**Metropolitan Transportation Commission**
**Programming and Allocations Committee**

**July 9, 2025** **Agenda Item 2f-25-0978**

**MTC Resolution Nos. 4688, Revised; 4709, Revised; 4710, Revised; 4711, Revised; 4712, Revised; 4717, Revised; and 4720**

**Subject:**

The proposed action revises the FY2025-26 MTC Fund Estimate to incorporate actual sales tax receipts for FY2024-25, allocates $48.9 million in FY2025-26 Transportation Development Act (TDA), State Transit Assistance (STA), Regional Measure 2 (RM2), Regional Measure 3 (RM3), and Senate Bill (SB) 125 funds to four transit operators to support transit operations and capital projects in the region, and approves the FY2025-26 State Transit Assistance State of Good Repair (SGR) Program project list.

**Background:**

Fund Estimate Revision

Overall, actual Bay Area TDA and AB 1107 sales tax receipts for FY2024-25 were $476.0 million and $106.2 million respectively, or 2% and 0.5% below actual revenues in FY2023-24. TDA receipts were also $33.3 million, or 7% below original FY 2024-25 estimates, which were projected based on strong sales tax receipts over the past two years. The decline in sales tax revenue is likely due to a combination of a stagnating regional population growth and greater unemployment over the past 12 months. Conversely, AB 1107 receipts were 2% higher than initial estimates for FY2024-25 prepared by MTC. There were early indications of weakening sales tax performance when the FY2025-26 MTC Fund Estimate was adopted in February, and estimates were revised downwards accordingly. However, recissions may still be required for certain transit operators.

State of Good Repair (SGR) Program – FY2025-26 Regional Project List

The Road Repair and Accountability Act of 2017, Senate Bill 1, makes roughly $105 million in funding available statewide for transit infrastructure repair and service improvements through the State of Good Repair (SGR) Program. Consistent with the STA program, half of SGR revenues are apportioned to transit agencies based on their share of qualifying revenues (SGR Revenue-Based funds) and half of SGR revenues are apportioned to Regional Transportation Planning Agencies based on their share of statewide population (SGR Population-Based funds). Caltrans

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 2025-26 as shown in Attachment A to MTC Resolution No. 4720.

Approximately $38.0 million is expected in Revenue-Based funds, along with $13.4 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 matches, and in a few cases for rehabilitation of vehicles or to contribute to new vehicle costs. For the Population-Based funds, MTC is programming all $13.4 million to the next generation Clipper® system, in accordance with the policy established in MTC Resolution No. 4321.

FY 2025-26 Allocation of TDA, STA, RM2, RM3, and SB125 Funds

This month's proposed actions continue the annual allocation process of these funds for FY2025-26. Four entities are requesting TDA, STA, RM2, RM3, and SB125 allocations this month that exceed the $1 million Delegated Authority limit. 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 proposed allocation amounts are based on the programming levels identified in the FY2025-26 Fund Estimate (MTC Resolution 4688), the RM2 Operating Program (MTC Resolution 4704), and the RM3 Operating Program (MTC Resolution 4705). The proposed allocations are summarized in the following table:

**Allocation Amounts by Entity[1]**

| **Entity** | **TDA** (Res. 4709) | **STA** (Res. 4710) | **RM2** (Res. 4711) | **RM3** (Res. 4712) | **SB 125** (Res. 4717) | **Grand Total** |
|---|---|---|---|---|---|---|
| ACE | | | | | $1.8 | $1.8 |
| LAVTA | $15.2 | $1.8 | | | | $17.0 |
| SCT | $15.0 | $2.5 | | | | $17.5 |
| SolTrans | $9.2 | | $2.3 | $1.0 | | $12.4 |
| **Total** | **$39.4** | **$4.4** | **$2.3** | **$1.0** | **$1.8** | **$48.9** |

*Note that amounts may not sum due to rounding*

**Issues**

None.

**Recommendations:**

Refer MTC Resolution Nos. 4688, Revised; 4709, Revised; 4710, Revised; 4711, Revised; 4712, Revised; 4717, Revised; and 4720 to the Commission for approval.

**Attachments:**

- Attachment A - Transit Operator Budget Summary
- Attachment B - Senate Bill 125 Regional Accountability Measure Progress Update for Claimant(s)
- MTC Resolution No. 4688, Revised
  - Attachment A
- MTC Resolution No. 4709, Revised
  - Attachment A
- MTC Resolution No. 4710, Revised
  - Attachment A
- MTC Resolution No. 4711, Revised
  - Attachment A
- MTC Resolution No. 4712, Revised
  - Attachment A
- MTC Resolution No. 4717, Revised
  - Attachment A
- MTC Resolution No. 4720
  - Attachment A

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