide a report on the independent audit conducted pursuant to the ballot language and the District Ordinance (Ordinance) which placed Measure W on the ballot.

Measure W tasks the COC with providing information to the taxpayers of San Mateo County in the following ways:

- Receive the District's annual audit report on receipts and expenditures of Measure W tax proceeds and expenditures under the Congestion Relief Plan
- Hold an annual public hearing on the audit report
- Issue an annual report of the COC on the audit results

The Board of Directors of the District and the Board of Directors of the San Mateo County Transportation Authority (TA) are responsible for the prioritization and distribution of funds received pursuant to the provisions of Measure W. The independent audit conducted by the District and the COC's report are intended to provide additional accountability with respect to the expenditure of these proceeds by both the District and the TA.

The District's FY 2022 audit report for Measure W tax was conducted by Eide Bailly, LLP, an independent accounting firm with several years of experience in conducting independent audits of the financial results of both the District and the TA. In its audit, Eide Bailly, LLP provided what is known as an unmodified opinion (what is often referred to as a "clean" opinion) on the Measure W financial statements prepared by District staff. The COC held a public hearing on the report on March 6, 2023. A copy of the audit report is attached as Appendix A.

Section 1

Measure W Funding Categories and Principles

In 2018, San Mateo County voters approved Measure W, a 30-year half cent sales tax beginning July 1, 2019 through June 30, 2038, by a vote of 66.9%. In doing so, they provided the county with additional resources to improve transit and relieve traffic congestion. The District levies the tax and administers investments for 50% of the program under the County Public Transportation Systems category in Measure W's Congestion Relief Plan, and the TA is responsible for administering the other categories, which make up the remaining 50% of the measure.

Figure 1. Measure W Funding Categories

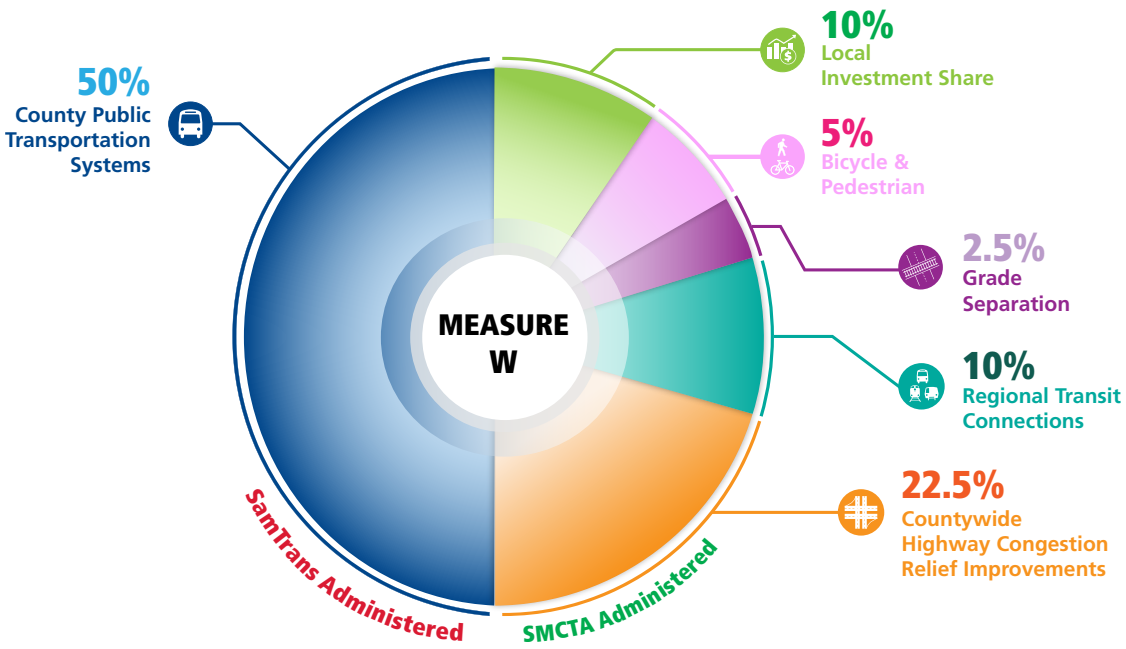


Figure Source: TA Strategic Plan 2020-2024

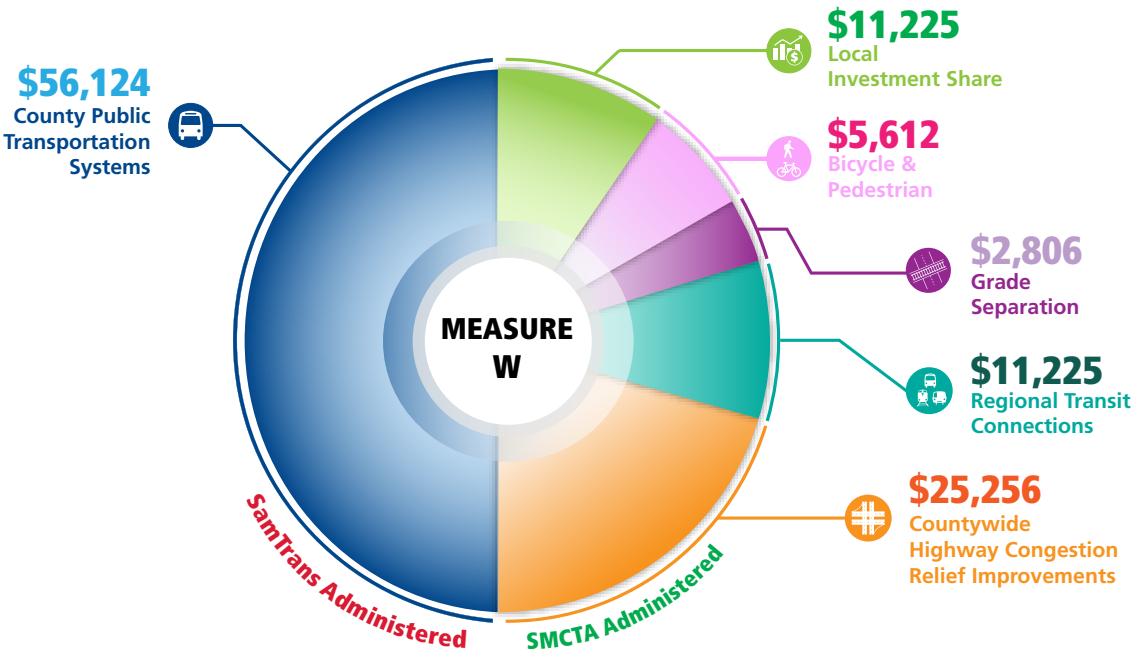
Measure W contains 11 Core Principles to guide program implementation where applicable:

1. Relieve traffic congestion countywide
2. Invest in a financially sustainable public transportation system that increases ridership, embraces innovation, creates more transportation choices, improves travel experience, and provides quality, affordable transit options for youth, seniors, people with disabilities, and people with lower incomes
3. Implement environmentally-friendly transportation solutions and projects that incorporate green stormwater infrastructure and plan for climate change
4. Promote economic vitality, economic development, and the creation of quality jobs
5. Maximize opportunities to leverage investment and services from public and private partners
6. Enhance safety and public health
7. Invest in repair and maintenance of existing and future infrastructure
8. Facilitate the reduction of vehicle miles traveled, travel times and greenhouse gas emissions
9. Incorporate the inclusion and implementation of complete street policies and other strategies that encourage safe accommodation of all people using the roads, regardless of mode of travel
10. Incentivize transit, bicycle, pedestrian, carpooling and other shared-ride options over driving alone
11. Maximize traffic reduction potential associated with the creation of housing in high-quality transit corridors

A. Receipt and Distribution of Measure W Funding

A total of $112.2 million in Measure W sales tax was realized and received in FY 2022. Per Measure W, the funds are divided equally between the District and TA as shown in Figure 1 above. Figure 2 provides the specific breakdown of funding apportioned between the District and the TA program categories based on the funding received.

Figure 2. Fiscal Year 2022 Measure W Revenue Distributions (in thousands)

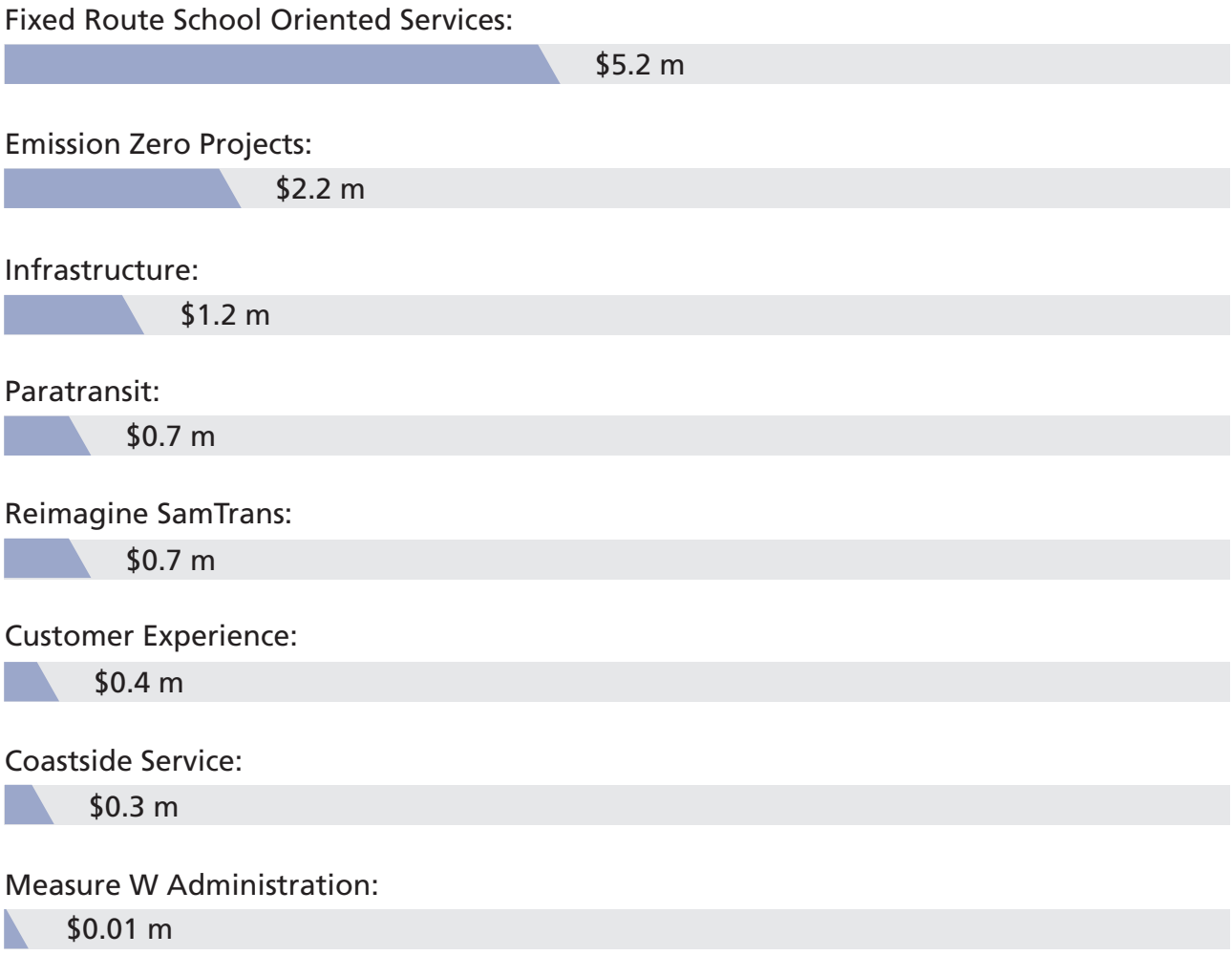


Date Source: Fiscal Year 2022 Audit Report

B. District Expenditures of Measure W in Fiscal Year 2022

District Measure W revenues were spent on supporting SamTrans transit services in several operating areas and on several capital projects. Measure W generated $56.1 million to the District in 2022, and expenditures totaled $10.7 million. The reason for the relatively low expenses compared to the revenue received is related to an infusion of one-time Federal pandemic-related operating assistance for transit agencies across the country that allowed the District to save the remaining Measure W balance of $45.5 million for future uses. It is important to note that the one-time federal operating assistance that was available in FY 2022 was phased out and is no longer available. As such, the District will spend much more Measure W funding on appropriate categories in future years.

In FY 2022, Measure W District funds were spent in the following categories:



Appendix B provides more details on the expenditures of the District's share of Measure W funds in FY 2022, and combines the many line items from the auditor's report into the categories above so that they are more readily understandable to the public.

C. TA Expenditures of Measure W in Fiscal Year 2022

In 1988, San Mateo County voters approved Measure A, a 20-year half-cent sales tax to fund and leverage additional funding for transportation projects and programs in San Mateo County. The approval of Measure A created the TA to manage and administer the sales tax revenues generated in conformance with the Transportation Expenditure Plan (TEP). The 1988 sales tax expired on December 31, 2008, and in 2004, the San Mateo County voters reauthorized the Measure A half-cent sales tax and a new TEP for an additional 25 years (from January 1, 2009 through December 31, 2033). The TEP describes programs and projects, as identified by the cities, local agencies and citizens of San Mateo County, and includes funding for multiple modes to help meet the County's transportation needs.

Unlike the District, which expends Measure W funds on projects and programs directly, the TA serves primarily as a granting agency and provides Measure W funds to cities and other local agencies throughout San Mateo County. The TA's investments in each category are guided by the TA's Strategic Plan 2020-2024, which was adopted in December 2019 by the TA Board of Directors. The Strategic Plan outlines the principles, vision, goals, and implementation procedures for both Measure A and Measure W funds over the next 5 years. Adoption of a Strategic Plan every 5 years is a requirement of both the TA's Measure A Transportation Expenditure Plan and the Measure W Congestion Relief Plan.

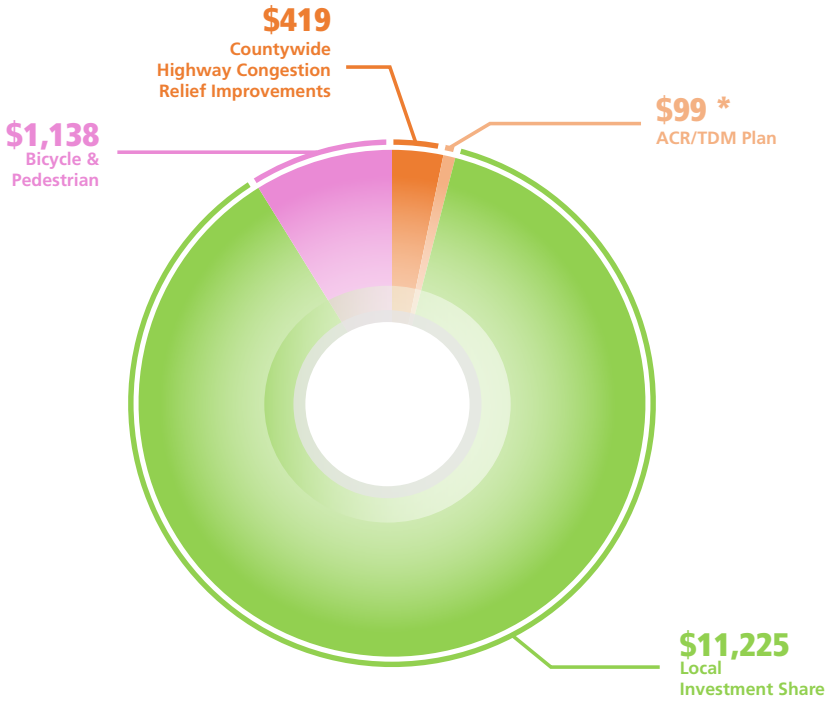
With the notable exception of the local investment share (Local Safety, Pothole and Congestion Relief Improvements as identified in the Measure W expenditure plan), which is provided directly to cities and the County by the TA, the remainder of the TA's Measure W funding is programmed and allocated through competitive calls for projects (CFP) for each program category. The TA's CFP's typically occur on biennial cycles for each category. While funds are awarded to projects in each CFP cycle by the TA Board of Directors, the expenditure of those funds is based on actual reimbursements to project sponsors for eligible project expenses.

For FY 2022, actual expenses were realized in the Highway, Local Investment Share, Bicycle & Pedestrian, and Regional Transit Connections programs. Highway expenditures also include the Alternative Congestion Relief/Transportation Demand Management (ACR/TDM) program sub-category, which is called out in Figure 3 separately. The only TA Measure program category with no expenses is the Grade Separation program, which is waiting on the completion of the Caltrain Grade Separation Strategy study to conclude before additional programming will be considered.

The expenses in FY 2022 are shown in Figure 3, and correspond to the following efforts and projects:

- Countywide Highway Congestion Improvements
  - US 101 / SR 92 Interchange Area Improvements – Final design work commenced on the project.
  - Consultant services were procured to assist with validating proposed projects submitted for the 2021 Highway Program CFP.
  - Consultant services were procured for the development of the ACR/TDM Plan to establish CFP guidelines and evaluation criteria for the TDM subcategory.
- Local Investment Share (Local Safety, Pothole and Congestion Relief Improvements)
  - Funds can be used for transportation investments such as roadwayrehabilitation, planning and implementing traffic safety projects and promoting alternative modes of transportation.
- Bicycle and Pedestrian Improvements
  - City of Belmont Ralston Avenue Corridor Project (Segment 3) – Construction work commenced on the project.
- Regional Transit Connections
  - Consultant support for Regional Transit Connections Plan scoping.

Figure 3. Fiscal Year 2022 TA Measure W Expenditure Distributions (in thousands)



Date Source: Fiscal Year 2022 Audit Report
** ACR/TDM is a subcategory of the Measure W Highway Program.*

TA Funding Allocations and Consistency with Measure W Core Principles

The Strategic Plan 2020-2024 establishes scoring criteria[1] based on the Measure W Core principles[2], as well as the Goals of Measure A[3]. These scoring criteria are applied to the competitive CFP's for the following program categories: Highways, Grade Separations, Pedestrian and Bicycle, and Regional Transit Connections. Projects that compete well in the CFP process are those that score well in accordance with these criteria. In FY 2022 (July 2021 to June 2022), the TA conducted two CFPs with the inclusion of Measure W funding for the Highway Program and ACR/TDM Program.

The Highway Program CFP was issued on August 6, 2021. In total, 12 applications were received from 10 sponsors. Following the close of the CFP, the TA's Project Selection Committee evaluated and scored the submitted applications. The TA Project Selection Committee was composed of Programming and Monitoring staff from the TA as well as staff with project management and technical expertise from Caltrans, the San Francisco County Transportation Authority, Caltrain, and the Santa Clara Valley Transportation Authority. Draft recommendations were presented to the Board on November 4, 2021 and include three funding options for the Board to provide input on. The TA Board ultimately recommended to augment the CFP with available Original Measure A funding and the TA's discretionary share of State Local Partnership Program funding to fully fund additional high-scoring construction ready projects. The final programming and allocation were adopted by the TA Board at its December 2, 2021 meeting.

The ACR/TDM CFP was issued on April 7, 2022. As mentioned above, the Transportation Demand Management program is a sub-category of the Measure W Highway program. The CFP for the ACR/TDM program is conducted separately from the Highway Program CFP. In total, 19 applications were submitted from 13 sponsors. While the ACR/TDM CFP was kicked off in FY 2022, the final program of projects was not adopted by the TA until August 2022 (FY2023).

Additionally, as part of the Bicycle & Pedestrian Program, the TA Strategic Plan 2020-2024 identifies that 2.5% of Measure A and Measure W funding should be dedicated to the County's Safe Routes to School (SRTS) program. Two years of funding for SRTS, $439,000, was programmed and allocated at the April 7, 2022 TA Board meeting for FYs 2023 and 2024 to the San Mateo County Office of Education which administer the SRTS CFP directly with local schools and school districts.

[1]Strategic Plan 2020-2024, Appendix E

[2]Strategic Plan 2020-2024, Table 3-2

[3]Strategic Plan 2020-2024, Page 3

Equity Considerations for the Distribution of TA Funding

As part of the TA Strategic Plan 2020-2024, equity is highlighted as a core evaluation criterion in TA CFP processes. Projects are evaluated holistically in terms of geographic and socioeconomic equity.

Geographic Equity

Geographic equity is evaluated by a Call for Projects Scoring Evaluation Committee assembled to review the submitted applications. The Committee assesses whether sales tax revenue is being distributed fairly to all areas in the San Mateo County. Specifically, the Evaluation Committee often looks at whether funds are proposed to be distributed between the Coastside versus the Bayside and amongst the North, Central, and Southern portions of the county. This often includes a review of past funding awards, in particular for smaller jurisdictions that may not often apply for Measure A and Measure W funding. The Evaluation Committee then makes recommendations to the TA Board of Directors for their consideration if there are any deviations proposed from the ranked project list.

An example of the TA's efforts to ensure geographic equity is highlighted in the funding distribution. As part of the Highway Program CFP in FY 2022, the Evaluation Committee recommended presenting the TA Board of Directors with an option that fully funded two Coastside projects (Moss Beach SR-1 in San Mateo County and Highway 1/Manor Drive in Pacifica), which would not have been funded if geographic equity was not considered. The Board approved the option to fund these important projects on the Coastside.

Socioeconomic Equity

Socioeconomic equity scoring criteria are more directly linked to evaluating locations throughout San Mateo County that may have higher proportions of the historically underserved and/or communities with lower incomes or higher ratios of people of color as compared to other locations. These criteria are generally consistent with the Senate Bill 535 statewide criteria, the Metropolitan Transportation Commission's (MTC) regional criteria, and the newly developed Reimagine SamTrans countywide criteria. Specific examples of the socioeconomic criteria used in the FY 2022 Highway CFP include the following:

- Statewide: CalEnviroScreen 3.0 top 25th percentile Disadvantaged Communities (measure of pollution burden and socio-economic factors compared across the entire state)
- Regional: MTC Equity Priority Communities (measure of underserved populations, such as households with low incomes and people of color compared to all nine-bay area counties)
- Countywide: Reimagine SamTrans Equity Zones (measure of underserved populations, such as households with low incomes and people of color compared to only areas within San Mateo County)

Additionally, applicants are provided with a narrative question that allows them to describe other equity benefits for other vulnerable populations such as children, seniors, people living in high density/ affordable housing, low-income residents, transit-dependent populations, and others that may not be directly captured in the technical equity analysis metrics. Projects that met social/economic equity criteria submitted to the FY 2022 Highway CFP include:

- C/CAG Dumbarton Roadway Facility Improvements
  - Equity Criteria met: Statewide, Regional, and Countywide
- Colma El Camino Real Bicycle & Pedestrian Improvements
  - Equity Criteria met: Countywide
- East Palo Alto US 101/University Avenue Interchange Improvements
  - Equity Criteria met: Statewide, Regional, and Countywide
- Redwood City US 101/Woodside Road (SR 84) Interchange
  - Equity Criteria met: Statewide, Regional, and Countywide
- San Carlos US 101/Holly Street Interchange & Pedestrian Overcrossing
  - Equity Criteria met: Countywide (directly adjacent)
- San Mateo US 101/Peninsula Avenue
  - Equity Criteria met: Regional (directly adjacent) and Countywide
- TA / C/CAG US 101 Managed Lanes North of I-380
  - Equity Criteria met: Statewide, Regional, and Countywide

Technical Assistance to Jurisdictions

The Strategic Plan 2020-2024 recommended the TA strive to further its role with technical assistance, as resources permit, to advance project delivery. The following are the four areas of concentration for TA technical assistance:

- Provide technical assistance to sponsors, not limited to the Highway Program.
- Utilize consultant services to offer Complete Streets and other best practice workshops.
- Temporarily offer consultant services to sponsors, on request, to keep projects moving, while minimizing delay.
- Provide consultant services to help sponsors better position themselves to obtain grant funds to better leverage TA funding.

The Highway Program continues to provide technical assistance developing and leading projects on behalf of sponsors. As part of the FY22 Highway CFP, the TA is providing technical assistance as the implementing agency on the design phase of the City of San Mateo's US 101/Peninsula Avenue project and the County of San Mateo's Moss Beach SR-1 project.

Regional Transit Connections

The Regional Transit Connections program category receives ten percent of Measure W revenue. The intent of the category is to invest in infrastructure and services that are designed to improve transit connectivity between San Mateo County and the rest of the nine-county Bay Area region. The Strategic Plan 2020-2024 recommended that a Regional Transit Connections planning study and an accompanying Transit Capital Improvement Program (CIP) be prepared to better inform the competitive selection process. Funding for the development of the Regional Transit Connections Plan was programmed and allocated on March 2, 2023, and will commence in FY 2023.

Section 2

Follow Up From the Public Hearing Held by the COC

At the March 6, 2022 meeting COC members raised questions about a charge of $397,000 related to website development; specifically, the question was whether the charges were only related to the District's website or to other member agencies such as Caltrain as well. After further evaluation and assessment of the project and the contract, staff determined that the expense would be more appropriate under the classification of the SamTrans shared services which benefits all four agencies. Staff then discussed with the auditor the best way to handle the change, and, because the amount is relatively small, the auditor suggested, and staff agreed, to reclassify the expenses in FY2023, rather than restate the officially audited expenses for FY 2022. This project will be adjusted from the FY2023 Measure W report and classified to the SamTrans shared service category.

Appendices

A. FY2022 Measure W Audit

B. FY2022 District Measure W Expenditures

Additional Information

1. District FY2022 Annual Comprehensive Financial Report
2. District FY2022 Popular Annual Financial Report
3. TA FY2022 Annual Comprehensive Financial Report
4. TA FY2022 Popular Annual Financial Report
5. 2021 Highway Program Call for Projects
6. 2022 ACR/TDM Call for Projects
7. TA Strategic Plan 2020-2024

Appendix B District Measure W Expenditures (in thousands)

Category		Description	Amounts	Core Principle(s)
Fixed Route - School Oriented Services		The District provides safe, clean, and convenient routes that serve elementary, middle and high schools located throughout San Mateo County. The efforts result in less traffic congestion around schools, improved air quality, and a greener, healthier community.	$5,186	1, 2, 6, 8, 10
			5,186	
Emission Zero		The District is replacing diesel-powered buses with a mix of battery electric and hydrogen fuel cell buses and developing related charging and fueling infrastructure to meet the state's 2040 mandate for a zero emission fleet.	2,152	2, 3, 5, 7, 8
	100113	Electric Bus Procurement	384	
	100464	Capital Project Development	95	
	100513	Zero Emission Bus (ZEB) Program Management	127	
	100547	South Base Switchgear Replace	193	
	100585	Purchase 17 Battery Electric Buses	343	
	100631	ZEB Implementation and Deployment	1,009	
	100635	Replacement of (135) 2009 Gillig Buses	1	
Infrastructure		The District maintains and invests in its infrastructure such as technology, transportation buildings, and other facilities.	1,172	2, 3, 6, 7, 8
	21505	Technology Refresh Project	546	
	21512	Dumbarton Corridor RW Fencing	218	
	100018	Lighting Upgrade at North Base	59	
	100404	Business Intelligence Solution	191	
	100463	SPEAR System Improvement	31	
	100511	South Base Gas Line Replacement	1	
	100548	North Base Building 200	71	
	100629	Electric Vehicle Chargers Non-Rev Vehicles	2	
	100656	SamTrans Workplace Transformation	52	
Paratransit		The District provides accessible transportation services throughout San Mateo County with fixed-route SamTrans and shared-ride Redi-Wheels and RediCoast paratransit services. The District maintains and periodically replacers paratransit buses, conducts outreach and promotion, and makes infrastucture improvements to enhanced accessibility.	737	2, 4, 5, 6, 7, 10
	100414	Promoting Senior Mobility	19	
	100475	ADA Study & Phase 1 Retrofits	12	
	100634	Replacement of (10) 2017 Redi-Wheels Minivans	1	
	100679	Paratransit Operating Subsidy	705	

Category		Description	Amounts	Core Principle(s)
Reimagine SamTrans		Reimagine SamTrans was a comprehensive operational analysis (COA) that redesigns the entire SamTrans bus system to implement a new, streamlined bus network with brand new routes and improved frequency for riders. |Efforts to launch the new bus network launch include outreach and promotion, bus operators recruitment, and creation of new Microtransit services. The COA was conducted in concert with other planning studies to maximize coordination and efficiency in public transit and transportation investments.	666	1, 2, 4, 8, 9,11
	100176	SamTrans Visioning	15	
	100417	FY20 Comprehensive Operation Analysis	426	
	100420	FY20 Shuttle Study	42	
	100545	El Camino Real (ECR) Pinch Point Study	16	
	100625	COA CEQA Analysis	37	
	100672	SamTrans Reimagine	130	
Customer Experience		The District aims to improve customers' experiences by enhancing its transit services, payment system, communications, bus shelters/transit centers maintenance, customer services and safety and security.	427	2, 7
	100016	MobileView (WiFi) Enhancement	27	
	100348	Upgrade District Website	397	
	100595	MTC Clipper Integration	3	
Coastside Service		The District provides contracted services to residents for the San Mateo County Coastside communities, from Pacifica to Half Moon Bay.	306	2, 4, 5,8
	100666	5307 Job Access and Reverse Commute (JARC) Support Coastside Service	306	
Measure W Administration		The District is responsible for covering the costs of administrating Measure W, such as audit fees.	12	
	Audit Fees	Operating Administration	12	
Grand Total			**$10,659**	

#	Measure W Core Principles
1	Relieve traffic congestion countywide
2	Invest in a financially sustainable public transportation system that increases ridership, embraces innovation, creates more transportation choices, improves travel experience, and provides quality, affordable transit options for youth, seniors, people with disabilities, and people with lower incomes
3	Implement environmentally-friendly transportation solutions and projects that incorporate green stormwater infrastructure and plan for climate change
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11	Maximize traffic reduction potential associated with the creation of housing in high-quality transit corridors

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