

THIS PRINT COVERS CALENDAR ITEM NO.: 10.2

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing the Director of Transportation, or his designee, to execute and file a claim – anticipated to be approximately \$200 million, subject to finalization of the State budget and unforeseen economic volatility, with the Metropolitan Transportation Commission for allocation of operating assistance from Transportation Development Act, State Transit Assistance, Assembly Bill 1107 BART District Sales Tax, and Regional Measure 2 funds for Fiscal Year 2024 to support the operating budget.

SUMMARY:

- The SFMTA annually files a claim for operating assistance with the Metropolitan Transportation Commission (MTC).
- Annually, the SFMTA gets operating assistance from Transportation Development Act (TDA), State Transit Assistance (STA), Assembly Bill 1107 BART District Sales Tax (AB1107), and Regional Measure 2 (RM2) funds administered by MTC. This year, the claim is expected to be approximately \$200 million subject to finalization of the State budget and unforeseen economic volatility.
- MTC requires the SFMTA to submit a resolution from its governing board authorizing the Agency to execute and file a claim for allocation of TDA, STA, AB1107, and RM2 funds
- The SFMTA Fiscal Year (FY) 2024 Budget included TDA, STA, AB1107 and RM2 funds. The amounts to be allocated from these sources will be finalized once the MTC confirms the availability of the funds after the State budget is approved.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

	DATE
DIRECTOR 	<u>June 14, 2023</u>
SECRETARY 	<u>June 14, 2023</u>

ASSIGNED SFMTAB CALENDAR DATE: June 20, 2023

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PURPOSE

Authorizing the Director of Transportation or his designee, to execute and file a claim with MTC for allocation of operating assistance from the Transportation Development Act, State Transit Assistance, AB1107 BART District Sales Tax, and Regional Measure 2 funds for Fiscal Year 2024 to support the Operating Budget.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This item will support the following Strategic Plan Goal:

Goal 5: Deliver reliable and equitable transportation services.

TRANSIT FIRST POLICY PRINCIPLES

This item will support the following 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.

DESCRIPTION

The Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area. (Gov't Code §§66500, et seq.) The Transportation Development Act (TDA) provides for the disbursement of funds from the Local Transportation Fund (LTF) of the City and County of San Francisco (City) for use by eligible applicants for the purpose of approved transit projects. (Cal. Pub. Util §§99200, et seq.) Under implementing regulations of the TDA, prospective applicants wishing to receive an allocation from the LTF for any transit-related purposes must file an annual claim with MTC. (21 Cal. Code of Regs. §§6600, et seq.) MTC apportions TDA funds (that are held in the LTF) based on an estimate of sales tax generation for the claim year prepared by MTC and San Francisco County auditors.

State Transit Assistance (STA) revenue-based operating assistance comes from a State sales tax on fuel, and STA-population-based (paratransit) assistance is computed according to a formula based on the population of the area, which may be adjusted during the governor's annual budget process. The STA makes funds available for allocation to eligible applicants to support approved transit projects. (Cal. Pub. Util. Code §99313.6.)

Assembly Bill 1107 BART District Sales Tax (AB1107) is based on MTC estimates of sales tax growth generations and makes available 25 percent of the half-cent sales tax revenues collected in three BART counties (Alameda, Contra Costa, and San Francisco) for allocation by MTC to eligible applicants. (Cal. Pub. Util. Code §29140, et seq.) Regional Measure 2 (RM2) establishes the Regional Traffic Relief Plan and identifies specific capital projects and programs eligible to receive RM2 funding, including operating assistance. (Cal. Streets & Highway Code §30914(c))

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and(d), §30914.5.) RM2 funds are dispensed based on the agency’s request for operating allocations, subject to meeting eligibility requirements and availability of RM2 operating funds.

The SFMTA FY 2024 Operating Budget included TDA, STA, AB1107 and RM2 funds. The exact amounts available to the SFMTA for FY 2024 will not be known until after the State budget is approved. The RM2 funding is restricted to funding a specific activity; it has been designated by MTC to support Third Street Light Rail Line and late night OWL operating service.

STAKEHOLDER ENGAGEMENT

On April 19, 2022, the SFMTA Board of Directors approved the operating budget for FY FY2023/2024, which included TDA, STA, AB1107 and RM2 funds.

ALTERNATIVES CONSIDERED

If this claim is not submitted to the MTC, the SFMTA will not be able to receive TDA, STA, AB1107 and RM2 funds that have been included in the operating budget for FY 2024. If these funds are not available, alternative funding sources will need to be identified to support the FY 2024 operating budget and/or services will need to be reduced or eliminated.

FUNDING IMPACT

MTC projects that it will distribute the following amounts to the SFMTA in FY 2024. As mentioned above, the exact amounts available are subject to approval of the State budget:

	FY 2024 MTC Allocation
TDA Funding	\$ 53,123,447
State Transit Assistance – Revenue-Based	96,612,692
State Transit Assistance – Population-Based (Paratransit)	3,300,000
AB1107 funding	52,000,000
RM2 operating Assistance	2,179,576
Total Request	\$ 207,215,715

ENVIRONMENTAL REVIEW

On May 25, 2023, the SFMTA, under authority delegated by the Planning Department, determined that MTC Fiscal Year 2024 Operating Assistance Claim 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).

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Copies of the CEQA determinations are on file with the Secretary to the SFMTA Board of Directors and are incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney's Office has reviewed this calendar item and has provided an Opinion of Counsel stating that the SFMTA is eligible to receive the funds requested and that there are no legal impediments for SFMTA's use of the funds.

RECOMMENDATION

Staff recommends that the Board authorize the Director of Transportation, or his designee, to execute and file a claim with MTC for an allocation of TDA, STA, AB1107 and RM2 funds for Fiscal Year 2024 to support the operating budget.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The Transportation Development Act (TDA) (Public Utilities Code §§99200, et seq.) provides for the disbursement of funds from the Local Transportation Fund (LTF) of the City and County of San Francisco (City) for use by eligible applicants for the purpose of approved transit projects; and

WHEREAS, Under the provisions of the TDA, and under the applicable rules and regulations promulgated pursuant to the TDA (21 Cal. Code of Regs. §§6600, et seq.), a prospective applicant wishing to receive an allocation from the LTF must file its claim with the Metropolitan Transportation Commission (MTC); and

WHEREAS, The State Transit Assistance (STA) fund is created pursuant to Public Utilities Code Sections 99310, et seq. and makes funds available under Public Utilities Code Section 99313.6 for allocation to eligible applicants to support approved transit projects; and

WHEREAS, TDA funds from the LTF of the City and STA funds will be required by the San Francisco Municipal Transportation Agency (SFMTA) in Fiscal Year 2024 for approved transit projects; and

WHEREAS, Public Utilities Code Sections 29140, et seq. (AB1107) makes available 25 percent of the half-cent sales tax revenues collected in three BART counties (Alameda, Contra Costa, and San Francisco) for allocation by MTC to eligible applicants including Alameda-Contra Costa Transit District, the Bay Area Rapid Transit District, and the City and County of San Francisco for its Municipal Railway system; and

WHEREAS, Regional Measure 2 (RM2) establishes the Regional Traffic Relief Plan and identifies specific capital projects and programs eligible to receive RM2 funding, including operating assistance, as identified in Section 30914 (c) and (d) and Section 30914.5 of the California Streets and Highway Code; and

WHEREAS, MTC has determined that the SFMTA complies with the requirements of Public Utilities Code Section 29142.5 (because it will enable the operator to maintain or improve vital transit within a coordinated fare structure?) and Government Code Section 66517.5 (requiring public transit operators report to the MTC on their revenues and expenditures?); and

WHEREAS, The SFMTA is an eligible applicant for TDA, STA, AB1107, and RM2 funds, as attested by the Opinion of Counsel submitted with this resolution; and

WHEREAS, On May 25, 2023, the SFMTA, under authority delegated by the Planning Department, determined that the MTC Fiscal Year 2024 Operating Assistance Claim 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, Copies of the CEQA determinations are on file with the Secretary to the SFMTA Board of Directors and are incorporated herein by reference; now, therefore be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation, or his designee, to execute and file a claim with the Metropolitan Transportation Commission for allocation of operating assistance from Transportation Development Act, State Transit Assistance, Assembly Bill 1107 BART District Sales Tax, and Regional Measure 2 funds for Fiscal Year 2024 to support the operating budget; and be it further

RESOLVED, That a copy of this resolution shall be transmitted to MTC in conjunction with the filing of the claim, and MTC is requested to grant the allocations of the funds as specified herein.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 20, 2023.

Secretary to the Board of Directors
San Francisco Municipal Transportation