

THIS PRINT COVERS CALENDAR ITEM NO.: 10.3

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Adopting a Resolution of Local Support for the programming of \$399,811,150 of Transit Capital Program (TCP) funds for the following projects: Americans with Disability (ADA) Paratransit Operations; Light Rail Vehicle Replacement Procurements; 40-foot Motor Coach Replacement Procurement; Paratransit Fleet Replacement Procurement; Motor Coach Midlife Overhauls Phase II; Trolley Coach Midlife Overhauls Phase III; Train Control & Signal Systems Rehabilitation; Tunnel Repairs and Rail Replacement; and Preventative Maintenance; and providing assurances that the SFMTA will comply with Metropolitan Transportation Commission (MTC) policies.

SUMMARY:

- As part of programming of federal formula funds through the MTC’s TCP program, the MTC requires that the implementing agency adopt a Resolution of Local Support for the projects to be funded that provides assurances that the SFMTA will comply with MTC’s implementation policies.
- The \$399,811,150 in TCP funds will be programmed to ten projects: Americans with Disability (ADA) Paratransit Operations; Light Rail Vehicle Replacement Procurements; 40-foot Motor Coach Replacement Procurement; Paratransit Fleet Replacement Procurement; Motor Coach Midlife Overhauls Phase II; Trolley Coach Midlife Overhauls Phase III; Train Control & Signal Systems Rehabilitation; Tunnel Repairs and Rail Replacement; and Preventative Maintenance (the Projects).
- Upon approval by the MTC, the Projects will be added to the federal Transportation Improvement Program (TIP) so that the SFMTA can have funds awarded in a timely manner.
- The adoption of this resolution does not constitute the approval of any specific project that may be funded by the grant program. Rather, individual projects would be subject to CEQA review, as determined according to their individual scopes.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DATE

DIRECTOR



January 16, 2025

SECRETARY



January 15, 2025

ASSIGNED SFMTAB CALENDAR DATE: January 21, 2025

PURPOSE

Adopting a Resolution of Local Support for the programming of \$399,811,150 of Transit Capital Program (TCP) funds for the following projects: Americans with Disability (ADA) Paratransit Operations; Light Rail Vehicle Replacement Procurements; 40-foot Motor Coach Replacement Procurement; Paratransit Fleet Replacement Procurement; Motor Coach Midlife Overhauls Phase II; Trolley Coach Midlife Overhauls Phase III; Train Control & Signal Systems Rehabilitation; Tunnel Repairs and Rail Replacement; and Preventative Maintenance; and providing assurances that the SFMTA will comply with Metropolitan Transportation Commission (MTC) policies.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This action supports the following SFMTA Strategic Plan Goals:

- Goal 1: Identify and reduce disproportionate outcomes and resolve past harm towards marginalized communities.
- Goal 5: Deliver reliable and equitable transportation services.
- Goal 6: Eliminate pollution and greenhouse gas emissions by increasing use of transit, walking, and bicycling.
- Goal 8: Deliver quality projects on-time and on-budget.
- Goal 9: Fix things before they break and modernize systems and infrastructure.
- Goal 10: Position the agency for financial success.

TRANSIT FIRST POLICY PRINCIPLES

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.
2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.
10. The City and County shall encourage innovative solutions to meet public transportation needs wherever possible and where the provision of such service will not adversely affect the service provided by the Municipal Railway.

DESCRIPTION

The Transit Capital Priorities program, administered by MTC, establishes the policy and programming framework for investing Federal Transit Administration (FTA) Section 5307 Urbanized Area and FTA Section 5337 State of Good Repair formula funding to transit projects throughout the San Francisco Bay Area. The main goals of the program are to fund basic capital requirements to achieve and maintain a state of good repair, to maintain reasonable fairness to all the operators in the region, and to complement the other MTC funding programs. The funds are federal dollars apportioned by formula across all 12 federally-designated Urbanized Areas in the Bay Area.

TCP programming capacity is based on anticipated federal transportation program apportionments from Section 5307 Urbanized Area and FTA Section 5337 State of Good Repair for a two-year period covering FYs 2025 through 2026. Over these two fiscal years, staff estimates that MTC will program \$1,500,000,000 in combined FTA funds on transit projects and operations across the Bay Area. \$399,811,150 or 27% has been apportioned to San Francisco to fund the following projects (Projects):

SFMTA Projects	Amount
FTA Section 5307-Urbanized Area	
ADA Paratransit Operations	\$10,825,729
40' Motor Coach Replacement Procurements	\$68,222,489
Battery-Electric Bus Replacement Procurements	\$15,133,796
Paratransit Fleet Replacement Procurements	\$2,309,982
Motor Coach Midlife Overhauls Phase II	\$31,896,602
Preventive Maintenance in Operating Budget	\$7,864,051
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Sub-total FTA Section 5307	\$136,252,649
FTA Section 5337-State of Good Repair	
Train Control and Signal Systems Rehabilitation	\$64,287,238
Tunnel Repairs and Rail Replacement	\$11,058,326
Light Rail Vehicle Replacement Procurements	\$117,312,938
Trolley Coach Midlife Overhauls Phase III	\$20,000,000
Preventive Maintenance in Operating Budget	\$50,900,000
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Sub-total FTA Section 5337	\$263,558,502
Total All Projects	\$399,811,150

As a condition of TCP funding, MTC requires that the SFMTA Board of Directors adopt a Resolution of Local Support for the programming of \$399,811,150 for the Projects listed above, while providing assurances that the SFMTA will comply with the following MTC policies:

- The SFMTA will provide up to \$102,109,049 in local matching funds for the above listed Projects; and
- The SFMTA understands that the TCP funds for the Projects are fixed at \$399,811,150, and that any cost increases must be funded by the SFMTA from local matching funds, and that the SFMTA does not expect any cost increases to be funded with TCP Program funds; and
- The Projects will be built as described in this resolution and, if approved, for the amount shown in the MTC Transportation Improvement Program (TIP) with obligation occurring within the timeframe established below; and
- The SFMTA understands that the program funds must be obligated within three years of programming, or the project may be removed from the program; and
- The SFMTA will comply with FTA requirements and all other applicable Federal, State and Local laws and regulations with respect to the proposed Projects.

MTC has already approved the programming of TCP funds contingent upon the SFMTA adopting the proposed Resolution of Local Support. The SFMTA also needs to add the approved Projects to the federal TIP so that funds can be awarded.

STAKEHOLDER ENGAGEMENT

Each project is included in the FY 25-29 Capital Improvement Program approved by the SFMTA Board of Directors on April 16, 2024. Prior to adoption, the proposed CIP was presented at several public workshops and meetings with stakeholder groups. In addition, the SFMTA has worked closely

with the MTC to ensure that the projects meet the program requirements, regional and local policies and priorities, and that the project scopes are endorsed by both agencies.

ALTERNATIVES CONSIDERED

If TCP funds are not procured, the SFMTA would need to find alternative funds from other capital funding programs. This would ultimately delay implementation of these Projects and delay the public benefits of the affected projects.

FUNDING IMPACT

TCP provides critical funding for the Projects. The program requires a local match of either 20% or 25% for all projects. As indicated in the table below, the SFMTA will match the Federal funds with \$102,109,049 in local funds, which are already programmed in the Capital Improvement Program.

Program	Project Title	Federal	Required Local Match	
			Percent	Amount
5307	ADA Paratransit Assistance	\$ 10,825,729	20%	\$ 2,706,432
5307	40' Motor Coach Replacement Procurements	\$ 68,222,489	25%	\$ 22,718,089
5307	Battery-Electric Bus Replacement Procurement	\$ 15,133,796	25%	\$ 5,039,554
5307	Paratransit Fleet Replacement Procurements	\$ 2,309,982	25%	\$ 769,224
5307	Motor Coach Midlife Overhauls Phase II	\$ 31,896,602	20%	\$7,974,151
5307	Preventative Maintenance (to Operating Budget)	\$ 7,864,051	20%	
5307 Total		\$ 136,252,649		
5337	Train Control & Signal Systems Rehabilitation	\$ 64,287,238	20%	\$ 16,071,810
5337	Tunnel Repairs and Rail Replacement	\$ 11,058,326	20%	\$ 2,764,582
5337	Light Rail Vehicle Replacement Procurements	\$ 117,312,938	25%	\$ 39,065,208
5337	Trolley Coach Midlife Overhauls Phase III	\$ 20,000,000	20%	\$ 5,000,000
5337	Preventative Maintenance (to Operating Budget)	\$ 50,900,000	20%	\$ -
5337 Total		\$ 263,558,502		
Grand Total		\$ 399,811,151		\$ 102,109,049

While most of the programmed TCP funds are for capital projects, \$80,648,106 is for operating assistance or for tunnel repairs and rail replacement, which is an ongoing capital program of multiple repair projects. The \$319,163,045 in TCP funds programmed to the capital projects will provide 14% of total project costs (\$2,306,699,930). Of this amount \$961,200,352 or 42% of funding has been identified and a funding gap of \$1,345,499,578 or 58% remains. The projects with funding gaps are: Train Control and Signal Systems Rehabilitation; 40' Motorcoach Replacements; Battery Electric Bus Replacement Procurement; and Motorcoach Midlife Overhauls Phase II. This magnitude of funding gap is normal for projects of this magnitude and timeline. To close the funding gap, the SFMTA will apply for competitive grants, and request additional TCP funding in future calls for projects. Any cost overruns are the obligation of the SFMTA.

ENVIRONMENTAL REVIEW

On December 19, 2024, under authority delegated by the Planning Department, the SFMTA determined that the Resolution of Local Support for the programming of \$399,811,150 of TCP funds for the Americans with Disability (ADA) Paratransit Operations; Light Rail Vehicle Replacement Procurements; 40-foot Motor Coach Replacement Procurement; Paratransit Fleet Replacement Procurement; Motor Coach Midlife Overhauls Phase II; Trolley Coach Midlife Overhauls Phase III; Train Control & Signal Systems Rehabilitation; Tunnel Repairs and Rail Replacement; and Preventative Maintenance; is not a “project” under CEQA pursuant to Sections 15060(c) and 15378(b) of the CEQA Guidelines because the action would not result in a direct or a reasonably foreseeable indirect physical change to the environment.

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

The adoption of this resolution does not constitute the approval of any specific project that may be funded by the grant program. Individual projects would be subject to CEQA review, as determined according to their individual scopes. If the projects are found to cause significant adverse impacts, the SFMTA retains absolute discretion to: (1) modify the project to mitigate significant adverse environmental impacts; (2) select feasible alternatives which avoid significant adverse impacts of the project; (3) require the implementation of specific measures to mitigate the significant adverse environmental impacts of the project, as identified upon environmental evaluation in compliance with CEQA and the Chapter 31; (4) reject the project as proposed if the economic and social benefits of the project do not outweigh otherwise unavoidable significant adverse impacts of the project; or (5) approve the project upon a finding that the economic and social benefits of the project outweigh otherwise unavoidable significant adverse impacts.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney has reviewed this report.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors adopt a Resolution of Local Support for the programming of \$399,811,150 of Transit Capital Program (TCP) funds for the following projects: Americans with Disability (ADA) Paratransit Operations; Light Rail Vehicle Replacement Procurements; 40-foot Motor Coach Replacement Procurement; Paratransit Fleet Replacement Procurement; Motor Coach Midlife Overhauls Phase II; Trolley Coach Midlife Overhauls Phase III; Train Control & Signal Systems Rehabilitation; Tunnel Repairs and Rail Replacement; and Preventative Maintenance; and providing assurances that the SFMTA will comply with Metropolitan Transportation Commission (MTC) policies.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Infrastructure Investment and Jobs Act, or the Bipartisan Infrastructure Law (BIL, Public Law 117-58) continues and establishes new Federal Transit Administration formula programs (23 U.S.C. §53) and continues the Surface Transportation Program (23 U.S.C. § 133); and,

WHEREAS, pursuant to BIL, and the regulations promulgated there under, eligible project sponsors wishing to receive Federal Transit Administration (FTA) Section 5307 Urbanized Area or Section 5337 State of Good Repair, (collectively, FTA Formula Program) grants for a project shall submit an application first with the appropriate metropolitan transportation planning organization (MPO), for review and inclusion in the MPO's Transportation Improvement Program (TIP); and,

WHEREAS, the Metropolitan Transportation Commission (MTC) is the MPO for the San Francisco Bay region; and,

WHEREAS, the San Francisco Municipal Transportation Agency (SFMTA) is an eligible project sponsor for FTA Formula Program funds; and,

WHEREAS, the SFMTA wishes to submit a grant application to MTC for funds from the FY2025-26 FTA Formula Program, for the following project(s): Americans with Disability (ADA) Paratransit Operations; Light Rail Vehicle Replacement Procurements; 40-foot Motor Coach Replacement Procurement; Paratransit Fleet Replacement Procurement, Motor Coach Midlife Overhauls Phase II; Trolley Coach Midlife Overhauls Phase III; Train Control & Signal Systems Rehabilitation; Tunnel Repairs and Rail Replacement; and Preventative Maintenance (the Projects); and,

WHEREAS, MTC requires, as part of the application, a resolution stating the following:

- the commitment of necessary local matching funds; and
- that the sponsor understands that the FTA Formula Program is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded from FTA Formula Program funds; and
- the assurance of the sponsor to complete the Projects as described in the application, and if approved, as programmed in MTC's TIP; and
- that the sponsor understands that FTA Formula Program funds must be obligated within three years of programming, or the project may be removed from the program; and,

WHEREAS, On December 19th, under authority delegated by the Planning Department, the SFMTA determined that the Resolution of Local Support for the programming of \$399,811,150 of FTA Formula Program funds for the Projects is not a “project” under the California Environmental

Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; and,

WHEREAS, If a project funded by FTA Formula Program funds is found to cause significant adverse impacts, the SFMTA retains absolute discretion to: (1) modify the project to mitigate significant adverse environmental impacts, (2) select feasible alternatives which avoid significant adverse impacts of the project, (3) require the implementation of specific measures to mitigate the significant adverse environmental impacts of the project, as identified upon environmental evaluation in compliance with CEQA and the Chapter 31, (4) reject the project as proposed if the economic and social benefits of the project do not outweigh otherwise unavoidable significant adverse impacts of the project, or (5) approve the project upon a finding that the economic and social benefits of the project outweigh otherwise unavoidable significant adverse impacts; therefore, now be it

RESOLVED, That the SFMTA Board of Directors adopts a resolution of support for the programming of \$399,811,150 of Transit Capital Program (TCP) funds for the following projects: Americans with Disability (ADA) Paratransit Operations; Light Rail Vehicle Replacement Procurements; 40-foot Motor Coach Replacement Procurement; Paratransit Fleet Replacement Procurement, Motor Coach Midlife Overhauls Phase II; Trolley Coach Midlife Overhauls Phase III; Train Control & Signal Systems Rehabilitation; Tunnel Repairs and Rail Replacement; and Preventative Maintenance (the Projects); and providing assurances that the SFMTA will comply with MTC policies; and be it further

RESOLVED, That the SFMTA is authorized to execute and file an application for funding under the FTA Formula Program in the amount of \$399,811,150 the Projects; and be it further

RESOLVED, That by adopting this resolution the SFMTA does hereby state that:

- 1) The SFMTA will provide up to \$102,109,049 in local matching funds; and
- 2) The SFMTA understands that the FTA Formula Program funding for the Projects is fixed at \$399,811,150, and that any cost increases must be funded by the SFMTA from local matching funds, and that the SFMTA does not expect any cost increases to be funded with FTA Formula Program funds; and
- 3) The Projects will be built as described in this resolution and, if approved, for the amount shown in the Metropolitan Transportation Commission (MTC) Transportation Improvement Program (TIP) with obligation occurring within the timeframe established below; and
- 4) The FTA Formula Program funds are expected to be obligated within three years of programming; and
- 5) The SFMTA will comply with FTA requirements and all other applicable Federal, State and Local laws and regulations with respect to the proposed Projects; and be it further

RESOLVED, That the SFMTA is an eligible sponsor of projects in the program for FTA

Formula Program funds; and be it further

RESOLVED, That the SFMTA is authorized to submit an application for FTA Formula Program funds for the Projects; and be it further

RESOLVED, That there is no legal impediment to the SFMTA making applications for FTA Formula Program funds; and be it further

RESOLVED, That there is no pending or threatened litigation which might in any way adversely affect the Projects, or the ability of the SFMTA to deliver such Projects; and be it further

RESOLVED, That the SFMTA agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866; and be it further

RESOLVED, That a copy of this resolution will be transmitted to the MTC prior to MTC programming the FTA Formula Program funded Projects in the Transportation Improvement Program (TIP); and be it further

RESOLVED, That the MTC is requested to support the application for the Project described in the resolution and to program the Projects, if approved, in MTC's TIP; and be it further

RESOLVED, That the SFMTA authorizes its Director of Transportation or designee to execute and file the application for funding for the Projects; and be it further

RESOLVED, That the Director of Transportation, or designee, is hereby delegated the authority to make non-substantive changes or minor amendments to the application as he or she deems appropriate.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of January 21, 2025.

Secretary, Board of Directors
San Francisco Municipal Transportation Agency