

THIS PRINT COVERS CALENDAR ITEM NO. : 10.6

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing the SFMTA, through the Director of Transportation or his designee, to submit project applications to the Metropolitan Transportation Commission (MTC) for programming of funds from FTA Formula Programs or the Surface Transportation Program for FY2016-17 through FY2019-20; and to provide MTC with required assurances.

SUMMARY:

- Pursuant to Fixing America's Surface Transportation legislation (the FAST Act), transit agencies wishing to receive grant funds for FY2016-17 through FY2019-20 through the Federal Transit Administration's Sections 5307, 5337, 5339 programs (FTA Formula Programs) or the Surface Transportation Program (STP) must submit an application first with their appropriate Metropolitan Planning Organization (MPO).
- MTC is the MPO for the San Francisco Bay Area.
- In order to be eligible for such funding, the projects must be programmed in the Transportation Improvement Program (TIP). The TIP is a comprehensive four-year regional spending plan that lists all transportation projects for which any action by a federal agency is expected.
- MTC requires that transit agencies seek approval from their Board of Directors prior to MTC programming projects in the TIP.

ENCLOSURES:

1. SFMTAB Resolution
2. Opinion of Legal Counsel

APPROVALS:

DATE

DIRECTOR _____ 2/10/17
SECRETARY R. Boomer _____ 2/10/17

ASSIGNED SFMTAB CALENDAR DATE: February 21, 2017

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PURPOSE

To authorize the SFMTA, through the Director of Transportation or his designee, to submit project applications to the Metropolitan Transportation Commission for programming of funds from FTA Formula Programs or the Surface Transportation Program for FY2016-17 through FY2019-20; and to provide MTC with required assurances.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

The SFMTA will further the following goal of the Strategic Plan through approval of this resolution:

Goal 3: Improve the environment and quality of life in San Francisco

Objective 3.3 – Allocate capital resources effectively.

Objective 3.5 – Reduce capital and operating structural deficits.

Approval of this resolution also ensures that the SFMTA has the funding needed to support the City's Transit First Policy. Funding from the FTA through the FTA's Section 5307 (Urbanized Area), Section 5337 (State of Good Repair), and Section 5339 (Bus and Bus Facilities) programs (FTA Formula Programs) or the STP promotes or impacts all 10 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.
- 3) Decisions regarding the use of limited public street and sidewalk space shall encourage the use of public rights of way by pedestrians, bicyclists, and public transit, and shall strive to reduce traffic and improve public health and safety.
- 4) Transit priority improvements, such as designated transit lanes and streets and improved signalization, shall be made to expedite the movement of public transit vehicles (including taxis and vanpools) and to improve pedestrian safety.
- 5) Pedestrian areas shall be enhanced wherever possible to improve the safety and comfort of pedestrians and to encourage travel by foot.
- 6) Bicycling shall be promoted by encouraging safe streets for riding, convenient access to transit, bicycle lanes, and secure bicycle parking.

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- 7) Parking policies for areas well served by public transit shall be designed to encourage travel by public transit and alternative transportation.
- 8) New transportation investment should be allocated to meet the demand for public transit generated by new public and private commercial and residential developments.
- 9) The ability of the City and County to reduce traffic congestion depends on the adequacy of regional public transportation. The City and County shall promote the use of regional mass transit and the continued development of an integrated, reliable, regional public transportation system.
- 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

On December 4, 2015, President Obama signed the Fixing America's Surface Transportation (FAST) Act to provide \$305 billion over fiscal years 2016 through 2020 for surface transportation infrastructure planning and investment. Pursuant to the FAST Act, transit agencies wishing to receive grant funds for projects through the FTA Formula Programs or the STP must submit project applications first with their appropriate metropolitan planning organization (MPO).

The MPO for the San Francisco Bay Area is the Metropolitan Transportation Commission (MTC).

MTC requires lists of projects from transit operators in order to program funding from the FTA Formula Programs, and the STP. These funds are the primary sources of federal funding for the SFMTA's capital program.

MTC programs these projects in the Transportation Improvement Program (TIP). The TIP is a comprehensive four-year regional spending plan that lists all transportation projects and programs for which any action by a federal agency is expected and highlights all major regional projects.

The SFMTA anticipates requesting Formula Program funds and STP funding for various projects. These project include, but are not limited to:

- Replacement of 40' and 60' Trolley Coaches;
- Replacement of 30', 40' and 60' Motor Coaches;
- Replacement of Paratransit Mini Vans;
- Cable Car Vehicle Renovation Program;
- Farebox Replacement;

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- Cable Car Infrastructure Rehabilitation;
- Wayside Fare Collection;
- Station-Area Pedestrian and Bicycle Access Improvements;
- Overhead Line Rehabilitation;
- Rail Replacement and Rehabilitation;
- Wayside/Central Train Control & Trolley Signal Systems Rehabilitation;
- ADA Paratransit Operating Support;
- Rehabilitation of Historic Streetcars;
- 40' and 60' Motor Coach Mid-Life Overhaul.

MTC requires that transit agencies seek approval from their respective Board of Directors prior to MTC programming projects in the TIP and prior to the agency applying for FTA grant funds. The MTC requires a resolution with the following assurances:

- The sponsor commits to providing the necessary local matching funds (18-50% for FTA Formula Program funds, depending on project type, and 11.47% for STP funds); and
- That the sponsor understands that the FTA Formula Program and STP funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded from FTA Formula Program or STP funds; and
- The assurance of the sponsor to complete the projects as described in the applications (subject to completion of environmental review), 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 and STP funds must be obligated by January 31 of the year that the projects are programmed for in the TIP, or the projects may be removed from the program.

STAKEHOLDER ENGAGEMENT

Not applicable, as no stakeholders are involved in this administrative process. MTC disseminates the TIP, which includes projects sponsored by the SFMTA, for public comment in compliance with FTA public participation requirements.

ALTERNATIVES CONSIDERED

No other alternatives were considered. While the SFMTA receives grant funding from many different sources, the use of grant funds from the FTA are integral to transit operations and services. The SFMTA annually receives millions of dollars from the FTA for its capital and operating needs that cannot easily be replaced.

FUNDING IMPACT

The SFMTA has applied to the MTC for funding, and is committed to providing non-federal match for that funding, up to the amounts shown below:

Funding Source	Amount
Federal Funds	\$478,505,774
Non-Federal Matching Funds	\$101,603,364
Total	\$580,109,138

ENVIRONMENTAL REVIEW

On January 26, 2017, the SFMTA, under authority delegated by the Planning Department, determined that this action 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)(4).

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 SFMTA will not proceed with any project programmed in the TIP until it is fully compliant with the California Environmental Quality Act (CEQA). If any SFMTA projects programmed in the TIP 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 Chapter 31 of the San Francisco Administrative Code, (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’s Office is required to provide an opinion of counsel (Enclosure 2) that the SFMTA is an eligible sponsor of projects to receive FTA Formula Program and STP funds, that the SFMTA is authorized to submit such grant applications, and that there is no pending or threatened litigation that might adversely affect the SFMTA’s proposed projects.

RECOMMENDATION

Staff recommends that this Board authorize the SFMTA, through the Director of Transportation or his designee, to submit project applications to the Metropolitan Transportation Commission for programming of funds from FTA Formula Programs or the Surface Transportation Program for FY2016-17 through FY2019-20; and provide MTC with required assurances.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Fixing America's Surface Transportation (the FAST Act, Public Law 114-94) continues and establishes new Federal Transit Administration (FTA) formula programs (23 U.S.C. §53) and continues the Surface Transportation Program (23 U.S.C. § 133); and,

WHEREAS, Pursuant to the FAST Act, and the regulations promulgated thereunder, eligible project sponsors wishing to receive grants for a project under FTA's Section 5307 (Urbanized Area), Section 5337 (State of Good Repair), or Section 5339 (Bus and Bus Facilities) programs (collectively, FTA Formula Programs) or the Surface Transportation Program (STP) 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 Transportation Agency (SFMTA) is an eligible project sponsor for FTA Formula Program and STP funds; and,

WHEREAS, The SFMTA wishes to submit grant applications to MTC for funds from the FY2016-17 through FY2019-20 FTA Formula Programs and the STP for various transit and transportation projects; and

WHEREAS, The projects include, but are not limited to, the following: Replacement of 40' and 60' Trolley Coaches; Replacement of 30', 40' and 60' Motor Coaches; Replacement of Paratransit Mini Vans; Cable Car Vehicle Renovation Program; Farebox Replacement; Cable Car Infrastructure Rehabilitation; Wayside Fare Collection; Station-Area Pedestrian and Bicycle Access Improvements; Overhead Line Rehabilitation; Rail Replacement and Rehabilitation; Wayside/Central Train Control & Trolley Signal Systems Rehabilitation; ADA Set Aside; Rehabilitation of Historic Streetcars; and 40' and 60' Motor Coach Mid-Life Overhaul; and

WHEREAS, The MTC requires, as part of these applications, a resolution stating the following:

- the sponsor commits to providing the necessary local matching funds (18-50% for FTA Formula Program funds, depending on project type, and 11.47% for STP funds); and
- that the sponsor understands that the FTA Formula Program and STP funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded from FTA Formula Program or STP funds; and
- the assurance of the sponsor to complete the projects as described in the applications, 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 and STP funds must be obligated by January 31 of the year that the projects are programmed for in the TIP, or the projects may be removed from the program; and

WHEREAS, On January 26, 2017, the SFMTA, under authority delegated by the Planning Department, determined that this action 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)(4); 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, The SFMTA will not proceed with any project until there has been complete compliance with the California Environmental Quality Act (CEQA) and the City’s Environmental Quality Regulations; specifically, the SFMTA retains the 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; (4) reject the project if the economic and social benefits of the project do not outweigh otherwise unavoidable significant adverse environmental impacts; or (5) approve the project upon a finding that the economic and social benefits of the project outweigh otherwise unavoidable significant adverse impacts; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute and file applications for funding under the FY2016-17 through FY2019-20 Federal Transportation Administration Formula Program and Surface Transportation Program for various transit and transportation projects; and, be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors, by adopting this resolution, states that:

- 1) The SFMTA will provide the necessary local matching funds (18-50% for FTA Formula Program funds, depending on project type, and 11.47% for STP funds); and
- 2) The SFMTA understands that the FTA Formula Program and STP funding for projects is a fixed amount of funds, 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 or Surface Transportation Program funds; and
- 3) Subject to completion of any and all required environmental review under CEQA and the City’s Environmental Quality Regulations, as specified above, the SFMTA’s transit and

transportation projects will be built as described in the application 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) FTA Formula Program funds must be obligated within three years of programming and STP funds must be obligated by January 31 of the year that the projects are programmed for in the TIP; 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 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 in conjunction with the MTC programming the FTA Formula Program and Surface Transportation Program funded projects in the TIP; and, be it further

RESOLVED, That the MTC is requested to support the applications for the projects described in the resolution and to program the projects, if approved, in MTC's TIP.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of February 21, 2017.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

CITY AND COUNTY OF SAN
FRANCISCO



DENNIS J. HERRERA
City Attorney

January 26, 2017

OFFICE OF THE CITY
ATTORNEY

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Metropolitan Transportation
Commission

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San Francisco, CA 94105

Re: Opinion of Counsel

Allocation of Federal Formula and Surface Transportation Funds

To Whom It May Concern:

This communication will serve as the requisite opinion of counsel in connection with the allocation to the San Francisco Municipal Transportation Agency (SFMTA) for funding for FY2016-17 through FY2019-20 from the FTA Sections 5307, 5337, and 5339 formula programs (Federal Formula Programs) and the Surface Transportation Program (STP).

1. The SFMTA is an eligible sponsor of projects for funding for FY2016-17 through FY2019-20 from the Federal Formula Programs and the STP.
2. The SFMTA is authorized to submit applications for FY2016-17 through FY2019-20 for funding from the Federal Formula Programs and the STP for the transit and transportation projects described in the applications.
3. I have reviewed the pertinent laws and I am of the opinion that there is no legal impediment to the SFMTA making applications for funding for FY2016-17 through FY2019-20 from the Federal Formula Programs and the STP. There is no pending or threatened litigation that might in any way adversely affect the proposed projects, or the ability of the SFMTA to deliver such projects.

Very truly yours,

DENNIS J. HERRERA

City Controller



Robin M. Reitzes
Deputy City Attorney

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