



April 6, 2022

RE: Claimants for Transportation Development Act (TDA) sales tax; State Transit Assistance (STA); and Assembly Bill (AB) 1107 Funds for FY 2022-23

This letter transmits information regarding the submittal of applications to MTC for the allocation of funds referenced above for FY 2022-23.

Transit Claim Forms and Instructions Online

All information necessary to submit an application for TDA sales tax, STA, and AB 1107 Funds can be found on MTC's website at: <http://mtc.ca.gov/tda>.

Please submit one signed copy of your claim application plus an electronic version of the completed Excel workbook. Due to ongoing shelter-in-place orders, please submit the completed and signed claim and Excel workbook by email. Please submit a claim for FY 2022-23 by May 1, 2022 in order to receive an allocation in June, the earliest that funds will be allocated for FY 2022-23. After that, MTC has a rolling monthly deadline. The latest that a claim may be submitted is March 15, 2023.

Fund Estimate Caution

Please note that the apportionments shown in the FY 2022-23 Annual Fund Estimate do not reflect allocations approved after January 31, 2022. Any allocations made by MTC subsequent to January 31, 2022 will need to be deducted from the amount shown in the Fund Estimate as available for allocation in FY 2022-23. Furthermore, MTC staff will return to the Commission in July 2022 to revise the FY 2022-23 Fund Estimate to reflect actual FY 2021-22 TDA sales tax end-of-year (June 30th) revenues. This action will adjust the carryover available and consequently TDA sales tax available for FY 2022-23. Allocations in excess of actual generations will be rescinded.

State Transit Assistance (STA)

Population-based Program: The policy to apportion STA population-based funds is outlined in [MTC Resolution No. 4321](#), which can be found on the website identified above.

MTC Resolution No. 4321 was amended in February 2022 to suspend the County Block Grant program for FY 2022-23 as part of the implementation of a funding swap with American Rescue Plan (ARP) funds. The 70% of FY 2022-23 STA Population-Based funds that would normally be distributed through the County Block Grant program will instead be programmed directly to operators. As previously discussed with claimants, apportionments will be used to satisfy ARP-exchange obligations first, with any remaining balance available to claim by operators as shown in the FY 2022-23 Fund Estimate.

Further discussion and additional details are available in the February 9, 2022 MTC

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Programming & Allocations Committee materials associated with the update to MTC Resolution 4321, Revised and adoption of MTC Resolution 4504, FY 2022-23 Fund Estimate, and can be found here: <https://mtc.ca.gov/funding/regional-funding/tda-sta/fund-estimate>.

State of Good Repair (SGR) Program: MTC is required to approve SGR Program Revenue-Based (PUC 99314) project lists from transit operators and submit a single region-wide list of projects to Caltrans by September 1st of each year. Transit operators need to submit a project list to MTC by May 15, 2022 that includes the following information: name of project, brief description, and anticipated FY 2022-23 SGR Program Revenue-Based expenditure amounts for each project. These project lists should be submitted to Terence Lee (tplee@bayareametro.gov; 415.778.5333). In addition, all SGR Program projects for FY 2022-23 need to be submitted by transit operators through Caltrans' CalSMART online system before September 1, 2022.

In order to meet Caltrans' September 1st deadline, MTC has established the following schedule:

Date	Action
May 15, 2022	Transit operators submit to MTC project lists for their anticipated FY 2022-23 SGR Program Revenue-Based (PUC 99314)
July 1, 2022	Deadline for transit operators to secure board approval of their project lists from their own governing board
July 27, 2022	MTC Commission approves Bay Area SGR Program Project List for FY 2022-23
September 1, 2022	Deadline for transit operators to submit their anticipated FY 2022-23 SGR Program Revenue-Based (PUC 99314) project lists through the CalSMART online portal.
September 1, 2022	Deadline for MTC to submit a Commission-approved resolution containing the Bay Area's FY 2022-23 SGR Program Project List to Caltrans

Upon approval of the SGR Program of projects by Caltrans, MTC will allocate funds for the approved projects.

Productivity Improvement Program (PIP) and Transit Sustainability Project (TSP)

The requirement for MTC to adopt a PIP is suspended for FY2020-21 through FY 2022-23 through [AB 149](#) approved in July 2021. Therefore, operators do not need to submit projects for the PIP for FY 2022-23. In anticipation of the resumption of the PIP requirement in FY 2023-24, operators are encouraged to continue to make progress on any recommendations from their TDA performance audit as these projects are required to be included in the PIP by [PUC Section 99244](#).

TSP Performance Metrics: Concurrent with the PIP reporting, MTC collects and uses NTD data to inform the TSP performance metrics. Starting this year, MTC will use the final audited data from NTD and operators will not need to submit this data to MTC. MTC understands that the pandemic and shelter-in-place affect the ability of operators to meet these performance metrics. MTC will not be requiring operators to meet these performance metrics in FY 2022-23, however, we will continue to collect this data and monitor the TSP metrics. Large operators

may, but are not required to, update their TSP Strategic Plans. MTC anticipates revisiting the TSP performance metrics for all operators after the 2022 Short Range Transit Plan updates are completed.

- Additional information regarding the large operator TSP metric requirements are contained in [MTC Resolution No. 4060](http://mtc.ca.gov/our-work/invest-protect/investment-strategies-commitments/transit-21st-century/transit) (<http://mtc.ca.gov/our-work/invest-protect/investment-strategies-commitments/transit-21st-century/transit>).
- Additional information regarding small operator TSP metric requirements are contained in [MTC Resolution No. 4321](https://mtc.ca.gov/digital-library/5022711-resolution-no-4321-revised) (<https://mtc.ca.gov/digital-library/5022711-resolution-no-4321-revised>). In summary, small and medium sized operators are required to maintain operating costs (cost per service hour, cost per passenger, or cost per passenger mile) at least twenty (20) percent below the annual average operating cost of the seven operators included in the TSP and annual year-over-year increases in operating costs shall be no greater than five percent per year.

Lead Time for Transit Allocations

Please submit applications by the first of the month prior to the month in which you request MTC action on your application (e.g. submit request by May 1 for action in June). Please note that the Programming and Allocations Committee and the Commission do not meet in August. The latest that a claim may be submitted is March 15, 2023.

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. Operating funds are then disbursed based on actual fund balances in each apportionment.

Audit and State Controller’s Report Submittals

Per TDA law, claimants are required to submit fiscal audits and State Controller Reports to MTC. We request that these documents be submitted both electronically to TDA@bayareametro.gov and in hard copy to the address below. If these reports have already been submitted for FY 2020-21, there is no need to resubmit them with your FY 2022-23 claim. Fiscal audits for FY 2020-21 were due by December 31, 2021. Please submit audits to:

Metropolitan Transportation Commission
Attn: TDA Audit
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

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We are open to your suggestions to improve the TDA application process. Please contact the TDA Program Manager, Cheryl Chi, at 415-778-5339 or cchi@bayareametro.gov with any comments or questions.

Sincerely,

A handwritten signature in blue ink that reads "Theresa Romell". The signature is fluid and cursive.

Director

Funding Policy and Programs

TR:cc

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