



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

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March 22, 2016

**TO: Claimants for Transportation Development Act (TDA) Articles 4, 4.5 and 8;  
State Transit Assistance (STA); and Assembly Bill (AB) 1107 Funds for FY  
2016-17**

This letter transmits information regarding the submittal of applications to MTC for the allocation of funds referenced above for FY 2016-17.

**Transit Claim Forms and Instructions Online**

All information necessary to submit an application for TDA, STA, and AB 1107 Funds can be found on MTC's website at: <http://mtc.ca.gov/our-work/invest-protect/investment-strategies-commitments/transit-21st-century/transit-operating-0>.

Please submit one original, signed copy of your claim application plus an emailed electronic version of the completed Excel workbook. Fully electronic submissions of the claim are encouraged. April 1st is the earliest MTC may receive a claim requesting funding for the upcoming fiscal year. June is the earliest that funds will be allocated for FY 2016-17.

**Fund Estimate Caution**

Please note that the apportionments shown in the FY 2016-17 Annual Fund Estimate do not reflect allocations made after January 31, 2016. Any allocations made by MTC subsequent to January 31, 2016 will reduce the amount shown in the Fund Estimate as available for allocation in FY 2016-17. Furthermore, MTC staff will return to the Commission in July 2016 with a recommendation to revise the FY 2016-17 Fund Estimate to reflect actual FY 2015-16 TDA end-of-year (June 30th) revenues. This action could result in negative end-of-year balances in FY 2015-16 for some apportionment areas. Allocations in excess of actual generations will be rescinded.

**State Transit Assistance Funding Uncertainty**

The FY 2016-17 Fund Estimate as adopted by the MTC Commission on February 24, 2016 does not include operator apportionments for STA Revenue-based funds for FY 2016-17. This omission is due to recent unexpected changes to the STA distribution methodology implemented by the State Controller's Office (SCO) in January 2016. MTC staff is working with staff from the SCO and the California Transit Association to develop a strategy for the distribution of STA Revenue-based funds in FY 2016-17 and future fiscal years.

Staff anticipate seeking MTC Commission approval for revised FY 2015-16 and initial FY 2016-17 STA Revenue-based operator apportionments in April 2016.

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STA funds are disbursed by the State quarterly. However, based on disbursement of STA funds in the past, staff does not expect to receive fourth quarter funds for FY 2015-16 until August 2016. At that time, STA allocations in excess of actual generations will be rescinded.

### **Resolution 3866**

Please note that the Standard Assurances for transit claimants reflect the requirements of MTC Resolution No. 3866, MTC's Transit Coordination Implementation Plan. Resolution 3866 requires all claimants for State Transit Assistance, Transportation Development Act, Regional Measure 2, Congestion Mitigation and Air Quality, Surface Transportation Program and Transit Capital Priorities funds to make a reasonable effort to implement the Transit Coordination Implementation Plan.

If MTC determines that an operator has not met Transit Coordination Implementation Plan requirements, MTC may, at its discretion, withhold, restrict or re-program funds and allocations to such operator to the extent allowed by statute, rule, regulation, or MTC policy.

### **Productivity Improvement Program (PIP) Projects**

Beginning with claims for FY2014-15, the PIP process was brought into alignment with the Transit Sustainability Project (TSP). Large operators are asked to submit the following items by July 31, 2016:

1. An update to the TSP Strategic Plan identifying progress and any new strategies implemented to achieve the TSP targets.
2. A copy of your agency's FY2014-15 NTD submittal.

As a reminder, the goal for large operators is to reduce at least one TSP performance metric (Cost per Revenue Hour, Cost per Passenger or Cost per Passenger Mile) by 5% by the end of FY2016-17. Beginning in FY2018-19, MTC may link operating and capital funds administered by MTC to progress towards achieving the performance targets. Please submit this information to Melanie Choy by email at [mchoy@mtc.ca.gov](mailto:mchoy@mtc.ca.gov). Large operators should contact Melanie Choy with any questions by email or phone, 510-817-5607.

Small operators should submit PIP projects based on the recommendation from the TSP adopted by MTC Resolution No. 4060 which can be viewed at <http://mtc.ca.gov/our-work/invest-protect/investment-strategies-commitments/transit-21st-century/transit>. Operators may also draw from their own planning efforts. Small operators are asked to have at least one active project. Two projects are required if one of the projects is Clipper® implementation or Asset Management. The Claim workbook contains a tab for reporting on existing or completed projects and a tab for submitting new projects. The current PIP Program can be seen at <http://mtc.ca.gov/our-work/invest-protect/investment-strategies-commitments/transit-21st-century/transit-operating-0/>.

### **Lead Time for Transit Allocations**

Please submit applications on the first of the month prior to the month in which you request MTC action on your application (e.g. May 1 submission for action in June). The Programming and Allocations Committee and the Commission do not meet in August.

Claimants for FY 2016-17 TDA Article 4, 4.5 and 8,  
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### **Allocation Instructions**

Subsequent to the approval of an allocation, the MTC Finance Section prepares an "Allocation Instruction" specifying the purpose and amount of the allocation, its expiration date, and any conditions MTC imposed on the use of the funds. A single claim application may result in multiple Allocation Instructions (e.g., transit capital, transit operating, paratransit operating). The allocation instructions are sent to the County Auditor of your county (TDA funds) and the Alameda County Auditor (STA funds), with a copy of each Allocation Instruction sent to the claimant. Each Allocation Instruction has an allocation number, and it is important to refer to the allocation number when making an inquiry to MTC regarding an allocation.

### **Audit and State Controller's Report Submittals**

Per TDA law, claimants are required to submit fiscal audits and State Controller's Reports to MTC. We request that these documents be submitted both electronically to Seema Prasad at [sprasad@mtc.ca.gov](mailto:sprasad@mtc.ca.gov) and in hardy copy. If these reports have already been submitted for the FY 2014-15 fiscal year, there is no need to resubmit them with your FY 2016-17 claim. Please submit audits to:

#### **Current Address (until late spring 2016)**

Metropolitan Transportation Commission  
TDA Audits, Finance Section  
101 Eighth Street  
Oakland, CA 94697-4700

#### **New Address (starting in late spring 2016)**

Metropolitan Transportation Commission  
TDA Audits, Finance Section  
Bay Area Metro Center  
375 Beale Street, Suite 800  
San Francisco, CA 94105

Please note that during the spring of 2016 MTC will be moving to San Francisco. While the date of the move has yet to be finalized, please check the MTC website to verify our location before submitting correspondence. Email addresses will remain the same.

We are open to your suggestions on improving the TDA application process. Please contact the TDA Program Manager, Cheryl Chi, at 510-817-5939 or [cchi@mtc.ca.gov](mailto:cchi@mtc.ca.gov) with any comments or questions. After the move to San Francisco, Cheryl Chi can be reached at 415-778-5339 and Melanie Choy's number will be 415-778-6607.

Sincerely,



Anne Richman  
Director, Programming and Allocations Section

AR:CC:WB