

Metropolitan Transportation Commission Programming and Allocations Committee

July 8, 2020

Agenda Item 3a - 20-0903

MTC Resolution Nos. 4402, Revised, 4430, Revised, 4431, Revised and 4434

Subject: Revises the FY 2020-21 Fund Estimate and allocates \$30.3 million in FY 2020-21 Transportation Development Act (TDA) funds and State Transit Assistance (STA) funds, to several transit operators to support transit operations and capital projects in the region, and approves the FY 2020-21 State of Good Repair Program project list.

Background: **1) Fund Estimate Revision**
Reconcile Actual FY 2019-20 TDA and AB 1107 Revenue: Overall, actual Bay Area TDA and AB 1107 sales tax receipts for FY 2019-20 are -6.4% lower and -2.2% lower, respectively, than originally estimated by county auditors and MTC in February 2019. This results in roughly \$28 million less in TDA funding for Bay Area transit operators for FY 2019-20 than was originally anticipated. For AB 1107, actual revenue is \$2.0 million below what was originally expected to be made available to AC Transit and SFMTA based on the fifty-fifty split in AB 1107 revenues between the two operators. Attachment A provides details on actual TDA revenues by county. Staff will also provide an attachment by the date of the Programming and Allocations Committee meeting to provide information on required rescissions to FY 2019-20 allocations resulting from the lower revenue.

The full extent of the impacts of the COVID-19 pandemic on sales tax revenue remains uncertain but is likely to be significant over the coming year. As a result, MTC has advised transit operators to reduce their FY 2020-21 TDA sales tax claims by -25% and by -40% for State Transit Assistance, based on state budget estimates. Staff will provide a more detailed update on the transit revenue outlook at the next Fund Estimate revision this fall.

2) State of Good Repair Program – FY 2020-21 Regional Project List
Caltrans' State of Good Repair (SGR) Program guidelines require regional agencies like MTC to approve SGR Program Revenue-Based projects from transit operators, in addition to the population-based funds, and submit a single region-wide list of projects to Caltrans by September 1st of each year. MTC has worked with the Bay Area's transit operators to compile a single, regional list of SGR Program projects for FY 2020-21, as shown in Attachment A to MTC Resolution 4434.

Approximately \$30 million is expected in revenue-based funds, along with \$11 million in population-based funds. Most operators are using their revenue-based funds for state of good repair projects at facilities and stations, or to provide local match, and in a few cases for rehabilitation of vehicles or to contribute to new vehicles costs. For the population-based funds, MTC is programming all \$11 million to the next generation Clipper® system, in accordance with the policy established in MTC Resolution No. 4321.

3) Allocations

This month's proposed actions continue the annual allocation process of these funds for FY 2020-21. The five operators requesting TDA and STA allocations this month that exceed the \$1 million delegated authority limit are identified in the table below. Allocation requests that are less than \$1 million are approved separately through the Executive Director's Delegated Authority process. These funds comprise a significant share of the revenue for agencies' operating budgets.

The ongoing COVID-19 pandemic and the associated Shelter in Place (SIP) order are expected to have a continuing negative impact on revenue levels for transit operating funds in FY 2020-21. Allocations have been adjusted, as necessary, to stay within the estimated revenue. Small operators generally do not claim all available TDA which serves as an operating and capital reserve for these agencies.

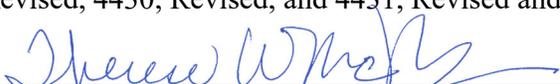
Transit Operator/ Claimant	TDA Resolution No. 4430 In Millions \$	STA Resolution No. 4431 In Millions \$	Total In Millions \$
LAVTA	\$12.2	\$0	\$12.2
NVTA	\$4.3	\$0	\$4.3
SolTrans	\$3.8	\$1.4	\$5.2
Sonoma County Transit	\$7.3	\$0	\$7.3
Vacaville	\$1.3	\$0	\$1.3
Total	\$28.9	\$1.4	\$30.3

Information regarding the status of operations and budgets for the above claimants is provided in Attachment B. In general, operators have begun to adjust their revenue and budget assumptions for this fiscal year. However, revenue assumptions, ridership forecasts, and service levels will continue to be evaluated. CARES Act funding programmed for transit operations and regional programs will help to mitigate some of these impacts, but significant unknowns exist.

Issues: None

Recommendation: Refer MTC Resolution Nos. 4402, Revised, 4430, Revised, and 4431, Revised, and 4434 to the Commission for approval.

Attachments: Attachment A: TDA and AB 1107 Revenues
 Attachment B: Transit Operator Budget Summary
 Attachment C: FY 2019-20 Rescissions – To be provided by PAC meeting
 MTC Resolution Nos. 4402, Revised, 4430, Revised, and 4431, Revised and 4434


 Therese W. McMillan

Attachment A: TDA and AB 1107 Revenues (\$ millions)

County	A	B	C	D	FY 2019-20 Revenue Adjustment (D - B) - \$	FY 2019-20 Revenue Adjustment (D - B) - %	FY 2019-20 Actual vs FY 2018-19 Actual (D - A) - %
	FY 2018-19	FY 2019-20	FY 2019-20	FY 2019-20			
	Actual Revenue	Feb. 2019 Original Estimate	Feb. 2020 Revised Estimate	Actual Revenue			
Alameda	\$90.42	\$93.65	\$91.18	\$83.90	(\$9.75)	-10.4%	-7.2%
Contra Costa	\$45.41	\$49.79	\$44.80	\$44.15	(\$5.65)	-11.3%	-2.8%
Marin	\$14.04	\$14.70	\$13.75	\$13.18	(\$1.51)	-10.3%	-6.1%
Napa	\$9.51	\$8.94	\$9.85	\$8.80	(\$0.14)	-1.6%	-7.4%
San Francisco	\$52.84	\$49.26	\$52.96	\$48.74	(\$0.52)	-1.1%	-7.8%
San Mateo	\$45.67	\$47.78	\$46.47	\$43.88	(\$3.90)	-8.2%	-3.9%
Santa Clara	\$118.21	\$117.64	\$119.75	\$115.08	(\$2.55)	-2.2%	-2.6%
Solano	\$20.45	\$21.24	\$22.25	\$19.97	(\$1.27)	-6.0%	-2.3%
Sonoma	\$25.77	\$26.80	\$25.50	\$24.47	(\$2.33)	-8.7%	-5.0%
Total TDA	\$422.31	\$429.79	\$426.51	\$402.17	(\$27.62)	-6.4%	-4.8%
Total AB 1107	\$93.55	\$91.00	\$91.00	\$88.96	(\$2.04)	-2.2%	-4.9%

Date: February 26, 2020
W.I.: 1511
Referred by: PAC
Revised: 07/22/20-C

ABSTRACT

MTC Resolution No. 4402, Revised

This resolution approves the FY 2020-21 Fund Estimate, including the distribution and apportionment of Transportation Development Act (TDA), State Transit Assistance (STA), State of Good Repair (SGR) Program, Assembly Bill (AB) 1107 sales tax, Low Carbon Transit Operations (LCTOP) cap-and-trade auction revenues, and transit-related bridge toll funds.

This resolution was revised on July 22, 2020 to reflect actual receipts for TDA and AB 1107 funds in FY 2019-20, and the rescission actions that were necessary to match FY 2019-20 allocations to the actual revenue collected.

Further discussion of this action is contained in the MTC Programming and Allocations Summary Sheets dated February 12, 2020 and July 8, 2020.

Date: February 26, 2020
W.I.: 1511
Referred by: PAC

RE: Determination of Transportation Development Act (TDA) Area Apportionments and Proposed Distribution of Operating Funds for FY 2020-21

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4402

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, the Transportation Development Act (TDA), Public Utilities Code (PUC) Sections 99200 *et seq.*, provides that funds are made available from the Local Transportation Fund (LTF) for various transportation purposes; and

WHEREAS, pursuant to 21 California Code of Regulations Section 6620, the County Auditor for each of the nine counties in the Bay Area has submitted the revised and new TDA fund estimates for FY 2019-20 and FY 2020-21 as shown in Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length; and

WHEREAS, MTC is required to determine and advise all prospective claimants, prior to March 1 each year, of all area apportionments from the LTF for the following fiscal year pursuant to 21 California Code of Regulations Section 6644; and

WHEREAS, all area apportionments of TDA funds for the 2020-21 fiscal year are shown in Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length; and

WHEREAS, MTC has prepared a proposed distribution of operating/capital assistance funds, including TDA, State Transit Assistance (STA) pursuant to Public Utilities Code § 99310 *et seq.*, State of Good Repair (SGR) Program pursuant to Public Utilities Code § 99312.1, Low Carbon Transit Operations Program (LCTOP) pursuant to Health and Safety Code § 39719(b)(1)(B), the twenty-five percent (25%) of the one-half cent transaction and use tax collected pursuant to PUC Section 29142.2 (AB 1107), and estimates of certain toll bridge revenues (SHC §§ 30910 *et seq.*), in order to provide financial information to all prospective claimants to assist them in developing budgets in a timely manner; and

WHEREAS, the proposed distribution of such operating assistance funds is also shown in Attachment A; now, therefore, be it

RESOLVED, that MTC approves the area apportionments of TDA funds, and the proposed distribution of operating assistance funds for the 2020-21 fiscal year as shown in Attachment A, subject to the conditions noted therein; and, be it further

RESOLVED, that MTC intends to allocate operating assistance funds for the 2020-21 fiscal year, based on the area apportionments of TDA funds, the proposed distribution of operating assistance funds and upon the receipt of appropriate claims from eligible claimants; and, be it further

RESOLVED, that Attachment A may be revised by the MTC Executive Director or his designee to reflect funds returned to the Local Transportation Fund and expired capital allocations or by approval of the MTC Programming and Allocations Committee, except that any significant changes shall be submitted to the full Commission for approval.

METROPOLITAN TRANSPORTATION COMMISSION



Scott Haggerty, Chair

The above resolution was approved by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, on February 26, 2020.