

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 \$34,277,000 of One Bay Area Grant Cycle 3 funds for the Central Embarcadero Safety Project, the 29 Sunset Phase I Transit Optimization Project, the Light Rail Vehicle Replacement Program, and four years of funding for the SFMTA’s Safe Routes to Schools Non-Infrastructure Program; and providing assurances that the SFMTA will comply with Metropolitan Transportation Commission policies.

SUMMARY:

- The One Bay Area Grant Program (OBAG) is a federal grant program administered by the San Francisco County Transportation Authority (SFCTA) and Metropolitan Transportation Commission (MTC). OBAG is in its third funding cycle (OBAG 3).
- OBAG funds are distributed through a three-part process whereby the SFCTA recommends funding be programmed, the recipient (in this case, the SFMTA) adopts a Resolution of Local Support that provides assurances that the SFMTA will comply with MTC implementation policies, and MTC approves the programming. Upon MTC approval, the SFMTA adds the approved projects to the MTC’s federal Transportation Improvement Program so that funds can ultimately be awarded through executed grants.
- SFCTA recommends programming \$34,277,000 in OBAG 3 funds to four projects/programs: the Central Embarcadero Safety Project, the 29 Sunset Phase I Transit Optimization Project, the Light Rail Vehicle Replacement Program, and four years of funding for the SFMTA’s Safe Routes to Schools Non-Infrastructure Program (the Projects).
- 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 	March 1, 2023
SECRETARY 	March 1, 2023

ASSIGNED SFMTAB CALENDAR DATE: March 7, 2023

PURPOSE

Adopting a Resolution of Local Support for the programming of \$34,277,000 of One Bay Area Grant Cycle 3 (OBAG 3) funds for the Central Embarcadero Safety Project, the 29 Sunset Phase I Transit Optimization Project, the Light Rail Vehicle Replacement Program, and four years of funding for the SFMTA’s Safe Routes to Schools Non-Infrastructure Program; and providing assurances that the SFMTA will comply with Metropolitan Transportation Commission 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 7: Build stronger relationships with stakeholders.
- 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.
3. Bicycling shall be promoted by encouraging safe streets for riding, convenient access to transit, bicycle lanes, and secure bicycle parking.

DESCRIPTION

The One Bay Area Grant (OBAG) program, administered by MTC, establishes the policy and programming framework for investing federal Surface Transportation Block Grant Program (STP), Congestion Mitigation and Air Quality Improvement (CMAQ), and other funds throughout the San Francisco Bay Area. OBAG is now into its third funding cycle (OBAG 3). The OBAG 3 framework is designed to reflect the priorities established in Plan Bay Area 2050, which is the region’s long-range strategic plan focused on the interrelated elements of housing, the economy, transportation and the environment. Through the OBAG program, MTC directs federal funding to projects and programs that implement Plan Bay Area 2050, with particular focus on projects that support Priority Development Areas (PDAs), which are places near public transit planned for new homes, jobs, and community amenities.

OBAG 3 programming capacity is based on anticipated federal transportation program apportionments from STP/CMAQ programs for a four-year period covering FYs 2023 through 2026. All OBAG 3 funds must be obligated no later than January 31, 2027.

The OBAG 3 program has \$750,000,000 of capacity. At MTC's discretion, OBAG will direct 50% of funds or \$375,000,000 towards regional investments targeted to 1) address climate and focused growth goals of Plan Bay Area 2050 and 2) coordinate and deploy strategies that are best suited for regional implementation. The remaining 50% of available funds, or \$375,000,000, is dedicated to local projects, vetted and recommended by the nine Bay Area county transportation agencies, including the SFCTA. Of the \$375,000,000 to be programmed by Bay Area county transportation agencies, \$59,938,600 is available for San Francisco.

As San Francisco's Congestion Management Agency, the SFCTA is responsible for allocating the OBAG 3 funds available to San Francisco to projects that meet program criteria. SFCTA recommends programming of \$34,277,000 of OBAG 3 funds for the SFMTA projects described below:

- \$6,320,000 for the Central Embarcadero Safety Project, which expands on recent quick-build safety measures along The Embarcadero between Bryant and Broadway, a segment which is on the Vision Zero High Injury Network;
- \$5,976,000 for the 29 Sunset Phase I Transit Optimization Project, which will improve travel time, reliability, and safety for pedestrians accessing the bus on the Muni 29 Sunset bus route; and
- \$14,899,000 to replace aging Breda light rail vehicles (LRVs) with new Siemens LRVs,
- \$7,082,000 for the Safe Routes to School Non-Infrastructure Program, which extends the Agency's school education and outreach program by four years from 2023 to 2026

The Central Embarcadero Safety Project and the 29 Sunset Phase I Transit Optimization Project were recommended through an MTC call for projects. The SFMTA responded to the call for projects with three proposed projects, of which the Central Embarcadero Safety Project and the 29 Sunset Phase I Transit Optimization Project were successful. The remaining project, the Bayview Multi-Modal Corridor, was not considered because during the review process it received funding through a separate process.

The \$14,899,000 in light rail funding is a funding swap that allocates OBAG 3 funds in place of Prop K sales tax funding. Using OBAG 3 funding instead of Prop K sales taxes advances the availability of the funds from Fiscal Year 2025 to Fiscal Year 2024, which is more consistent with SFMTA funding needs. To receive these funds, the SFMTA Board of Directors must adopt a Resolution of Local Support for the programming of \$34,277,000 for the projects listed above, while providing assurances that the SFMTA will comply with the following MTC policies:

- commitment of any required matching funds; and
- that the sponsor understands that the OBAG 3 regional discretionary funding is fixed at the programmed amount, and therefore, any cost increase cannot be expected to be funded with additional regional discretionary funding; and
- that the projects will comply with the procedures, delivery milestones and funding deadlines specified in the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and

- the assurance of the sponsor to complete the projects as described in the application, subject to environmental clearance, and if approved, as included in MTC's federal Transportation Improvement Program (TIP); and
- that the projects will have adequate staffing resources to deliver and complete the projects within the schedule submitted with the project application; and
- that the projects will comply with all project-specific requirements as set forth in the program; and
- that the SFMTA has assigned, and will maintain, a single point of contact for all FHWA- and CTC-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency (CMA), MTC, Caltrans, FHWA, and CTC on all communications, inquires or issues that may arise during the federal programming and delivery process for all FHWA- and CTC-funded transportation and transit projects implemented by the SFMTA; and
- in the case of transit projects, the projects will comply with MTC Resolution No. 3866, revised, which sets forth the requirements of MTC's Transit Coordination Implementation Plan to more efficiently deliver transit projects in the region.

MTC has already approved the programing of OBAG 3 funds contingent upon the SFMTA adopting the proposed Resolution of Local Support. The SFMTA also needs to add the approved projects to the federal Transportation Improvement Program so that funds can be awarded.

STAKEHOLDER ENGAGEMENT

Each project has developed and implemented a public outreach and engagement strategy. Public engagement has included public workshops, surveys, and meetings with stakeholders. Project teams will continue their outreach and engagement activities throughout the design and construction phases. In addition, the SFMTA has worked closely with the SFCTA and 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 OBAG 3 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

With the OBAG 3 funding, the SFMTA will have all the funds needed to complete the Central Embarcadero Safety Project and the 29 Sunset Phase I Transit Optimization Project. The OBAG 3 funding for the LRVs of \$14,899,000 is a fund exchange and does not change the amount of funding allocated to the program but does accelerate funding, in that OBAG 3 funds will be awarded sooner than Prop K funds would have been. With the OBAG 3 funding, the SFMTA will have a complete

funding plan for the Safe Routes to Schools Non-Infrastructure Program through FY 2025-26.

ENVIRONMENTAL REVIEW

On February 16, 2023, under authority delegated by the Planning Department, the SFMTA determined that the Resolution of Local Support for the programming of \$34,277,000 of OBAG 3 funds for 29 Sunset Phase I Transit Optimization Project, the Central Embarcadero Safety Project, the Light Rail Vehicle Replacement Program, and the Safe Routes to School Non-Infrastructure Program, the 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.

Project sponsors are responsible for compliance with the requirements of CEQA, the State Environmental Impact Report Guidelines, and the National Environmental Policy Act standards and procedures for all projects with federal funds.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

In addition to the overall OBAG 3 schedule previously mentioned, by December 31, 2023, to maintain funding eligibility, local jurisdictions must: 1) have their Housing Element certified by California Housing and Community Development (HCD); 2) adopt a resolution affirming compliance with state housing laws related to surplus lands, accessory dwelling units, and density bonuses; 3) adopt a Local Roadway Safety Plan or equivalent, as defined under the California Highway Safety Improvement Program (HSIP).¹ Jurisdictions in compliance with the above deadline may have projects programmed into the federal TIP. However, if the deadline is not met, MTC will deprogram funds.

The San Francisco Board of Supervisors has adopted and forwarded its updated Housing Element to the California Department of Housing and Community Development (HCD) for their review. The HCD is expected to certify San Francisco’s Housing Element by the December 31, 2023 deadline.

¹ This is included in the SFMTA’s Vision Zero Plan.

The City Attorney has reviewed this report.

RECOMMENDATION

Staff recommends that the SFMTA Board adopt a Resolution of Local Support for the programming of \$34,277,000 of OBAG 3 funds for the Central Embarcadero Safety Project, the 29 Sunset Phase I Transit Optimization Project, the Light Rail Vehicle Replacement Program, and four years of funding for the SFMTA's Safe Routes to Schools Non-Infrastructure project; and providing assurances that the SFMTA will comply with MTC policies.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, On April 19, 2022, the SFMTA Board of Directors adopted the FY 2023-27 Capital Improvement Program, which included the 29 Sunset Phase I Transit Optimization Project, the Central Embarcadero Safety Project, the Light Rail Vehicle Replacement Program, the Safe Routes to School Non-Infrastructure Program; and,

WHEREAS, The United States Congress from time to time enacts and amends legislation to provide funding for various transportation needs and programs, (collectively, the Federal Transportation Act) including, but not limited to the Surface Transportation Block Grant Program (STP) (23 U.S.C. § 133), the Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. § 149), and the Transportation Alternatives (TA) set-aside (23 U.S.C. § 133); and,

WHEREAS, The SFMTA has submitted an application to the Metropolitan Transportation Commission (MTC) for \$34,277,000 in funding assigned to MTC for programming discretion, which includes federal funding administered by the Federal Highway Administration (FHWA) and federal or state funding administered by the California Transportation Commission (CTC) such as Surface Transportation Block Grant Program (STP) funding, Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding, Transportation Alternatives (TA) set-aside/Active Transportation Program (ATP) funding, and Regional Transportation Improvement Program (RTIP) funding (Regional Discretionary Funding) for the Safe Routes to School Non-Infrastructure Program, the 29 Sunset Phase I Transit Optimization Project and the Central Embarcadero Safety Project (PROJECT) for the One Bay Area Grant (OBAG) Cycle 3 Program (Program); and,

WHEREAS, State statutes, including California Streets and Highways Code §182.6, §182.7, and §2381(a)(1), and California Government Code §14527, provide various funding programs for the programming discretion of the Metropolitan Planning Organization (MPO) and the Regional Transportation Planning Agency (RTPA); and,

WHEREAS, Pursuant to the Federal Transportation Act, and any regulations promulgated thereunder, eligible project sponsors wishing to receive federal or state funds for a regionally significant project shall submit an application first with the appropriate MPO or RTPA, as applicable, for review and inclusion in the federal Transportation Improvement Program (TIP); and,

WHEREAS, MTC is the MPO and RTPA for the nine counties of the San Francisco Bay region; and,

WHEREAS, MTC has adopted a Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) that sets out procedures governing the application and use of

Regional Discretionary Funding; and,

WHEREAS, The SFMTA is an eligible sponsor for Regional Discretionary Funding; and,

WHEREAS, As part of the application for Regional Discretionary Funding, MTC requires a resolution adopted by the responsible implementing agency stating the following:

- the commitment of any required matching funds; and
- that the sponsor understands that the Regional Discretionary Funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with additional Regional Discretionary Funding; and
- that the Project(s) will comply with the procedures, delivery milestones and funding deadlines specified in the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and
- the assurance of the sponsor to complete the Project(s) as described in the application, subject to environmental clearance, and if approved, as included in MTC's federal Transportation Improvement Program (TIP); and
- that the Project(s) will have adequate staffing resources to deliver and complete the Project(s) within the schedule submitted with the project application; and
- that the Project(s) will comply with all project-specific requirements as set forth in the Program; and
- that the SFMTA has assigned, and will maintain a single point of contact for all FHWA- and CTC-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency (CMA), MTC, Caltrans, FHWA, and CTC on all communications, inquires or issues that may arise during the federal programming and delivery process for all FHWA- and CTC-funded transportation and transit projects implemented by the SFMTA; and
- in the case of a transit project, the Project(s) will comply with MTC Resolution No. 3866, revised, which sets forth the requirements of MTC's Transit Coordination Implementation Plan to more efficiently deliver transit projects in the region; and
- in the case of a highway project, the Project will comply with MTC Resolution No. 4104, which sets forth MTC's Traffic Operations System (TOS) Policy to install and activate TOS elements on new major freeway projects; and
- in the case of an RTIP project, state law requires Project be included in a local congestion management plan, or be consistent with the capital improvement program adopted pursuant to MTC's funding agreement with the countywide transportation agency; and,

WHEREAS, The MTC requires that a copy of this Resolution be transmitted to the MTC in conjunction with the filing of the application; and,

WHEREAS, On January 23, 2023, under authority delegated by the Planning Department, the SFMTA determined that the Resolution of Local Support for the programming of \$34,277,000 of OBAG 3 funds for the Safe Routes to School Non-Infrastructure Program, the 29 Sunset Phase I Transit Optimization Project, the Central Embarcadero Safety Project, and the Light Rail Vehicle Replacement Program is not a "project" under CEQA pursuant to CEQA

Guidelines Sections 15060(c) and 15378(b) because the action would not result in a direct or a reasonably foreseeable indirect physical change to the environment; 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 Regional Discretionary Funding 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 funding for the programming of \$34,277,000 of OBAG 3 funds for the Safe Routes to School Non-Infrastructure Program, the 29 Sunset Phase I Transit Optimization Project, the Central Embarcadero Safety Project, and the Light Rail Vehicle Replacement Program (Projects); and be it further

RESOLVED, That the SFMTA will provide any required matching funds; and be it further

RESOLVED, That the SFMTA understands that the Regional Discretionary Funding for the Projects is fixed at the MTC-approved programmed amount, that any cost increases must be funded by the SFMTA from other funds, and that the SFMTA does not expect any cost increases to be funded with additional Regional Discretionary Funding; and be it further

RESOLVED, That the SFMTA understands the funding deadlines associated with these funds and will comply with the provisions and requirements of the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and the SFMTA has, and will retain the expertise, knowledge and resources necessary to deliver federally funded transportation and transit projects, and has assigned, and will maintain a single point of contact for all FHWA- and CTC-funded transportation projects to coordinate within the Agency and with the respective CMA, MTC, Caltrans, FHWA, and CTC on all communications, inquires or issues that may arise during the federal programming and delivery process for all FHWA- and CTC-funded transportation and transit projects implemented by the SFMTA; and be it further

RESOLVED, That each Project will be implemented as described in the complete application and in this Resolution, subject to environmental clearance, and, if approved, for the amount approved by MTC and programmed in the federal TIP; and be it further

RESOLVED, That the SFMTA has reviewed the Projects and has adequate staffing resources to deliver and complete the Projects within the schedule submitted with the Project application; and be it further

RESOLVED, That the Projects will comply with the requirements as set forth in MTC programming guidelines and project selection procedures for the Program; and be it further

RESOLVED, That, in the case of a transit project, the SFMTA agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution No. 3866, revised; and be it further

RESOLVED, That, in the case of a highway project, the SFMTA agrees to comply with the requirements of MTC's Traffic Operations System (TOS) Policy as set forth in MTC Resolution No. 4104; and be it further

RESOLVED, That, in the case of an RTIP project, the Projects are included in a local CMA, or are consistent with the capital improvement program adopted pursuant to MTC's funding agreement with the countywide transportation agency; and be it further

RESOLVED, That the SFMTA is an eligible sponsor of Regional Discretionary Funding funded projects; and be it further

RESOLVED, That a copy of this Resolution will be transmitted to the MTC to support the pending application(s); and be it further

RESOLVED, That the MTC is requested to support the application(s) for the Projects described in the Resolution, and if approved, to include the Projects in MTC's federal TIP upon submittal by the project sponsor for TIP programming.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of March 7, 2023.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency