

THIS PRINT COVERS CALENDAR ITEM NO. : 10.4

**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 \$13,752,000 for two Restoration of Light Rail Lines projects in Fiscal Years 2020 and 2021; and providing assurances to comply with Metropolitan Transportation Commission policies.

SUMMARY:

- To receive State Transportation Improvement Funds (STIP) funds, the Metropolitan Transportation Commission (MTC) requires that the grantee adopt a resolution of local support for the projects to be funded with the STIP funds, and provide assurances that the SFMTA will comply with MTC's implementation policies.
- The \$13,752,000 of STIP funds will be programmed to two Restoration of Light Rail Lines projects in future years to replace and restore components of SFMTA's light rail system, including rail, overhead catenary systems, and special trackwork for the Muni Metro.
- Funds will be allocated to those projects that will be identified in the Capital Improvement Plan as follows:
 - \$5,500,000 in Fiscal Year 2020
 - \$8,252,000 in Fiscal Year 2021

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DATE

DIRECTOR



1/25/2018

SECRETARY



1/25/2018

ASSIGNED SFMTAB CALENDAR DATE: February 6, 2018

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 \$13,752,000 for two Restoration of Light Rail Lines projects in Fiscal Years 2020 and 2021; 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 2: Make transit, walking, bicycling, taxi, ridesharing & carsharing 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.

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

On April 19, 2011, the SFMTA Board adopted a \$1,578,300,000 funding plan for the Central Subway Project (CSP). The funding plan includes various sources needed to support the Project, including \$88,000,000 from the State Transportation Improvement Program (STIP).

The San Francisco County Transportation Authority (SFCTA) is responsible for programming San Francisco's share of STIP funds. 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.

Because funds from the STIP will not be available until after the project is complete and open to the public, Central Subway is no longer eligible to receive STIP funds. Understanding this, SFMTA staff and SFCTA have agreed to a funding exchange whereby SFCTA will add \$13,752,000 of less restrictive Prop K funds to Central Subway as an offset to SFCTA's \$88,000,000 STIP commitment to the project. A like amount of STIP funds will be programmed to two Restoration of Light Rail Lines projects in future years; this is the action that the Board is being asked to take.

To date, the SFMTA has received \$12,498,000 of STIP funds for Central Subway. With the exchange in place, the infusion of new Prop K funds into Central Subway will reduce the SFCTA STIP commitment to Central Subway by an additional \$13,752,000, leaving \$61,750,000 of the prior commitment to be fulfilled. SFMTA and SFCTA staff continue to explore ways to meet the remaining \$61,750,000 to the project. Allocation of Prop K funds to Central Subway would be conditioned on CTC approval of San Francisco's proposed STIP programming for the Restoration of Light Rail Lines projects, anticipated in March 2018.

The \$13,752,000 of STIP funds will be programmed to two Restoration of Light Rail Lines projects in future years to replace and restore components of SFMTA's light rail system, including rail, overhead catenary systems, and special trackwork for the Muni Metro. Funds will be allocated to those projects as follows:

- \$5,500,000 in Fiscal Year 2020
- \$8,252,000 in Fiscal Year 2021

The California Transportation Commission will have to approve San Francisco's proposed STIP programming for the Restoration of Light Rail Lines projects, which approval is anticipated in March 2018. With the exchange in place, SFMTA and SFCTA staff will continue to explore ways to meet the remaining commitment of \$61,750,000 for the CSP.

MTC requires that the SFMTA Board of Directors approves a Resolution providing local support for the Restoration of Light Rail Lines projects, 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 Restoration of Light Rail Lines Projects, as described in the application submitted for the funds and in this resolution, subject to environmental clearance, and if approved, for the amount programmed in the State Transportation Improvement Program (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, 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 State law requires the project to be included in a local congestion agency management plan, 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

There are no net impacts of the proposed fund exchange; \$13,752,000 of STIP funds would be directed to projects otherwise eligible for Prop K funds, and a like amount of Prop K funds, will be directed in the near-term to Central Subway upon CTC's approval of the 2018 STIP next March.

ENVIRONMENTAL REVIEW

On December 14, 2017, the SFMTA, under authority delegated by the Planning Department, determined that the Resolution of Support for STIP Programming for Restoration of Light Rail Lines is not defined as 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 programmed 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.

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OTHER APPROVALS RECEIVED OR STILL REQUIRED

MTC is scheduled to approve the Bay Area STIP submittal on December 20, 2017 and then will submit it to the CTC. The CTC is scheduled to adopt the STIP at its March 22, 2018 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 \$13,752,000 for two Restoration of Light Rail Lines projects in Fiscal Years 2020 and 2021 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), authorize 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 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 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 has submitted two applications to the MTC for a total of \$13,752,000 in STIP funding, which will include STP federal and other funds, for two Restoration of Light Rail Lines projects (Projects) to be determined in the future; and

WHEREAS, On December 14, 2017, the SFMTA, under authority delegated by the Planning Department, determined that the Resolution of Support for STIP Programming for Restoration of Light Rail Lines is not defined as 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 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) State law requires the Projects be included in a local congestion agency management plan, 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 local support for the programming of State Transportation Improvement Program funds in the amount of \$13,752,000 for two Restoration of Light Rail Lines projects in Fiscal Years 2020 and 2021; and be it further

RESOLVED, That the SFMTA Board of Directors, by adopting this Resolution, does state 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 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 CEQA, the SFMTA agrees to complete the Projects as described in the application, 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) State law requires the Projects to be included in a local congestion agency management plan, 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 February 6, 2018.

Secretary, Board of Directors
San Francisco Municipal Transportation Agency