

**Metropolitan Transportation Commission
Programming and Allocations Committee**

June 14, 2023

Agenda Item 2g - 23-0755

MTC Resolution No. 4568

Subject:

Adoption of the \$10.8 million FY2023-24 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 FY2022-23 increased by \$8 million to \$27.9 million. For FY2023-24, the revenue is expected to decrease slightly to \$27.3 million.

FY2023-24 Program:

As the FY2022-23 STA Regional Program was roughly \$3.8 million greater than annual revenues (following the repayment of the \$5 million advance for Transit Transformation Action Plan activities), staff propose a relatively lower level of investment in FY2023-24 in order to rebuild the region's reserve of STA funds.

FY2023-24 STA Regional Program funds support three primary initiatives, which are described below. For detailed information about individual projects, please refer to Attachment B.

- **Clipper (\$7.7 million):** The Clipper operating program used the bulk of funds from this program until revenue increased through the Road Repair and Accountability Act of 2017 (Senate Bill 1). MTC's share of Clipper operating costs is expected to temporarily increase with the deployment of the Clipper 2.0 system alongside the existing Clipper system.

- **Transit Transformation Action Plan and Regional Network Management (\$1.5 million):** In June 2022, MTC approved the programming for \$85 million in funding to implement the Transit Transformation Action Plan. FY2023-24 funds will be used for staff support and other implementation activities. In addition, a portion of these funds may be used as start-up funding for Regional Network Management following Commission approval of the Regional Network Management Framework in February 2023.
- **Other Regional Transit Coordination Efforts (\$1.6 million):** The remainder of FY2023-24 STA Regional Program funds support ongoing transportation planning initiatives and the implementation of improvements to the regional transit system. This includes funding for MTC to staff TDA/STA program administration and explore process improvements to streamline the administration of these critical funds, as well as improvements to transit hub signage, customer information provided by 511, administration of the regional paratransit accessibility database by Central Contra Costa Transit Authority, and temporary support for feeder bus connections to BART provided by WestCAT.

MTC Resolution No. 4321 also commits to paying for the administrative costs and helping to offset transit fare revenue loss for a regional means-based fare program, with an estimated annual contribution of \$8 million in STA funds. In July 2020, MTC and Bay Area operators initiated Clipper START, a regional transit fare discount program for riders with lower incomes. As a result of the pandemic, transit ridership has been severely depressed for over three years and ridership recovery remains slow. In FY2021-22 and FY2022-23, programming of STA contributions was suspended because sufficient funding existed to fulfill MTC's commitment to fund the program. As there continues to be sufficient funds to meet the regional contribution to the Clipper START program, staff propose continuing the suspension of STA funds in order to support the regional needs and commitments outlined above.

In future years, the Commission may reassess the framework for using STA funds in response to changing revenues from diesel fuel sales or in order to provide additional support for regional priorities such as the Transit Transformation Action Plan and other regional transit coordination activities.

Issues:

None identified.

Recommendations:

Refer MTC Resolution No. 4568 to the Commission for approval.

Attachments:

MTC Resolution No. 4568



Andrew B. Fremier

Date: June 28, 2023
W.I.: 1221, 1224, 1229,
2655, 2700, 1310,
1514, 1517
Referred by: PAC

ABSTRACT

Resolution No. 4568

This resolution establishes the FY2023-24 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 for FY2023-24
- Attachment B, STA Regional Coordination Program: Project Descriptions for FY2023-24

Further discussion is contained in the MTC Programming and Allocations Committee Summary Sheet dated June 14, 2023.

Date: June 28, 2023
W.I.: 1221, 1224, 1229,
2655, 2700, 1310,
1514, 1517
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RE: FY2023-24 MTC Regional Coordination Program for State Transit Assistance (STA) Funds

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4568

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 FY2023-24 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 28, 2023.

Date: June 28, 2023
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Attachment A
MTC Resolution No. 4568
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STA Regional Coordination Program Summary for FY2023-24

Table 1. Summary of Revenue and Programming

Estimated New Revenue for FY2023-24 ¹	\$ 27,254,284
Carryover Balance ²	\$ 21,457,781
Carryover Commitments	\$ (2,310,000)
New Programming	\$ (10,844,914)
Estimated Balance	\$ 35,557,151

Table 2. Programming by Project

Project Name	Claimant	Prior Years' Carryover	FY2023-24 New Programming	FY2023-24 Total Programming
Clipper ³	MTC	\$ -	\$ 7,700,000	\$ 7,700,000
Clipper	GGBHTD	\$ -	\$ 10,000	\$ 10,000
Transit Transformation Action Plan and Regional Network Management ⁴	MTC	\$ 2,020,000	\$ 1,500,000	\$ 3,520,000
Transit Funding Staff Support ⁵	MTC	See note 5	\$ 274,461	\$ 274,461
Transit Hub Signage	AC Transit	\$ -	\$ 296,000	\$ 296,000
Transit Hub Signage	MTC	\$ -	\$ 21,000	\$ 21,000
511 Transit	MTC	\$ 200,000	\$ 100,000	\$ 300,000
Regional Eligibility Database	CCCTA	\$ -	\$ 75,000	\$ 75,000
TDA/STA Portal	MTC	\$ 90,000	\$ 250,000	\$ 340,000
Feeder Bus	WestCAT	\$ -	\$ 418,453	\$ 418,453
Transit Projects Contingency	MTC	\$ -	\$ 200,000	\$ 200,000
Total		\$ 2,310,000	\$ 10,844,914	\$ 13,154,914

1. This amount is based on the February 2023 Fund Estimate.
2. Carryover amount is based on the February 2023 Fund Estimate and adjusted for allocations made after Fund Estimate approval.
3. Carryover funding for the Clipper program will be added once FY2022-23 has been reconciled.
4. \$1 million of this carryover is earmarked for Transit Transformation Action Plan staff support.
5. \$11.5 million in STA Regional Funds were programmed in FY2022-23. These funds are held in a dedicated account and will be allocated as needed to support MTC's TDA/STA staffing needs.

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Attachment B
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STA Regional Coordination Program for FY2023-24: Project Descriptions

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 FY2023-24 STA Regional Coordination Program is approximately \$13.2 million. The following two projects comprise the majority (\$11.2 million) of the program:

- \$7.7 million for Clipper® operations
- \$3.5 million for the Blue Ribbon program

Other regional transit projects such as 511 Transit, the MTC TDA/STA Portal, and the Hub Signage Program will receive a small amount of funding. In addition, WestCAT will receive a one-time payment of \$418,453 for FY2023-24 BART Feeder Bus service, as negotiated in 2023. 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 FY2023-24 fiscal year. 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 administrator and request to have unencumbered funds included in next fiscal year's program.

Clipper®

Programmed to MTC: \$7,700,000

Programmed to GGBHTD: \$10,000

Clipper® allows transit riders to pay transit fares on most transit systems in the San Francisco Bay Area with a reloadable Clipper® smart card. 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. Additionally, MTC is currently developing the next-generation Clipper[®] system (Clipper 2.0), which will upgrade the system's software and entirely replace the region's fare collection hardware to enable the implementation of new features such as a robust mobile application with mobile ticketing sales for groups or tourists, new fare media options like fare-capping, accumulators, and consistent regional transfer policies, and near real-time communication. GGBHTD is programmed \$10,000 for their assistance in the administration of Federal Transit Administration funds.

Transit Transformation Action Plan and Regional Network Management

Programmed to MTC: \$1,500,000 plus carryover of \$2,020,000

Staff proposes to supplement investment in the Transit Transformation Action Plan by programming just over \$3.5 million to support program implementation, including start-up costs associated with the implementation of a Regional Network Management program in FY2023-24 following the February 2023 Commission approval of the Regional Network Management Framework. Implementation of the Transit Transformation Action Plan will primarily focus on four initiatives – Fare Coordination, Regional Wayfinding, Transit Priority, and Accessibility Improvements.

Transit Funding Staffing Support

Programmed to MTC: \$274,461

STA funding will support staff costs accrued by MTC in order to administer TDA and STA funds during FY2023-24, including salary, benefits, and related overhead.

Transit Hub Signage

Programmed to AC Transit: \$296,000

Programmed to MTC: \$ 21,000

MTC is committed to maintaining the information in transit information displays (TIDs) at 24 regional transit hubs and 80 other hubs of regional significance. MTC has an agreement with AC Transit compensating the agency for updating the information for 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 FY2022-23 through FY2024-25 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: \$100,000 plus carryover of \$200,000

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 Eligibility Database

Programmed to CCCTA: \$75,000

STA funds will support the continued administration of the Regional Eligibility Database by CCCTA. The Regional Eligibility Database is used by the region's transit agencies and contains paratransit rider eligibility information.

TDA/STA Portal

Programmed to MTC: \$250,000 plus carryover of \$90,000

MTC administers over \$800 million in funds through the Transportation Development Act (TDA) and STA programs in addition to other funding programs. These funds will support modernization of the funding and data collection processes, and may include a grants management portal and database. The goal of this effort is to realize efficiencies in the TDA and STA administration processes, and to increase data accessibility and transparency for all stakeholders.

Feeder Bus

Programmed to WestCAT: \$418,453

A 1997 agreement between BART, County Connection, LAVTA, Tri-Delta Transit, and WestCAT established a funding mechanism for BART to support feeder bus operations. BART and the four bus operators reached an agreement in February 2023 to reduce payment amounts over FY2022-23 and FY2023-24. Among the four bus operators, WestCAT's operating budget is

the most reliant on the feeder bus payments. MTC will provide replacement support to WestCAT in FY2023-24 to offset this for revenue reduction.

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.