

**Metropolitan Transportation Commission
Programming and Allocations Committee**

July 10, 2024

Agenda Item 2b-24-0823

**MTC Resolution Nos. 4629, Revised; 4651, Revised; 4652, Revised; 4653, Revised; 4654;
4656; 4659; and 4661**

Subject:

The proposed action revises the FY2024-25 MTC Fund Estimate to incorporate actual sales tax receipts for FY2023-24, allocates \$127.6 million in FY2024-25 Transportation Development Act (TDA), State Transit Assistance (STA), Regional Measure 2 (RM2), Regional Measure 3, and 5% Bridge Toll funds to five transit operators and the Transbay Joint Powers Authority to support transit operations and capital projects in the region, and approves the FY2024-25 State of Good Repair (SGR) Program project list.

Background:Fund Estimate Revision

Overall, actual Bay Area Transportation Development Act and AB 1107 sales tax receipts for FY 2023-24 were \$485.5 million and \$106.7 million, respectively, or 3% and 2%, below actual revenues in FY 2022-23. TDA receipts were also \$33 million, or 6%, below original estimates, which were projected based on strong sales tax receipts over the past two years. The decline in sales tax revenues is likely due to a combination of a declining regional population, and greater unemployment over the past 12 months. There were early indications of weakening sales tax performance when the FY 2024-25 MTC Fund Estimate was adopted in February, and estimates were revised downwards accordingly. However, recissions may still be required for certain transit operators.

Senate Bill (SB) 125 Adjustments to Reflect Regional Contributions

In March 2024, the Commission programmed Regional Measure 3 (RM3) Operating Program funds that were previously not accounted for in the standardized shortfall calculations that inform SB 125 funding levels. The programmed RM3 Operating Program funds will be counted against FY2024-25 shortfalls as part of the envisioned regional contribution of up to \$300 million, thus reducing the need for state SB 125 funds by roughly \$8 million. The FY2024-25 SB 125 distribution amounts within the Fund Estimate have been adjusted to reflect this contribution.

State of Good Repair (SGR) Program – FY 2024-25 Regional Project List

Caltrans' State of Good Repair (SGR) Program guidelines require regional agencies like MTC to approve SGR Program Revenue-Based projects from transit operators, in addition to the Population-Based funds, and submit a single region-wide list of projects to Caltrans by September 1st of each year. MTC has worked with the Bay Area's transit operators to compile a single, regional list of SGR Program projects for FY 2024-25, as shown in Attachment A to MTC Resolution 4659.

Approximately \$34.7 million is expected in Revenue-Based funds, along with \$12.5 million in Population-Based funds. Most operators are using their Revenue-Based funds for state of good repair projects at facilities and stations, or to provide local match, and in a few cases for rehabilitation of vehicles or to contribute to new vehicles costs. For the Population-Based funds, MTC is programming all \$12.5 million to the next generation Clipper® system, in accordance with the policy established in MTC Resolution No. 4321.

FY2024-25 Allocation of TDA, STA, RM2, RM3, and 5% Bridge Toll Funds

This month's proposed actions continue the annual allocation process of these funds for FY2024-25. Four entities are requesting TDA, STA, RM2, RM3, and/or 5% Bridge Toll allocations this month that exceed the \$1 million Delegated Authority limit. Allocation requests that are less than \$1 million are approved separately through the Executive Director's Delegated Authority process. These funds comprise a significant share of the revenue for agencies' operating budgets.

The proposed allocation amounts are based on the programming levels identified in the FY 2024-25 Fund Estimate (MTC Resolution 4629), the RM2 Operating Program (MTC Resolution 4643), and the RM3 Operating Program (MTC Resolution 4644). The proposed allocations are summarized in the following table:

Allocation Amounts by Entity¹ (amounts in millions)

Entity	TDA (Res. 4651)	STA (Res. 4652)	RM2 (Res. 4653 and 4656)	RM3 (Res. 4654)	5% Unrestricted State (Res. 4661)	Grand Total
LAVTA	\$20.6	\$2.1				\$22.7
Marin Transit	\$11.4	\$4.5				\$15.9
City of Santa Rosa	\$13.8	\$3.6				\$17.5
Sonoma County Transit	\$15	\$4.8				\$19.8
WETA		\$16.8	\$15.4		\$7.2	\$39.4
TJPA			\$8.7	\$3.5		\$12.2
Total	\$60.9	\$31.8	\$24.1	\$3.5	\$7.2	\$127.6

Note that amounts may not sum due to rounding

Information regarding the FY 2024-25 operating budgets and current and future operations for the transit operators included in the list above is provided in Attachment A.

Recommendations:

Refer MTC Resolution Nos. 4629, Revised; 4651, Revised; 4652, Revised; 4653, Revised; 4654; 4656; 4659; and 4661 to the Commission for approval.

Attachments:

- Attachment A – Transit Operator Budget Summary
- Attachment B – Senate Bill 125 Regional Accountability Measure Progress Update for Claimant(s)
- Attachment C – TDA and AB1107 Revenue Summary
- MTC Resolution No. 4629, Revised
 - Attachment A
- MTC Resolution No. 4651, Revised
 - Attachment A

¹ Includes all allocations to be approved in the resolutions listed above, the details of which are provided in Attachment A, including allocations for transit capital or planning and administration. Not inclusive of allocations approved by Executive Director’s Delegated Authority as allowed by MTC Resolution No. 3620, Revised.

- MTC Resolution No. 4652, Revised
 - Attachment A
- MTC Resolution No. 4653, Revised
 - Attachment A
- MTC Resolution No. 4654
 - Attachment A
- MTC Resolution No. 4656
 - Attachment A
- MTC Resolution No. 4659
 - Attachment A
- MTC Resolution No. 4661
 - Attachment A

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