



METROPOLITAN
TRANSPORTATION
COMMISSION

Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
415.778.6700
www.mtc.ca.gov

April 5, 2023

Alfredo Pedroza, Chair
Napa County and Cities

Nick Josefowitz, Vice Chair
San Francisco Mayor's Appointee

Margaret Abe-Koga
Cities of Santa Clara County

Eddie Abn
San Francisco Bay Conservation
and Development Commission

David Canepa
San Mateo County

Cindy Chavez
Santa Clara County

Carol Dutra-Vernaci
Cities of Alameda County

Dina El-Tawansy
California State
Transportation Agency

Victoria Fleming
Sonoma County and Cities

Dorene M. Giacopini
U.S. Department of Transportation

Federal D. Glover
Contra Costa County

Matt Maban
San Jose Mayor's Appointee

Nate Miley
Alameda County

Stephanie Moulton-Peters
Marin County and Cities

Sue Noack
Cities of Contra Costa County

Gina Papan
Cities of San Mateo County

David Rabbitt
Association of Bay Area Governments

Hillary Ronen
City and County of San Francisco

James P. Spering
Solano County and Cities

Sbeng Thao
Oakland Mayor's Appointee

Vacant
U.S. Department of Housing
and Urban Development

Andrew B. Fremier
Executive Director

Alix Bockelman
Deputy Executive Director, Policy

Brad Paul
Deputy Executive Director,
Local Government Services

RE: Claimants for Transportation Development Act (TDA) sales tax; State Transit Assistance (STA); and Assembly Bill (AB) 1107 Funds for FY 2023-24

This letter transmits information regarding the submittal of applications to MTC for the allocation of funds referenced above for FY 2023-24.

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. Please submit the completed and signed claim and Excel workbook by email. Please submit a claim for FY 2023-24 by May 1, 2023 in order to receive an allocation in June, the earliest that funds will be allocated for FY 2023-24. After that, MTC has a rolling monthly deadline. The latest that a claim may be submitted is March 15, 2024.

Fund Estimate Caution

Please note that the apportionments shown in the FY 2023-24 Annual Fund Estimate do not reflect allocations approved after January 31, 2023. Any allocations made by MTC subsequent to January 31, 2023 will need to be deducted from the amount shown in the Fund Estimate as available for allocation in FY 2023-24. Furthermore, MTC staff will return to the Commission in July 2023 to revise the FY 2023-24 Fund Estimate to reflect actual FY 2022-23 TDA sales tax end-of-year (June 30th) revenues. This action will adjust the carryover available and consequently TDA sales tax available for FY 2023-24. Allocations in excess of actual generations will be rescinded. In the fall, MTC staff will again revise the Fund Estimate to reflect actual FY 2022-2023 STA revenue which will adjust the STA amounts available for FY 2023-2024. Please also see the cautionary note related to the FY 2023-24 STA Revenue-Based estimates in the section below.

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. STA population-based funds are distributed through an STA County Block Grant coordinated by each county's County Transportation Agency (CTA). The STA County Block Grant was suspended for FY 2022-23, but is forecast to resume in FY 2023-24.

Please contact your CTA to identify funds programmed to your agency and any funding requirements they have. CTAs should transmit their programming distribution for FY 2023-24 to MTC by May 15, 2023.

Revenue-Based Program: The FY 2023-24 revenue estimates shown in the Fund Estimate reflect forecasts from the State Controller’s Office (SCO) based on frozen qualifying revenues from FY 2018-19. The SCO anticipates updating these estimates in August 2023 based on latest available actual qualifying revenues, which may significantly impact apportionment amounts for each transit operator. As such, operators are cautioned to budget conservatively.

State of Good Repair (SGR) Program: MTC is required to approve SGR Program Revenue-Based (PUC Section 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, 2023 that includes the following information: name of project, brief description, and anticipated FY 2023-24 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 2023-24 need to be submitted by transit operators through Caltrans’ CalSMART online system before September 1, 2023.

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

| Date | Action |
|-------------------|--|
| May 15, 2023 | Transit operators submit to MTC project lists for their anticipated FY 2023-24 SGR Program Revenue-Based (PUC 99314) |
| July 1, 2023 | Deadline for transit operators to secure board approval of their project lists from their own governing board |
| July 27, 2023 | MTC Commission approves Bay Area SGR Program Project List for FY 2023-24 |
| September 1, 2023 | Deadline for transit operators to submit their anticipated FY 2023-24SGR Program Revenue-Based (PUC 99314) project lists through the CalSMART online portal. |
| September 1, 2023 | Deadline for MTC to submit a Commission-approved resolution containing the Bay Area’s FY 2023-24SGR 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 [AB149](#) approved in July 2021. In anticipation of the resumption of the PIP requirement in FY 2023-24, operators should report on any recommendations from their most recent TDA Triennial Audit in the PIP Forms [G(b)]. These recommendations are required to be included in the PIP by [PUC Section 99244](#). MTC proposes to use the [Transit Transformation Action Plan](#) as the PIP project for the region.

TSP Performance Metrics: MTC uses NTD data to inform the TSP performance metrics. MTC understands that the pandemic has upended transit travel patterns which in turn has impacted the ability of operators to meet TSP performance metrics. In FY 2023-24, MTC will not be requiring operators to meet the TSP performance metrics and is considering an update to the TSP metric policy as part of the implementation of the Regional Network Management (RNM) structure. As part of the Transit Transformation Action Plan and RNM recommendations (February 2023), a set of Key Performance Indicators (KPIs) will be established to support continuous improvement. KPIs will be used to track the benefits of transit and TSP performance metrics may be updated accordingly. For background reference on the TSP metrics:

- 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>).

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, 2024.

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 2023-24 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

We are open to your suggestions to improve the TDA application process. Please contact the TDA Program Team, at TDA@bayareametro.gov with any comments or questions.

Sincerely,

A handwritten signature in blue ink that reads "Theresa Romell". The signature is fluid and cursive, with the first name being more prominent.

Director
Funding Policy and Programs

TR:rm

J:\PROJECT\Funding\TDA~STA Administration\b Fund Manual & Mailout & WEB\FY 24 Mailout\Final_FY24 Letter to Claimant.docx