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March 30, 2026

RE: Claims for Transportation Development Act (TDA), State Transit Assistance (STA), and Assembly Bill (AB) 1107 Funds for FY 2026-27

This letter transmits information regarding the submittal of applications to MTC for the allocation of funds referenced above for FY 2026-27.

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 by email to tda@bayareametro.gov.

Fund Estimate Caution

Please note that the apportionments shown in the FY 2026-27 Annual Fund Estimate do not reflect allocations approved after January 31, 2026. Any allocations made by MTC subsequent to January 31, 2026, should be deducted from the amount shown in the Fund Estimate as available for allocation in FY 2026-27. Furthermore, MTC staff will return to the Commission in August 2026 to revise the FY 2026-27 Fund Estimate to reflect actual FY 2025-26 TDA sales tax revenues. This action will adjust the carryover available and consequently TDA sales tax available for allocation in FY 2026-27. Allocations in excess of actual generations will be rescinded. In the fall, MTC staff will again revise the Fund Estimate to reflect actual FY 2025-26 STA revenues, which will adjust the STA amounts available for FY 2026-27. Please also see the cautionary note related to the FY 2026-27 STA Revenue-Based estimates on the following page.

State Transit Assistance (STA)

Population-based Program: The policy to apportion STA population-based funds is outlined in [MTC Resolution No. 4321](#). STA population-based funds are distributed through an STA County Block Grant coordinated by each county's County Transportation Agency (CTA).

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 2026-27 to MTC's TDA mailbox (tda@bayareametro.gov) by May 15, 2026.

Revenue-Based Program: The FY 2026-27 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. In accordance with California Public Utilities Code Section 99314.10(a), qualifying revenues will continue to be distributed based on the FY 2018-19 formula through FY 2025-26. This frozen formula is set to expire on June 30th, 2026 at which point the SCO will begin production of a revision to the revenue estimates based on unfrozen qualifying revenues using data from FY 2024-25. An illustrative analysis prepared by the SCO using FY2023-24 data is attached and should be used as a high-level indication of expected revenue distribution outcomes and the fiscal impacts. While the estimates will change with the incorporation of new financial data, revisions are expected to be modest in comparison to the revenue figures provided in the SCO's illustrative analysis.

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 must submit a project list (via resolution or letter) to MTC by May 15, 2026, that includes the following information: name of project, brief description, anticipated FY 2026-27 SGR Program Revenue-Based expenditure amounts for each project, and the fact that these funds are claimed under PUC 99314. These project lists should be submitted to the TDA mailbox (tda@bayareametro.gov) and cc to Jack McDowell (jmcdowell@bayareametro.gov; 415.778.2107). In addition, all SGR Program projects for FY 2026-27 need to be submitted by transit operators through Caltrans' CalSMART online system before September 1, 2026.

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

Date	Action
May 15, 2026	Transit operators submit to MTC project lists for their anticipated FY 2026-27 SGR Program Revenue-Based (PUC 99314)
July 1, 2026	Deadline for transit operators to secure board approval of their project lists from their own governing board or submit a letter with project selection information*
August 26, 2026	MTC Commission approves Bay Area SGR Program Project List for FY 2026-27
September 1, 2026	Deadline for transit operators to submit their anticipated FY 2026-27 SGR Program Revenue-Based (PUC 99314) project lists through the CalSMART online portal.
September 1, 2026	Deadline for MTC to submit a Commission-approved resolution containing the Bay Area's FY 2026-27 SGR Program Project List to Caltrans

* New to FY2026-27, MTC would like to draw sponsors' attention to the [Caltrans SGR guidelines](#) pages 9-10, which state that a signed letter or board resolution are sufficient

documentation of project lists. The letter should be on agency letterhead and be signed by a Finance Director, Grants Manager, or other staff with authority to request funding.

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

Productivity Improvement Program (PIP)

In March 2026, the Commission adopted MTC Resolution No. 4743, the FY 2025-26 PIP. The FY 2025-26 PIP returns to establishing projects based on recommendations from the most recent Triennial TDA Performance Audits conducted for each transit operator, as outlined in Public Utility Code Section 99244. This year's PIP includes productivity-related recommendations and continues the "Participation in Regional Initiatives" project from the FY2024-25 PIP. This project will apply to all operators in the region, including those that did not have any recommendations in their most recent TDA audit.

All transit operators must report on their progress toward their PIP project(s) in the Claim Workbook tab G(a) and/or G(b), and may provide supplemental materials summarizing progress as well. Operators will report on progress at the time of claim submittal and again in late 2026, in advance of the FY2026-27 PIP adoption.

Transit Sustainability Project (TSP)

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 2026-27, 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 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 February 28, 2027.

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 2024-25, there is no need to resubmit them with your FY 2026-27 claim. Fiscal audits for FY 2024-25 were due by December 31, 2025. 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,

Theresa Romell
Director
Funding Policy and Programs