

**THIS PRINT COVERS CALENDAR ITEM NO.: 10.2**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

Adopting a resolution of local support for the programming of State Transportation Improvement Program funds in the amount of \$10,642,000 for the Phase 3 (N-Judah) segment of the SFMTA's Train Control Upgrade Program in Fiscal Year 2025/26; and providing assurances to comply with Metropolitan Transportation Commission policies.

**SUMMARY:**

- To receive State Transportation Improvement Program (STIP) funds, the Metropolitan Transportation Commission (MTC) requires that the grantee adopt a resolution of local support for the project(s) to be funded and provide assurances that the SFMTA will comply with MTC's implementation policies.
- The \$10,642,000 of STIP funds will be programmed to the Phase 3 (N-Judah) segment of the SFMTA's Train Control Upgrade Program (TCUP), which will improve throughput and increase capacity for the light rail system.
- Pending California Transportation Commission approval, the STIP funds will be allocated in Fiscal Year 2025/26, as identified in the SFMTA's Capital Improvement Program.

**ENCLOSURES:**

1. SFMTAB Resolution

**APPROVALS:**

DIRECTOR



**DATE**

October 13, 2021

SECRETARY



October 13, 2021

**ASSIGNED SFMTAB CALENDAR DATE:** October 19, 2021

**PURPOSE**

The purpose of this Calendar Item is for the SFMTA Board to adopt a resolution of local support for the programming of State Transportation Improvement Program funds in the amount of \$10,642,000 for the Phase 3 (N-Judah) segment of the SFMTA’s Train Control Upgrade Program in Fiscal Year 2025/26; and to provide assurances to comply with MTC’s implementation policies.

**STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES**

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

Goal 1: Create a safer transportation experience for everyone.

Objective 1.2: Improve the safety of the transit system.

Goal 2: Make transit and other sustainable modes of transportation the most attractive and preferred means of travel.

Objective 2.1: Improve transit service.

Objective 2.2: Enhance and expand use of the city’s sustainable modes of transportation.

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

Objective 3.1: Use agency programs and policies to advance San Francisco’s commitment to equity.

Objective 3.2: Advance policies and decisions in support of sustainable transportation and land use principles.

Objective 3.4: Provide environmental stewardship to improve air quality, enhance resource efficiency, and address climate change.

Objective 3.5: Achieve financial stability for the agency.

**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.
8. New transportation investment should be allocated to meet the demand for public transit generated by new public and private commercial and residential developments.

**DESCRIPTION**

The State of California has multiple transportation funding programs, including its State Transportation Improvement Program (STIP). Seventy-five percent of STIP funding is programmed to capital projects at the discretion of the State’s congestion management agencies. In San Francisco, the San Francisco County Transportation Authority (SFCTA) serves in this capacity. For the Bay Area, the Metropolitan Transportation Commission (MTC) submits a nine-county Regional Transportation Improvement Program to the California Transportation Commission (CTC) for inclusion in the STIP.

The SFCTA has honored a long-standing commitment of \$92 million of STIP funds to support the Central Subway Program (CSP). Because all CSP contracts have been issued, future STIP funds are ineligible for programming to the CSP. The CTC will typically not allocate funds to contracts already awarded. Most of our funding partners take this position because when the sponsor agency commits grant funds to a project before a grant award, the sponsor is predisposing a policy body's decision.

Understanding this, the SFMTA and the SFCTA have agreed that the SFMTA can direct the balance of STIP funds to projects of the SFMTA's choice, consistent with MTC and CTC guidance.<sup>1</sup> For the subject action, the SFMTA will request that the SFCTA program \$10,642,000, the full amount available to the SFMTA, to the Phase 3 (N-Judah) segment of the SFMTA's Train Control Upgrade Program (TCUP) in FY 2025/26, the first year that these STIP funds would be made available to the SFMTA.

Of the \$92 million STIP commitment, the SFCTA has already programmed \$62,330,346 of STIP or equivalent funds to the SFMTA, with a balance of \$29,669,654. The subject action will reduce that balance by \$10,642,000 to \$19,027,654. Based on the STIP being biennial, with approximately \$10 million available of programming available per cycle, staff anticipates the SFCTA's \$92 million STIP commitment to be met in four years, i.e., after two more STIP cycles.

The CTC is anticipated to approve San Francisco's proposed STIP programming for the TCUP project at its meeting scheduled for March 23, 2022.

MTC requires that the SFMTA Board of Directors approve a resolution providing local support for the Phase 3 (N-Judah) segment of TCUP, acknowledging the following conditions:

1. That any cost increases must be funded by the SFMTA, in accordance with agreements between the SFMTA and the San Francisco County Transportation Authority, and that the SFMTA does not expect any cost increases to be funded with additional regional discretionary funds, including STIP funds;
2. That 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);
3. That the SFMTA will implement the Phase 3 (N-Judah) segment of TCUP, as described in the application submitted for the funds and in the resolution, subject to environmental clearance, and if approved, for the amount programmed in the STIP and MTC's federal Transportation Improvement Program (TIP);
4. That the SFMTA will have adequate staffing resources to deliver and complete the projects within the schedule submitted with the projects' applications;
5. That the SFMTA will comply with all project-specific requirements as set forth in the STIP;

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<sup>1</sup> The MTC generally requests that SFMTA's STIP priorities be consistent with the MTC's state of good repair Transit Capital Priorities policies; the CTC generally requests that our STIP priorities enhance or expand system capacity. The Phase 3 (N-Judah) segment of TCUP is one of the few projects in the SFMTA's CIP that does both.

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6. That the SFMTA will comply with MTC Resolution No. 3866, as revised, which sets forth the requirements of the MTC's Transit Coordination Implementation Plan to more efficiently deliver transit projects in the region; and
7. That the project will be included in a local congestion agency management plan, as required by State law, or be consistent with the capital improvement program adopted pursuant to MTC's funding agreement with the countywide transportation agency.

## **STAKEHOLDER ENGAGEMENT**

The SFMTA has closely worked with MTC and the SFCTA to ensure that the proposed funding changes are endorsed by the two agencies.

## **ALTERNATIVES CONSIDERED**

The other alternatives are not to pursue the STIP funding, which would leave the SFMTA's capital program in deficit, or to find alternative funds from other capital programs to fund the proposed projects.

## **FUNDING IMPACT**

This action is the first in a series of policy-level approvals that will ultimately award \$10,642,000 to the Phase 3 (N-Judah) segment of TCUP. The TCUP is a core component of the agency's Subway Renewal Program. Without these funds, alternative funds will need to be diverted from operating or capital programs, or the Phase 3 (and subsequent phase) work will be postponed until alternative funding is identified.

## **ENVIRONMENTAL REVIEW**

On September 30, 2021, under authority delegated by the Planning Department, the SFMTA determined that the Resolution of Support for STIP Programming for the Phase 3 (N-Judah) segment of the SFMTA's Train Control Upgrade Program 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).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

If the eventual rehabilitation project(s) funded from the STIP funding 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.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The SFCTA is scheduled to incorporate the Phase 3 (N-Judah) segment of TCUP into its STIP project list at its October 26, 2021 meeting. All nine Bay Area counties' STIP projects lists are scheduled to be approved by the MTC at its December 15, 2021 meeting. The MTC will submit the Bay Area's STIP listings to the CTC. The CTC is scheduled to adopt the statewide STIP at its March 23, 2022 meeting.

The City Attorney has reviewed this report.

**RECOMMENDATION**

Staff recommends that the SFMTA Board adopt a resolution of local support that STIP funding totaling \$10,642,000 be programmed for the Phase 3 (N-Judah) segment of the SFMTA's TCUP project in Fiscal Year 2025/26 and provide assurances of compliance with MTC policies.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

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

WHEREAS, The Fixing America's Surface Transportation Act (Public Law 114-94), and any extensions or successor legislation for continued funding (collectively FAST), authorizes various federal funding programs administered by the Federal Highway Administration (FHWA) and federal or state funding administered by the California Transportation Commission (CTC), including, but not limited to, Surface Transportation Program (STP), Congestion Mitigation and Air Quality Improvement (CMAQ), and/or Transportation Alternatives (TA) set-aside/Active Transportation Program (ATP), Regional Transportation Improvement Program (RTIP), and State Transportation Improvement Program (STIP) funding, which contain State discretionary STP and other funds, herein collectively referred to as "Regional Discretionary Funds;" and

WHEREAS, State statutes, including California Streets and Highways Code Sections 182.6 and 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

WHEREAS, Pursuant to FAST, and any regulations promulgated thereunder, eligible project sponsors wishing to receive federal funds for a project must 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 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 RTIP and STIP funds; and

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) is an eligible sponsor for STIP funding, and STP federal funds and other funds programmed within the STIP; and

WHEREAS, The SFMTA will submit an application to the MTC for \$10,642,000 in STIP funding, which will include STP federal and other funds, for the Phase 3 (N-Judah) segment of the SFMTA's Train Control Upgrade Program (TCUP); and

WHEREAS, On September 30, 2021, the SFMTA, under authority delegated by the San Francisco Planning Department, determined that the Resolution of Support for STIP Programming for the Phase 3 (N-Judah) segment of the SFMTA's Train Control Upgrade Program (TCUP) 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, 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 funded by the STIP programmed funding until there has been complete compliance with CEQA and the City's Environmental Quality Regulations (San Francisco Administrative Code Section 31); if any of 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; and

WHEREAS, As part of the application process for STIP funding, MTC requires a resolution adopted by the responsible implementing agency stating that: (1) the SFMTA will provide any required matching funds; (2) any cost increases must be funded by the SFMTA, in accordance with agreements between the SFMTA and the San Francisco County Transportation Authority, and that the SFMTA does not expect any cost increases to be funded with additional regional discretionary funds; (3) 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); (4) the SFMTA agrees to complete the Projects as described in the application, subject to CEQA compliance, and if approved, as included in MTC's federal Transportation Improvement Program (TIP); (5) the SFMTA will provide adequate staffing resources to deliver and complete the Projects within the agreed schedule; (6) the SFMTA will comply with all Project-specific requirements as set forth in the STIP; (7) the SFMTA will comply with MTC Resolution No. 3866, revised, which sets forth the requirements of the MTC's Transit Coordination Implementation Plan to more efficiently deliver transit projects in the region; and (8) the Project will be included in a local congestion agency management plan, as required by State law, or be consistent with the capital improvement program adopted pursuant to MTC's funding agreement with the countywide transportation agency; and now, therefore, be it

RESOLVED, That the SFMTA Board of Directors adopts a Resolution of Support for the programming of State Transportation Improvement Program (STIP) funds in the amount of \$10,642,000 for the Phase 3 (N-Judah) segment of the SFMTA's Train Control Upgrade Program in Fiscal Year 2025/26; and be it further

RESOLVED, That the SFMTA Board of Directors, by adopting this Resolution, states that (1) the SFMTA will provide any required matching funds; (2) any cost increases will be funded by the SFMTA, in accordance with agreements between the SFMTA and the San Francisco County Transportation Authority, and that the SFMTA does not expect any cost increases to be funded with additional regional discretionary funds; (3) 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); (4) subject to compliance with the California Environmental Quality Act, the SFMTA agrees to complete the Projects as described in the

application, and if approved, as included in MTC's federal Transportation Improvement Program; (5) the SFMTA will provide adequate staffing resources to deliver and complete the Projects within the agreed schedule; (6) the SFMTA will comply with all Project-specific requirements as set forth in the STIP; (7) the SFMTA will comply with MTC Resolution No. 3866, revised, which sets forth the requirements of the MTC's Transit Coordination Implementation Plan to more efficiently deliver transit projects in the region; and (8) the Project will be included in a local congestion agency management plan, as required by State Law, or be consistent with the capital improvement program adopted pursuant to MTC's funding agreement with the countywide transportation agency; and be it further

RESOLVED, That a copy of this resolution will be transmitted to the MTC in support of the Project.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of October 19, 2021.

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Secretary, Board of Directors  
San Francisco Municipal Transportation Agency