

THIS PRINT COVERS CALENDAR ITEM NO.: 10.6

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance & Information Technology

BRIEF DESCRIPTION:

Adopting a resolution of local support for the programming of State Transportation Improvement Program funds in the amount of \$53,521,000 for the New Flyer midlife overhaul project; 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 \$53,521,000 of STIP funds will be programmed to Phase II (\$7,952,000) and Phase III (\$45,569,000) of the New Flyer midlife overhaul project that will ensure the state of good repair for these vehicles and improved reliability across the surface transit system.
- Pending California Transportation Commission (CTC) approval, the STIP funds will be allocated in Fiscal Year 2024/25 for Phase II and FY 2026/27 for Phase III of the project.
- To receive these funds, MTC requires a Resolution of Local Support providing assurances that the SFMTA will comply with MTC implementation policies.
- Upon MTC acceptance of the Resolution, the SFMTA will add the New Flyer midlife overhaul project to the MTC's federal Transportation Improvement Program, which is a list of the planned schedule and funding sources for transportation projects in the region for the next four years. Concurrently, the MTC will submit the project to the CTC for inclusion in the 2024 STIP, which is a state Transportation funding program.
- The adoption of this resolution does not constitute the approval of any specific project that may be funded by the grant program. Rather, projects would be subject to CEQA review, as determined according to their scopes.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DIRECTOR  _____

SECRETARY  _____

DATE

November 15, 2023

November 15, 2023

ASSIGNED SFMTAB CALENDAR DATE: November 21, 2023

PURPOSE

Adopting a resolution of local support for the programming of State Transportation Improvement Program funds in the amount of \$53,521,000 for the New Flyer midlife overhaul project; and providing assurances to comply with Metropolitan Transportation Commission policies.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This action supports several SFMTA Strategic Plan Goals:

- 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 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.
6. Bicycling shall be promoted by encouraging safe streets for riding, convenient access to transit, bicycle lanes, and secure bicycle parking.
9. The ability of the City and County to reduce traffic congestion depends on the adequacy of regional public transportation. The City and County shall promote the use of regional mass transit and the continued development of an integrated, reliable, regional public transportation system.
10. The City and County shall encourage innovative solutions to meet public transportation needs wherever possible and where the provision of such service will not adversely affect the service provided by the Municipal Railway.

DESCRIPTION

Project:

The Midlife Overhauls project performs scheduled mid-life overhauls in accordance with manufacturer recommendations on the New Flyer fleet. The design phase launched for the entire 814 coach program in 2018, and the final overhaul is anticipated to be completed in 2029. The New Flyer fleet consists of 40' and 60' motor coaches and 40' and 60' trolley coaches. Maintenance data shows that rehabilitation of the fleet significantly improves vehicle reliability, reduces incidents of breakdowns, and prevents service interruptions and additional costly repairs. Phase II of the overhaul program will include substantial work to 152 40' motor coaches and 113 60' motor coaches and replace the Interact System B (ISB) engines in-house for 40' motor coaches that are due for replacement before entering the mid-life program. Phase III of the overhaul program will include substantial work to 185 40' trolley coaches and 33 60' trolley coaches. For both phases, using Midlife Overhaul Phase I lessons learned, the scope of the work

will remain like-to-like replacement and will not upgrade vehicles to the latest vehicle configuration.

STIP Programming Authority

The State of California has multiple transportation funding programs, including its biennial 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 CTC is anticipated to approve San Francisco’s proposed STIP programming for the Midlife Overhauls at its meeting scheduled for March 22, 2024.

Proposed 2024 STIP Funding for SFMTA Projects

SFCTA is requesting \$53,521,000 in STIP funds for the Midlife Overhaul project. This amount is the outcome of rounds of discussions between SFCTA, MTC, and SFMTA staff since the summer of 2023. Of this funding, \$7,952,000 was previously programmed to Midlife Overhauls in the 2020 STIP. The remaining \$45,569,000 is new STIP funding for the project.

Table 1: STIP Programming for Midlife Overhauls

Project Title	Request Amount	Recommended Award	Percent Funded	Difference
Midlife Overhauls – Phase II	\$7,952,000	\$7,952,000	100%	\$0
Midlife Overhauls – Phase III	\$45,569,000	\$45,569,000	100%	\$0
Total	\$53,521,000	\$53,521,000	100%	\$0

Notes on Funding & Project Costs:

The first \$7,952,000 is for Phase II coaches and is targeted for allocation in FY 2025. Funds will be spent on the overhauls of an estimated 17 hybrid coaches. The overall Phase II cost is \$135,800,000 for 265 coaches.

The second \$45,569,000 is for Phase III coaches and is targeted for allocation in FY 2027. Funds will be spent on the overhauls of an estimated 100 trolley coaches. The overall Phase III cost is \$146,600,000 for 218 coaches.

Resolution:

MTC requires that the SFMTA Board of Directors approve a resolution providing local support for the Midlife Overhauls, 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;

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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 Midlife Overhauls, 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;
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 STIP funding is acceptable to the two agencies. Additionally, on October 23, 2023, SFMTA staff presented the Midlife Overhauls project to the San Francisco Bicycle Advisory Committee (BAC). The BAC was tasked to evaluate the consistency of the Midlife Overhauls with MTC's Complete Streets checklist.

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 projects and programs to fund the proposed projects. The SFMTA's fleet program is the SFMTA's largest capital program and all reasonable funding options, including STIP, need to be made use of when available.

FUNDING IMPACT

This action is the first in a series of policy-level approvals that will ultimately award \$53,521,000 to Phases II and III of the Midlife Overhauls. The Midlife Overhauls are a core component of the agency's state of good repair projects and follows on the heels of the Phase I program. Without these funds, alternative funds will need to be diverted from operating or capital programs, or the work will be postponed until alternative funding is identified.

ENVIRONMENTAL REVIEW

On November 2, 2023, the SFMTA, under authority delegated by the Planning Department, determined that the proposed resolution to program State Transportation Improvement Program funds for the New Flyer Midlife Overhaul Project 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

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Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The SFCTA incorporated the Midlife Overhauls into its STIP project list at its October 25, 2023 meeting. All nine Bay Area counties' STIP projects lists are scheduled to be approved by the MTC at its December 20, 2023 meeting. The MTC will then submit the Bay Area's STIP listings to the CTC. The CTC is scheduled to adopt the statewide STIP at its March 22, 2024 meeting.

The City Attorney has reviewed this report.

RECOMMENDATION

Staff recommends that the SFMTA Board adopt a resolution of local support for the programming of State Transportation Improvement Program funds in the amount of \$53,521,000 for the New Flyer midlife overhauls project; and provide assurances that the SFMTA will comply with Metropolitan Transportation Commission 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 apply 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 apply to the MTC for \$53,521,000 in STIP funding, which will include STP federal and other funds, for the Midlife Overhauls project; and

WHEREAS, On November 2, 2023, the SFMTA, under authority delegated by the Planning Department, determined that the proposed resolution to program State Transportation Improvement Program funds for the New Fyler Midlife Overhaul Project not a "project" under the California Environmental Quality Act (CEQA) pursuant 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 \$53,521,000 for the Midlife Overhauls; 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 November 21, 2023.

Secretary, Board of Directors
San Francisco Municipal Transportation Agency