

**THIS PRINT COVERS CALENDAR ITEM NO. : 10.3**

**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 \$6.7 million in FY 2013 Transit Performance Initiative Incentive Grant Program funds from the Metropolitan Transportation Commission (MTC) for (1) a Free Muni for Youth Program (\$1.6 million) which was previously approved by the SFMTA Board of Directors at its April 17, 2012 meeting, and (2) the Light Rail Vehicle Rehabilitation Project (\$5.1 million); and adopting a Resolution of Local Support for the projects.

**SUMMARY:**

- At its October 24, 2012 meeting, the MTC approved \$15 million annually of Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) federal funds for its new Transit Performance Initiative (TPI) Incentive Grant Program under the Transit Sustainability Project (TSP).
- For FY2012-13, SFMTA will receive \$6.7 million under the TPI Incentive Grant Program.
- The funds can be used by transit agencies to fund projects focused on increasing ridership and/or productivity, including for free transit service for youth pilot programs.
- MTC requires that the grantee adopt a Resolution of Local Support for the Project(s) to be funded that stipulates how the SFMTA will comply with MTC's policies governing project delivery and cost overruns (should they occur).
- The Free Muni for Youth Pilot Program, which was originally approved by the SFMTA Board on April 17, 2012, is proposed to be a 16-month program starting in March, 2013. Fiscal Year 2013 TPI funds will fund the Program through June 30, 2013, and the remaining seven months of the Program will be funded from the FY 2014 TPI Incentive Grant Program allocation.

**ENCLOSURES:**

1. SFMTAB Resolution

**APPROVALS:**

**DATE**

DIRECTOR \_\_\_\_\_

11/26/12

SECRETARY \_\_\_\_\_

11/26/12

**ASSIGNED SFMTAB CALENDAR DATE:** December 4, 2012

**PURPOSE**

Authorizing the SFMTA, through its Director of Transportation or his designee, to accept and expend \$6.7 million in FY 2013 TPI Incentive Grant Program Funding from the MTC, and adopting a Resolution of Local Support. The \$6.7 million is proposed to be used for Free Muni for Youth Program (\$1.6 million), which was previously approved by the SFMTA Board of Directors at its April 17, 2012 meeting, and the Light Rail Vehicle Rehabilitation Project (\$5.1 million).

**GOAL**

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

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.

**DESCRIPTION**

In May 2012, MTC adopted the Transit Sustainability Project (TSP) recommendations including the Transit Performance Initiative (TPI), which is composed of two programs: (1) a capital program focused on regional investment in supportive infrastructure to improve performance in major transit corridors; and (2) an incentive program to reward agencies that improve ridership and service productivity.

In May 2012, MTC approved \$30M for the first round of the TPI Capital Program that included \$10.8M for SFMTA's Mission Corridor Customer First and N-Judah Customer First projects. Later, on October 24, 2012, MTC adopted a resolution to program STP/CMAQ Transit Capital Rehabilitation funds annually of \$13M to the TPI Capital Program and \$15M to the TPI Incentive Grant Program. The approval included a formula distribution for the first year of the Incentive Grant Program (FY13), in which funding is distributed to all transit agencies based on current ridership (FY10-11 actuals). The funds can be used by transit operators to fund projects focused on increasing ridership and/or productivity, including free transit service for youth pilot programs. It should be noted that because transit service pilot programs are not an eligible use of STP/CMAQ funds, MTC will work with transit operators to facilitate funding exchanges as needed. For FY13, SFMTA will receive \$6.7M in TPI Incentive Grant Program funds.

Project sponsors are responsible for submitting projects, including transit service pilot programs, to MTC with their rationale for funding and a monitoring plan to track the project's effectiveness in increasing ridership and/or productivity.

SFMTA proposes to use the \$6.7M in funding for the following: \$1.6M for the Free Muni for Youth pilot project and \$5.1 million for the Light Rail Vehicle Rehabilitation Project. These funds should be available to the SFMTA by mid-2013.

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 provide the 11.47% local match (\$0.87 million) in non-federal funds; and
2. That any cost increases must be funded by SFMTA and that SFMTA does not expect any cost increases to be funded with additional regional discretionary funds; and
3. 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, as revised); and
4. The Projects will be implemented as described in the submitted applications and in this resolution and, if approved, for the amount programmed in the MTC federal Transportation Improvement Program (TIP).

The Free Muni Youth Pilot Program was originally approved by the SFMTA Board on April 17, 2012, as a 22-month program.

This Program is now proposed to run for an initial 16-month phase with the option to extend should additional funding be identified in the future. The program term is proposed for a shorter than previously approved duration based on the following factors.

1. The advocacy partners with whom staff has been working to define the program believes it will be most effective if we are to increase the eligibility threshold from the free/reduced lunch standard (annual income less than \$42,643 for a family of four) to 100 percent of Area Median Income, or AMI (annual income less than \$103,000 for a family of four).
2. The funds under discussion previously were to be new funds that would be available to the SFMTA only for this program. The funds that are now available can be used to address other important maintenance and rehabilitation needs, which necessitate balancing this program's need against other agency priorities.
3. We originally anticipated receipt of the funds this past summer, which would have enabled a September or October start. As it stands now, given the MTC's disapproval of the original funding source that would have met that timeline, the program would now start around March of next year.

Fiscal Year 2013 TPI funds will fund the Program through June 30, 2013, and the remaining seven months of the Program will be funded with \$2.2M from the FY 2014 TPI allocation. The balance of FY 2014 TPI funds are expected to be put toward SFMTA's Customer First and/or additional vehicle rehabilitation projects, subject to approval by the MTAB.

Applications for the Program will begin to be accepted January 1, 2013. Depending on the number of applications received, the maximum processing time is estimated to be up to five weeks. Applications will also be accepted on-line through a web form for participants who already have a Clipper card which will significantly reduce the turn-around time for pass activation for those customers.

The Light Rail Vehicle Rehabilitation Project is the rehabilitation of systems that will result in improved vehicle reliability. Currently the SFMTA has a contract to rehabilitate the doors and steps of the entire fleet of AnsaldoBreda cars and the trucks of 30 AnsaldoBreda cars. The TPI Incentive Grant Program funds will be used to increase the number of AnsaldoBreda cars that will undergo rehabilitation.

### **ALTERNATIVES CONSIDERED**

The TPI Incentive Grant Program funds can be used by transit operators to fund projects focused on increasing ridership and/or productivity, including free transit service for youth pilot programs. The Free Muni for Youth Program and the Light Rail Vehicle Rehabilitation Project have been determined to be the highest priority SFMTA projects that best meet the criteria of the program. Alternatives to this proposal could include apportioning the funds differently between the two proposed uses and/or considering other uses, such as Customer First initiatives (e.g., colorization of transit only lanes, transit signal priority, ticket vending machines, etc.).

### **FUNDING IMPACT**

The acceptance and expenditure of the \$6.7 million in proposed federal funds requires a non-federal match of at least 11.47% of the total project cost (\$870K). The match will be provided by SFMTA Operating funds and/or other sources as needed.

### **OTHER APPROVALS RECEIVED OR STILL REQUIRED**

MTC approval of the TPI Incentive Grant Program projects is required. According to MTC staff, the SFMTA's proposed FY13 projects may be presented to MTC for approval as early as January 2013.

The City Attorney has reviewed this report.

### **RECOMMENDATION**

Staff recommends that the SFMTA Board authorize the SFMTA, through its Director of Transportation or his designee, to accept and expend \$6.7 million in FY 2013 Transit Sustainability Project Funding from the MTC for the Free Muni for Youth pilot project and the Light Rail Vehicle Rehabilitation Project, and to adopt a Resolution of Local Support.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, The Metropolitan Transportation Commission (MTC) has issued a call for projects for \$15 million in funding assigned MTC for programming discretion, including but not limited to federal funding administered by the Federal Highway Administration (FHWA), such as Surface Transportation Program (STP) funding, Congestion Mitigation and Air Quality Improvement (CMAQ) funding and/or Transportation Alternatives (TA) funding (herein collectively referred to as Regional Discretionary Funding) for its new Transit Performance Initiative-Incentive Grant Program under the Transit Sustainability Project (TSP); and

WHEREAS, For FY2012-13, SFMTA will receive \$6.7 million of these federal funds;  
and

WHEREAS, These funds must be used by transit agencies to fund projects focused on increasing ridership and/or productivity, including free transit for youth pilot programs; and

WHEREAS, The Moving Ahead for Progress in the 21<sup>st</sup> 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 STP program (23 U.S.C. § 133), the CMAQ program (23 U.S.C. § 149) and the TA program (23 U.S.C. § 213); and

WHEREAS, State statutes, including California Streets and Highways Code Sections 182.6 and 182.7, 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 funds for a project shall submit an application first with the appropriate 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 nine counties in the San Francisco Bay Area 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 CMAQ funds; and

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

WHEREAS, As part of the application for Regional Discretionary Funding, MTC requires a Resolution of Local Support be adopted stating that the SFMTA Board understands the following:

- 1) a commitment to provide local matching funds of at least 11.47% (\$0.87 million); and
- 2) that the SFMTA understands that the Regional Discretionary Funding is fixed at the programmed amount, and any cost increases must be funded by the SFMTA and the SFMTA does not expect any cost increases to be funded with Regional Discretionary Funding; and
- 3) 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
- 4) the assurance of the sponsor to complete the project as described in the application, and if approved, as included in MTC's federal TIP; and
- 5) that the project will comply with all project-specific requirements as set forth in the program; and
- 6) that the project (transit only) 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; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the SFMTA, through its Director of Transportation or his designee, to accept and expend \$6.7 million in FY 2013 Transit Sustainability Project Funding from the MTC, to be used for the Free Muni for Youth Program and the Light Rail Vehicle Rehabilitation Project; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors adopts a Resolution of Support for the Free Muni for Youth Program and the Light Rail Vehicle Rehabilitation Project, under the CMAQ programs of SAFETEA-LU, any extensions of SAFETEA-LU, or any successor legislation for continued funding; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors, by adopting this Resolution of Support, states that:

1. SFMTA will provide at least \$0.87 million in local, non-federal matching funds; and
2. 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
3. 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 SFMTA has, and will retain the expertise, knowledge and resources necessary to deliver federally funded transportation projects, and has assigned, and will maintain a single point of contact

- for all FHWA-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency, MTC, Caltrans and FHWA on all communications, inquiries or issues that may arise during the federal programming and delivery process for all FHWA-funded transportation projects implemented by SFMTA; and
4. The projects will be implemented as described in the complete application and in this resolution and, if approved, for the amount approved by MTC and programmed in the federal TIP; and
  5. SFMTA and the projects will comply with the requirements as set forth in MTC programming guidelines and project selection procedures for the Program; and
  6. SFMTA agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution No. 3866, as revised; and be it

FURTHER RESOLVED, That APPLICANT is an eligible sponsor of Regional Discretionary Funding funded projects; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors authorizes its Director of Transportation to transmit a copy of this resolution to the MTC in conjunction with the filing of the application; and be it

FURTHER RESOLVED, That the SFMTA requests MTC to support the application for the projects described in the resolution and to include the projects, if approved, in MTC's federal TIP.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of December 4, 2012.

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Secretary, Board of Directors  
San Francisco Municipal Transportation Agency