

THIS PRINT COVERS CALENDAR ITEM NO. : 10.4

**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 with the Metropolitan Transportation Commission for allocation of operating assistance from Transportation Development Act, State Transit Assistance, AB1107 One-Half Cent Sales Tax, and Regional Measure 2 funds for Fiscal Year 2018 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), AB1107 One-Half Cent Sales Tax (AB1107), and Regional Measure 2 (RM2) funds administered by MTC.
- 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 FY2018 Operating Budget includes TDA, STA, AB1107 and RM2 funds. 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 _____ 4/10/17

SECRETARY R. Boomer _____ 4/10/17

ASSIGNED SFMTAB CALENDAR DATE: April 18, 2017

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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, AB 1107 One-Half Cent Sales Tax, and Regional Measure 2 funds for Fiscal Year 2018 to support the operating budget.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This item will support the following goal and objectives of the SFMTA Strategic Plan:

- 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.

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 is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq. 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 for use by eligible applicants for the purpose of approved transit projects. Prospective applicants wishing to receive an allocation from the LTF for any transit-related purposes must file an annual claim with MTC.

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 City auditors. 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. AB1107 one-half cent sales tax is based on MTC estimates of sales tax growth generations. 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 2018 Operating Budget includes TDA, STA, AB1107 and RM2 funds. The exact amounts available to the SFMTA for FY 2018 will not be known until after the State budget is approved. Only the RM2 funding is restricted to funding a specific activity; it has been designated by MTC to support late night OWL operating service.

STAKEHOLDER ENGAGEMENT

On January 26, 2016, February 16, 2016 and March 15, 2016, the SFMTA Board of Directors reviewed, and on April 5, 2016, approved the operating budget for FY 2017 and FY 2018 that 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 2018. If these funds are not available, alternative funding sources will need to be identified to support the FY 2018 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 2018. The exact amounts available are subject to approval of the State budget:

	FY 2018 MTC Allocation
TDA funding	\$41,653,051
State Transit Assistance – Revenue-Based	To be Determined
State Transit Assistance – Population-Based	\$31,932,754
AB 1107	\$37,740,000
RM2 Operating Assistance & OWL Service Funding	\$2,754,000
Total Request	To be Determined

ENVIRONMENTAL REVIEW

The proposed action to execute and file a claim with the Metropolitan Transportation Commission (MTC) for the allocation of operating assistance is subject to the California Environmental Quality Act (CEQA). CEQA provides a categorical exemption from environmental review for the operation, repair, maintenance, or minor alteration of existing public facilities as defined in Title 14 of the California Code of Regulations Section 15301. Section 21080(b)(10) of the Public Resources Code provides an exemption for the institution or increase of passenger or commuter services on highway and street rights-of-way already in use.

On March 23, 2017, the San Francisco Planning Department concurred with the SFMTA’s determination that this proposed action is categorically exempt from CEQA as defined in Title 14 of the California Code of Regulations Section 15301 and Section 21080(b)(10) of the Public Resources Code (Case Number 2017-003587ENV).

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The SFMTA's determination is on file with the Secretary to the SFMTA Board of Directors. This proposed action is the Approval Action as defined by S.F. Administrative Code Chapter 31.

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 2018 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

WHEREAS, The STA fund 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 2018 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 the three BART counties (Alameda, Contra Costa, and San Francisco) for allocation by MTC to eligible applicants; and

WHEREAS, Pursuant to the provisions of Public Utilities Code Section 29142.2, eligible applicants for AB1107 funds include 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 and Government Code Section 66517.5; and

WHEREAS, The SFMTA is an eligible applicant for TDA, STA, AB 1107, and RM2 funds, as attested by the Opinion of Counsel submitted with this resolution; and

WHEREAS, On March 23, 2017, the Planning Department has concurred with the SFMTA's determination that this matter is categorically exempt pursuant to CEQA as defined in

Title 14 of the California Code of Regulations Section 15301 Class 1: Operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public facilities; and Public Resources Code Section 21080(b)(10) (institution of increase of passenger or commuter services on highway and street rights-of-way already in use) (Planning Case Number 2017-003587ENV); such determination is on file with the Secretary to the SFMTA Board of Directors and

WHEREAS, The proposed action is the Approval Action as defined by S.F. Administrative Code Chapter 31; 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, AB1107 One-Half Cent Sales Tax, and Regional Measure 2 funds for Fiscal Year 2016 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 April 18, 2017.

Secretary to the Board of Directors
San Francisco Municipal Transportation