

THIS PRINT COVERS CALENDAR ITEM NO. : 10.8

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing the San Francisco Municipal Transportation Agency (SFMTA), through its Director of Transportation or his designee, to accept and expend \$10,277,540 in funding from the One Bay Area Grant Program through the Metropolitan Transportation Commission for SFMTA's Light Rail Vehicle (LRV) procurement project.

SUMMARY:

- In September 2012, the Transportation Authority issued a competitive call for projects for One Bay Area Grant (OBAG) federal funds on behalf of the Metropolitan Transportation Commission (MTC).
- In June 2013, the SFCTA programmed \$10,277,540 in OBAG funds for the Masonic Avenue Complete Streets (Masonic Avenue) project.
- In order to meet MTC's requirements, the SFMTA must receive state and federal authorization to start spending the OBAG funds by April 30, 2015.
- The SFMTA will not be able to meet this deadline as the Masonic Avenue project has been delayed. In order to meet the regional requirement to use the funds, the SFMTA will transfer the OBAG funds from the Masonic Avenue project to its LRV Procurement project, which is also eligible for OBAG funds.
- MTC requires a Resolution of Local Support for the Projects.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DATE

DIRECTOR _____ 3/10/15

SECRETARY _____ 3/10/15

ASSIGNED SFMTAB CALENDAR DATE: March 17, 2015

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PURPOSE

The purpose of this calendar item is to authorize the SFMTA, through its Director of Transportation or his designee, to accept and expend \$10,277,540 in federal OBAG funds; and to adopt a Resolution of Local Support. The \$10,277,540 is proposed to be used for the SFMTA's LRV Procurement project.

GOAL

This action supports the following SFMTA Strategic Plan Goal and Objectives:

Goal 2: Make transit, walking, bicycling, taxi, ridesharing & car sharing the preferred means of travel.

Objective 2.1: Improve customer service and communications.

Objective 2.3: Improve use of all non-private auto modes.

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

Objective 3.2: Increase the transportation system's positive impact on the economy.

Objective 3.3: Allocate capital resources effectively.

Objective 3.5: Reduce capital and operating structural deficits.

DESCRIPTION

On September 27, 2012, the SFCTA issued a competitive call for projects for One Bay Area Grant (OBAG) funds on behalf of the Metropolitan Transportation Commission (MTC). OBAG is a four-year, \$320 million regional program that better integrates the region's federal transportation program with California's Climate Law, Senate Bill 375 and the Sustainable Communities Strategy for the Bay Area.

The intent of the OBAG funding is to support the Sustainable Communities Strategy by promoting transportation investments in Priority Development Areas (PDAs) and provide funding for complete streets projects that include pedestrian, bicycle and transit improvements. PDAs are infill development opportunity areas within existing communities identified by local jurisdictions. They are generally areas of at least 100 acres where there is local commitment to developing more housing, along with amenities and services to meet the day-to-day needs of residents in a bicycle- and pedestrian-friendly environment served by transit.

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This first cycle of OBAG funds, which covers primarily Fiscal Years 2014 to 2017, consists of federal funding administered by the Federal Highway Administration, such as Surface Transportation Program funding, Congestion Mitigation and Air Quality Improvement Program funding and/or Transportation Alternatives funding.

The SFMTA responded to the OBAG call for projects by applying for funding for its Masonic Avenue project. The Masonic Avenue project proposes to reallocate road space to calm traffic, dedicate space for bicyclists, and provide pedestrian enhancements on Masonic Avenue from Fell Street to Geary Boulevard. In June 2013, the SFCTA programmed \$10,277,540 in OBAG funds to the Masonic Avenue project.

In order to meet the regional timely use of funds requirement, the SFMTA must receive state and federal authorization to start spending the OBAG funds by April 30, 2015. The SFMTA will not be able to meet this deadline as the Masonic Avenue project has been delayed due to its extensive coordination with the San Francisco Public Utilities Commission and unanticipated scope additions, which include a dual sewer system, Muni overhead wire relocations, and new signals. With support from the MTC and SFCTA, the SFMTA will swap the Masonic Avenue project's OBAG funds with local revenue bonds designated for its Light Rail Vehicle (LRV) Procurement project and reprogram the OBAG funds to its LRV Procurement project. The LRV Procurement project is eligible to receive OBAG funds.

The LRV Procurement project proposes to purchase 151 replacement LRVs and 24 expansion LRVs to help meet project vehicle needs through 2020. The SFMTA has recently signed a contract with Siemens to build and deliver the LRVs. Because it is a transit project that can be delivered immediately, the SFMTA can receive state and federal authorization prior to the deadline of April 30, 2015.

The MTC requires that the SFMTA Board of Directors approve a Resolution of Local Support for these projects. The Board is requested to approve in the Resolution that:

1. SFMTA will commit the necessary local match of at least 11.47% in non-federal funds; and
2. That any cost increases must be funded by the SFMTA and that the SFMTA does not expect any cost increases to be funded with additional regional discretionary funds; and
3. The SFMTA will comply with the procedures, delivery milestones and funding deadlines specified in the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and

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4. The SFMTA will implement the projects as described in the submitted applications and in this resolution, subject environmental clearance, and if approved, for the amount programmed in the MTC federal Transportation Improvement Program (TIP); and
5. That the SFMTA will comply with all project-specific requirements as set forth in the OBAG program.

This item is cited within and consistent with the Supplemental Capital Budget for FY 2016 item that will be presented to the SFMTA Board at a future meeting. It is being advanced separately because it includes language specifically required by MTC to receive OBAG funds.

ALTERNATIVES CONSIDERED

If no action is taken, the LRV Procurement project will still receive its full funding, but the OBAG funding for the Masonic project will be at risk. Due to MTC's timely use of funds policies, if SFMTA cannot obligate the funds by April 30, 2015, the SFMTA may lose the opportunity to receive its OBAG funding for the Masonic Avenue project until Fiscal Year 2017, which would delay the project.

FUNDING IMPACT

The acceptance and expenditure of the \$10,277,540 in proposed federal funds requires a non-federal match of at least 11.47% (\$1,178,834) of the total project cost. The match will be provided by SFMTA revenue bond funds.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The MTC and the SFCTA support the transfer of OBAG funds from the Masonic Avenue project to the LRV Procurement project.

The City Attorney has reviewed this report.

The Department of City Planning determined that the replacement and expansion vehicle portions of the LRV procurement are statutorily exempt under Section 21080(b)(11) of the California Resources Code and Section 15275(a) of the implementing CEQA Guidelines because those portions of the procurement involve an increase of service on rail lines already in use.

The vehicles for the Central Subway Project were reviewed as part of the Central Subway Final Supplemental EIS/EIR, certified by the Planning Commission on August 7, 2008, and on August 19, 2008, the SFMTA Board, in Resolution No. 08-150, adopted the findings and conclusions with respect to Central Subway Final Supplemental EIS/EIR. On July 15, 2014, the SFMTA Board of Directors adopted Resolution No. 14-12 to approve the agreement with Siemens for the

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LRV procurement. At that time, based on its review of the Final Supplemental EIS/EIR, the SFMTA Board found that no additional environmental review was required under Public Resources Code section 21166.

Under NEPA (National Environmental Policy Act), acquisition of vehicles for the LRV procurement project are categorically excluded under 23 CFR 771.118(c)(7) where the vehicles can be accommodated in existing facilities without a change in the functional use of the facilities. The Federal Transit Administration (FTA) reviews the environmental impacts of a procurement when it approves a grant for the procurement. Prior to receipt of any funds under the grant, the SFMTA must receive environmental clearance under NEPA.

RECOMMENDATION

SFMTA staff recommends that the SFMTA Board authorize the SFMTA, through its Director of Transportation or his designee, to accept and expend \$10,277,540 in OBAG funds for the LRV Procurement project and to approve the attached Resolution of Local Support.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) is submitting an application to the Metropolitan Transportation Commission (MTC) for \$10,277,540 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 Program (STP) funding, Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding, Transportation Alternatives (TA)/Active Transportation Program (ATP) funding, and Regional Transportation Improvement Program (RTIP) funding (herein collectively referred to as Regional Discretionary Funding) for the light rail vehicle (LRV) procurement project (herein referred to as Project) for the One Bay Area Grant program (herein referred to as Program); and

WHEREAS, The Moving Ahead for Progress in the 21st Century Act (Public Law 112-141, July 6, 2012) and any extensions or successor legislation for continued funding (collectively, MAP 21) authorize various federal funding programs, including, but not limited to, the Surface Transportation 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 Program (TA) (23 U.S.C. § 213); 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 MAP-21, 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, The MTC is the MPO and RTPA for the nine counties of the San Francisco Bay region; and

WHEREAS, The 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 SFMTA 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 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 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 will have adequate staffing resources to deliver and complete the Project within the schedule submitted with the project application; and
- That the Project 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 Applicant; and
- In the case of a transit project, the Project 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

WHEREAS, The Department of City Planning of the City and County of San Francisco has determined that the replacement and expansion vehicle portions of the Project are statutorily exempt under Section 21080(b)(11) of the California Resources Code and Section 15275(a) of the implementing CEQA Guidelines because those portions of the Project involve an increase of service on rail lines already in use; and

WHEREAS, The LRVs for the Central Subway Project were reviewed as part of the Central Subway Final Supplemental EIS/EIR, certified by the Planning Commission on August 7, 2008, and on August 19, 2008, the SFMTA Board of Directors, in Resolution No. 08-150, adopted the findings and conclusions with respect to Central Subway Final Supplemental EIS/EIR. On July 15, 2014, the SFMTA Board of Directors adopted Resolution No. 14-12 to approve the agreement to procure the LRVs. At that time, based on its review of the Final

Supplemental EIS/EIR, the SFMTA Board found that no additional environmental review was required under Public Resources Code section 21166; and

WHEREAS, The SFMTA Board of Directors has authorized its Director of Transportation or his designee to execute and file an application with MTC for Regional Discretionary Funding for the Project as referenced in this resolution; and

WHEREAS, The MTC requires that a copy of this resolution be transmitted to the MTC in conjunction with the filing of the application; now therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation, or his designee, to accept and expend up to \$10,277,540 in funding from the One Bay Area Grant Program through the Metropolitan Transportation Commission for SFMTA's Light Rail Vehicle (LRV) procurement project; and be it further

RESOLVED, That the SFMTA Board of Directors authorizes its Director of Transportation, or his designee, to execute and file an application with MTC for Regional Discretionary Funding for the Project as referenced in this resolution; and be it further

RESOLVED, That the SFMTA Board of Directors, by adopting this Resolution, states that the SFMTA will provide any required matching funds; and be it further

RESOLVED, That the SFMTA Board of Directors, by adopting this Resolution, states that the SFMTA understands that the Regional Discretionary Funding for the project is fixed at the MTC approved programmed amount, and 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 Board of Directors, by adopting this Resolution, 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 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 Applicant; and be it further

RESOLVED, That the SFMTA Board of Directors, by adopting this Resolution, states that the 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 Board of Directors, by adopting this Resolution, states that the SFMTA has reviewed the Project and has adequate staffing resources to deliver and complete the Project within the schedule submitted with the project application; and be it further

RESOLVED, That the SFMTA Board of Directors, by adopting this Resolution, states that the Project 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 the SFMTA Board of Directors, by adopting this Resolution, states 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 a copy of this resolution will be transmitted to the MTC in conjunction with the filing of the application; and be it further

RESOLVED, That the MTC is requested to support the application for the Project described in the resolution, and if approved, to include the Project 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 17, 2015.

Secretary, Board of Directors
San Francisco Municipal Transportation Agency