



Planning, Policy and Legislation Committee Meeting Agenda Monday, April 9, 2018, 10:30 a.m.

Committee Chair:	John Bauters, City of Emeryville	Executive Director:	Arthur L. Dao
Vice Chair:	Rebecca Kaplan, City of Oakland	Staff Liaison:	Tess Lengyel
Members:	Keith Carson, Scott Haggerty, Barbara Halliday, John Marchand, Lily Mei, Elsa Ortiz, Kriss Worthington	Clerk of the Commission:	Vanessa Lee
Ex-Officio:	Richard Valle, Pauline Cutter		

1. Call to Order/Pledge of Allegiance

2. Roll Call

3. Public Comment

4. Consent Calendar Page/Action

- | | | |
|--|---|---|
| 4.1. Approve March 12, 2018 PPLC Meeting Minutes | 1 | A |
| 4.2. Congestion Management Program (CMP): Summary of the Alameda CTC's Review and Comments on Environmental Documents and General Plan Amendments Update | 7 | I |

5. Regular Matters

- | | | |
|--|----|---|
| 5.1. Approve legislative positions and receive an update on federal, state, and local legislative activities | 9 | A |
| 5.2. Approve Resolution 18-004, regarding the establishment of a State Transit Assistance (STA) County Block Grant Program and funding distribution formula for Alameda County, including the annual funding distribution for FY 2018-19 STA funds | 25 | A |

6. Committee Member Reports

7. Staff Reports

8. Adjournment

Next Meeting: Monday, May 14, 2018

Notes:

- All items on the agenda are subject to action and/or change by the Commission.
- To comment on an item not on the agenda (3-minute limit), submit a speaker card to the clerk.
- Call 510.208.7450 (Voice) or 1.800.855.7100 (TTY) five days in advance to request a sign-language interpreter.
- If information is needed in another language, contact 510.208.7400. Hard copies available only by request.
- Call 510.208.7400 48 hours in advance to request accommodation or assistance at this meeting.

- Meeting agendas and staff reports are available on the [website calendar](#).
- Alameda CTC is located near 12th St. Oakland City Center BART station and AC Transit bus lines. [Directions and parking information](#) are available online.



Alameda CTC Schedule of Upcoming Meetings:

Commission Chair

Supervisor Richard Valle, District 2

Commission Vice Chair

Mayor Pauline Cutter,
City of San Leandro

AC Transit

Board President Elsa Ortiz

Alameda County

Supervisor Scott Haggerty, District 1
Supervisor Wilma Chan, District 3
Supervisor Nate Miley, District 4
Supervisor Keith Carson, District 5

BART

Director Rebecca Saltzman

City of Alameda

Mayor Trish Spencer

City of Albany

Councilmember Peter Maass

City of Berkeley

Councilmember Kriss Worthington

City of Dublin

Mayor David Haubert

City of Emeryville

Mayor John Bauters

City of Fremont

Mayor Lily Mei

City of Hayward

Mayor Barbara Halliday

City of Livermore

Mayor John Marchand

City of Newark

Councilmember Luis Freitas

City of Oakland

Councilmember At-Large
Rebecca Kaplan
Councilmember Dan Kalb

City of Piedmont

Vice Mayor Teddy Gray King

City of Pleasanton

Mayor Jerry Thorne

City of Union City

Mayor Carol Dutra-Vernaci

Executive Director

Arthur L. Dao

Description	Date	Time
Alameda County Technical Advisory Committee (ACTAC)	May 10, 2018	1:30 p.m.
Finance and Administration Committee (FAC)	May 14, 2018	8:30 a.m.
I-680 Sunol Smart Carpool Lane Joint Powers Authority (I-680 JPA)		9:30 a.m.
I-580 Express Lane Policy Committee (I-580 PC)		10:00 a.m.
Planning, Policy and Legislation Committee (PPLC)		10:30 a.m.
Programs and Projects Committee (PPC)		12:00 p.m.
Independent Watchdog Committee (IWC)	July 9, 2018	5:30 p.m.
Paratransit Technical Advisory Committee (ParaTAC)	September 11, 2018	9:30 a.m.
Alameda CTC Commission Meeting	April 26, 2018	2:00 p.m.
Paratransit Advisory and Planning Committee (PAPCO)	May 21, 2018	1:30 p.m.
Bicycle and Pedestrian Community Advisory Committee (BPAC)	June 28, 2018	5:30 p.m.

All meetings are held at Alameda CTC offices located at 1111 Broadway, Suite 800, Oakland, CA 94607. Meeting materials, directions and parking information are all available on the [Alameda CTC website](http://www.AlamedaCTC.org).

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Planning, Policy and Legislation Committee
Meeting Minutes
Monday, March 12, 2018, 10:30 a.m.

4.1

1111 Broadway, Suite 800, Oakland, CA 94607

• 510.208.7400

• www.AlamedaCTC.org

1. Call to Order/Pledge of Allegiance

2. Roll Call

A roll call was conducted. All members were present with the exception of Commissioner Cutter.

3. Public Comment

There were no public comments.

4. Consent Calendar

4.1. Approval of the February 12, 2018 PPLC meeting minutes.

4.2. Update on the Alameda CTC's Review and Comments on Environmental Documents and General Plan Amendments.

Commissioner Worthington moved to approve the Consent Calendar. Commissioner Haggerty seconded the motion. Commissioner Bauters, Ortiz and Carson abstained for the vote on the Consent Calendar. The motion passed with the following votes:

Yes: Kaplan, Halliday, Haggerty, Marchand, Mei, Worthington, Valle
No: None
Abstain: Ortiz, Carson, Bauters
Absent: Cutter

5. Regular Matters

5.1. Approve legislative positions and receive an update on federal, state, and local legislative activities

Tess Lengyel provided an update on federal, state and local legislative activities. She provided an update on AB 2304 (Holden) as it related to support of the Affordable Student Transit Pass Program as well as SB 1427 (Hill) regarding enforcement of managed lanes. On the regional level, she noted that the Alameda County Board of Supervisors voted to place Regional Measure 3 on the June ballot. Ms. Lengyel recommended that the Commission take the following bill positions:

Prop 70 (ACA-1 Mayes) - Oppose position
SB 989 (Wieckowski) - Support position

Commissioner Kaplan wanted to know if the agency was in a position to take a formal position on AB 2304 or send a letter of support. Ms. Lengyel stated that staff is researching the bill further before bringing the bill back to take a formal position.

Commissioner Ortiz wanted to know how many other transportation agencies across the state have a student transit pass program. Ms. Lengyel stated that that is an unknown number and part of the research that AB 2304 would require.

Commissioner Halliday moved to approve this item with direction to staff to provide a letter of support to legislators with regards to AB 2304 and the Affordable Student Transit Pass program. Commissioner Mei seconded the motion. The motion passed with the following vote:

Yes: Bauters, Kaplan, Carson, Halliday, Haggerty, Marchand, Mei, Ortiz,
Worthington, Valle
No: None
Abstain: None
Absent: Cutter

5.2. Safe Routes to Schools Program update and approve contract extensions

Leslie Lara-Enriquez provided an update on the Safe Routes to Schools Program and recommended that the Commission approve and authorize the executive director approve and authorize the Executive Director to Execute Amendment No. 1 to Professional Services Agreements:

- A17-0075 with Alta Planning + Design, Inc. for an additional \$1,800,000 for a total not-to-exceed amount of \$2,700,000 for Direct Student Safety Training services and a two-year time extension;
- A17-0076 with Alta Planning + Design, Inc. for an additional \$850,000 for a total not-to-exceed amount of \$1,230,753 for School Site Assessments, Data Collection and Analysis and Program Evaluation services and a two-year time extension; and
- A17-0077 with Toole Design Group, LLC for an additional \$1,840,000 for a total not-to-exceed amount of \$2,745,075 for Education and Outreach services and a two-year time extension.

Ms. Lara – Enriquez provided background on program growth, evolution of the program and a history of commission actions. She covered program implementation structure, outreach and education, as well as program goals. She reviewed goals and performance measures for the program and e briefly covered the rail safety education element of the program.

Commissioner Kaplan asked who will administer the program trainings. Ms. Lara-Enriquez stated that there are multiple consultants who provide direct training as well as Operation Lifesaver who will provide the rail safety education.

Commissioner Marchand wanted to know how many schools the agency is hoping will participate in the program. Ms. Lara- Enriquez stated that the number we are trying to reach is 350 schools.

Commissioner Valle wanted to know if we are communicating with rail operators to have them slowdown in school zones. Ms. Lengyel noted that the next item on the agenda addressed rail prioritization and grade crossing analysis.

Commissioner Mei wanted to know if there are any grants or opportunities that staff could let city jurisdictions know about to help with securing local funding. Ms. Lara-Enriquez noted that the mini grant program will provided access to available funds and she also noted that local jurisdictions could compete for funding through the upcoming Active Transportation Program.

Commissioner Halliday wanted to know if crossing guards are included in the program. Ms. Lengyel noted that funding for crossing guards varies across the county and the agency has not currently invested in a crossing guard program, but is gathering data on crossing guard needs.

Commissioner Haggerty noted that during the development of Measure B and BB, it was specifically requested that crossing guards be included in the Affordable Student Transit Pass Program. Mr. Dao noted that at this point, staff has researched options for crossing guards and done an initial analysis but will bring back any information on funding crossing guards as it becomes available.

Commissioner Kaplan moved to reaffirm the Commission's direction to staff that crossing guards be included in the program and moved to approve this item. Commissioner Mei seconded the motion. The motion passed with the following vote:

Yes: *Bauters, Kaplan, Carson, Halliday, Haggerty, Marchand, Mei, Ortiz, Worthington, Valle*
No: *None*
Abstain: *None*
Absent: *Cutter*

5.3. Approve the grade crossing prioritization framework and approve staff using the prioritization results to advance discussions for a joint advocacy and improvement program

Kristen Villanueva recommended that the Commission approve the grade crossing prioritization framework and approve staff using the prioritization results to advance discussions for a joint advocacy and improvement program. She covered the Rail Strategy Study objectives and grade crossing framework including assessment and prioritization. In regards to prioritization, Ms. Villanueva presented quantitative and qualitative factors used for analyzing grade crossings and corridors as well as trespass activities. She presented the draft scoring methodology and the resulting draft Tier 1 crossings and draft Tier 1 corridors lists developed as a result of applying the methodology. She reviewed next steps and implementation options for the Tier 1 list and addressed how this analysis has supported a rail safety program in the Safe Routes to Schools Program.

Commissioner Valle wanted to know if Safe Routes to Schools can be added to the qualitative factors. Ms. Lengyel noted that schools are captured under the sensitive land use qualitative factor and that staff will ensure that Safe Routes to School is highlighted when staff discusses the program.

Commissioner Bauters asked how Communities of Concern are defined. Ms. Villanueva stated that staff is using MTC's definition of Communities of Concern from Plan Bay Area 2040.

Commissioner Bauters asked for more information on the metric used to estimate emissions. Ms. Villanueva stated that emissions are estimated based on traffic volumes and delays at the crossing.

Commissioner Halliday moved to approve this item. Commissioner Ortiz seconded the motion. The motion passed with the following vote:

Yes: *Bauters, Kaplan, Carson, Halliday, Haggerty, Marchand, Mei, Ortiz, Worthington, Valle*
No: *None*
Abstain: *None*
Absent: *Cutter*

5.6. Planning and Programming On-call Technical Services: Approve to issue a Request for Proposal for consultant services and authorize Executive to enter into and execute all related agreements Director

Carolyn Clevenger recommended that the Commission approve the issuance of a Request for Proposal for consultant services and authorize Executive Director to enter into and execute all related agreements.

Commissioner Kaplan moved to approve this item. Commissioner Haggerty seconded the motion. The motion passed with the following vote:

Yes: *Bauters, Kaplan, Carson, Halliday, Haggerty, Marchand, Mei, Ortiz, Worthington, Valle*
No: *None*
Abstain: *None*
Absent: *Cutter*

6. Committee Member Reports

Commissioner Kaplan noted that the City of Oakland is researching TNC's (transportation network companies) and wanted staff to connect with the City of Oakland offline regarding this item.

7. Staff Reports

There were no staff reports.

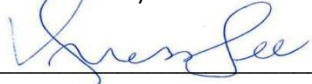
8. Adjournment/ Next Meeting

The next meeting is:

Date/Time: April 9, 2018 at 10:30 a.m.

Location: Alameda CTC Offices, 1111 Broadway, Suite 800, Oakland, CA 94607

Attested by:

A handwritten signature in blue ink, appearing to read "Vanessa Lee", is written over a horizontal line.

Vanessa Lee,
Clerk of the Commission

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Memorandum

4.2

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: April 2, 2018

TO: Planning, Policy and Legislation Committee

FROM: Saravana Suthanthira, Principal Transportation Planner
Chris G. Marks, Associate Transportation Planner

SUBJECT: Congestion Management Program (CMP): Summary of the Alameda CTC's Review and Comments on Environmental Documents and General Plan Amendments

Recommendation

Alameda CTC's Review and comments on Environmental Documents and General Plan Amendments. This item is for information only.

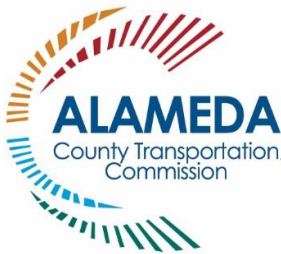
Summary

This item fulfills one of the requirements under the Land Use Analysis Program (LUAP) element of the Congestion Management Program (CMP). As part of the LUAP, Alameda CTC reviews Notices of Preparations (NOPs), General Plan Amendments (GPAs), and Environmental Impact Reports (EIRs) prepared by local jurisdictions and comments on them regarding the potential impact of proposed land development on the regional transportation system.

Since the last update on March 12th, 2018, the Alameda CTC has not reviewed any environmental documents.

Fiscal Impact: There is no fiscal impact associated with the requested action.

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Memorandum

5.1

1111 Broadway, Suite 800, Oakland, CA 94607

• 510.208.7400

• www.AlamedaCTC.org

DATE: April 2, 2018

TO: Planning, Policy and Legislation Committee

FROM: Tess Lengyel, Deputy Executive Director of Planning and Policy

SUBJECT: April Legislative Update

Recommendation

It is recommended that the Commission approve legislative positions and receive an update on federal, state, and local legislative activities.

Summary

The April 2018 legislative update provides information on federal and state legislative activities and recommendations on current legislation.

Background

The Commission approved the 2018 Legislative Program in December 2017. The purpose of the legislative program is to establish funding, regulatory, and administrative principles to guide Alameda CTC's legislative advocacy. The final 2018 Legislative Program is divided into six sections: Transportation Funding; Project Delivery and Operations; Multimodal Transportation, Land Use, and Safety; Climate Change and Technology; Goods Movement; and Partnerships. The program is designed to be broad and flexible to allow Alameda CTC the opportunity to pursue legislative and administrative opportunities that may arise during the year, and to respond to political processes in the region as well as in Sacramento and Washington, DC.

Each month, staff brings updates to the Commission on legislative issues related to the adopted legislative program, including recommended positions on bills as well as legislative updates.

Federal Update

CJ Lake, LLC, Alameda CTC's federal lobbying firm, provided the following summary of federal activities.

FY18 Omnibus Appropriations Package

Overview: After weeks of negotiations, the House and Senate leadership released a final FY18 appropriations bill on March 21, 2018. Because this legislative package will likely be one of the few that will be signed into law prior to the midterm elections, various industries and stakeholders were wanting to attach extraneous provisions from tax corrections to shoring up the Affordable Care Act, and a potential immigration deal. Ultimately, very few riders were included, but negotiations came down to the wire with a Continuing Resolution (CR) set to expire on Friday, March 23. A few of the provisions unrelated to appropriations include: the Fix NICS bipartisan legislation which would improve background checks for gun purchases, the Affordable Housing Credit Improvement Act, and a technical correction to the tax package that lowered the tax bill for farmers selling grain to co-operatives, but at the expense of non co-op companies. Although discussed by leadership, an extension of the Deferred Action for Childhood Arrivals program and ACA stabilization language were not included in the final package.

There is quite a bit of additional funding from FY17 levels because of the bipartisan budget deal that was enacted in February which provides additional funding for both defense and non-defense programs. The February deal included an additional \$10 billion for infrastructure in FY18 and another \$10 billion for FY19. Those increases are evident in several of the Transportation Department funding accounts.

The House and Senate passed the bill and the president signed it just prior to the CR expiration on March 23rd.

Transportation: Under the FY18 bill, the Department of Transportation will receive a total of \$27.3 billion in discretionary spending, which is an \$8 billion increase from FY17 levels. \$3.0 billion of that increase goes to the major ongoing discretionary programs at DOT like TIGER, and another \$4.4 billion is additional discretionary general fund money that would go to transportation trust fund contract authority programs like the Transit State of Good Repair program.

- **Transit** – The FY18 omnibus provides a total of \$13.5 billion for the FTA, an increase of \$1.07 billion (8.6 percent) over last year. The main account at FTA (formula grants) is funded through the Highway Trust Fund and would receive \$9.7 billion, which is in line with the authorized level under FAST.

Capital Investment Grants – The CIG program would receive \$2.6 billion under the bill, which is an increase from FY17 levels and is above the FAST Act

authorized levels of \$2.3 billion. Previously, the president suggested phasing out the program beginning in FY17 and included this phase out in his FY18 and FY19 budget requests to Congress. The bill includes language that directs FTA to continue to move projects through the CIG pipeline. The bill also orders FTA to obligate at least 85 percent of the FY18 funds by December 31, 2019, meaning the Trump Administration will be forced to spend funding on projects.

State of Good Repair – In addition to the annual SOGR formula funding, the FY18 bill includes an additional \$400 million in State of Good Repair grants from General Fund money. It is unclear from the language if they would flow through the current formula or whether they would be discretionary.

- **TIGER/National Infrastructure Investment** – The bill provides \$1.5 billion for the TIGER grant program. This is an increase of \$1 billion over the FY17 levels of \$500 million. Direction included in the bill is as follows:
 - 30 percent is set aside for rural areas.
 - Maximum grant size is still \$25 million.
 - State maximum is 10 percent of the total allotment.
 - \$15 million can be used for planning grants.
- **Rail** – FRA is funded at \$3.1 billion, which is \$1.2 billion over the FY17 enacted level. The bill provides a total of \$1.9 billion for Amtrak, of which \$650 million is for Northeast Corridor grants and \$1.3 billion is to support the national network. Similar to last year, there are no funds for any kind of high-speed rail grants. The Federal-State Partnership for State of Good Repair Grant Program is funded at \$250 million, which is a \$225 million increase over the FY17 level. Consolidated Rail Infrastructure and Safety Improvements grants are funded at \$593 million, an increase of \$525 million from the fiscal year 2017 enacted level, to fund capital and safety improvements, planning, environmental work, and research. The bill also includes \$250 million for grants to rail operators to install positive train control (PTC) technologies.
- **Highways** – The Federal-aid Highways obligation limitation is at \$45 billion, which is \$1 billion above the FY17 level and consistent with the FAST Act authorizations.

State Update

Platinum Advisors, Alameda CTC's state lobbying firm, provided the following summary of state activities.

Supermajority approval: The California Business Roundtable is one of the main proponents of an initiative that expands the requirement for a two-thirds vote on taxes and fees. There are two proposals circulating; one applies to both state and local taxes and fees, and another applies only to local taxes and fees.

The objective of these initiatives is to reverse Supreme Court decisions. The court decisions include the City of Upland case that found Prop 218 does not apply to citizen initiatives that impose taxes or fees; the Cal Chamber v. CARB decision that found that the cap & trade program is not a tax or a fee; and the Schmeer v. Los Angeles County case that found that requiring retailers to collect 10 cents for providing paper bags was not an illegal fee. The changes go beyond these court cases, and would require any local tax and most fees to be approved by a two-thirds vote regardless of whether it is a special or general purpose tax. This initiative if approved in November might also reverse Regional Measure 3 if it is approved with a majority vote in June.

The initiative that applies to both state and local fees and taxes has already gathered 25 percent of the signatures needed to qualify. Both of the initiatives in circulation must submit 585,407 valid signatures by July 25, 2018, to qualify for the November ballot.

The initiative includes the following changes, and the full text is available here: <https://www.oag.ca.gov/system/files/initiatives/pdfs/17-0050%20%28Two-Thirds%20Vote%20Requirement%20V1%29.pdf>.

- The Constitution requires both houses of the legislature to approve any tax by a two-thirds vote. The initiative expands the definition of a tax that requires a 2/3 vote to include any levy, charge or exaction of any kind that is not specifically defined as an "exempt charge." An exempt charge includes, among others, fees for service, state park entrance fees, and judicial fine or penalty. In addition, state laws enacting new taxes must specify how revenues can be spent.
- The initiative would require regulations that contain a new, increased, or extended revenue-generating measure shall not be given any force or effect unless two-thirds of each legislative chamber approves the regulation.
- The initiative heightens legal threshold for state and local governments to prove that fees passed without two-thirds approval are not taxes.
- The initiative invalidates local taxes imposed in 2018, unless taxes meet criteria adopted by this measure.

- The initiative defines any levy, charge, or exaction of any kind that is imposed, adopted, created, or established by local law is either a tax or exempt charge. The initiative requires either a special tax or general tax to be approved by two-thirds of the governing board and two-thirds of the electorate. The tax measure must contain a binding statement on how the revenue can be spent, and state if the revenue is for unrestricted general revenue purposes.
- The initiative would require a two-thirds vote of the electorate for all taxes, including those put on the ballot through an initiative.

Zero emission buses: In December California Air Resources Board (CARB) staff released a “discussion” draft rule for transitioning public transit buses to zero emission by 2040. This proposal mainly centered on imposing a purchase mandate that phased in the number of zero emission buses a transit operator must purchase. This document has sparked considerable debate amongst transit operators, bus suppliers, and environmental groups on whether the proposed goals are achievable.

CARB staff recently released an update based on the comments received on the Innovative Clean Transit (ICT) discussion document. The release of this document precedes an anticipated workshop in April to discuss changes to the ICT language, and CARB staff is encouraging all interested parties to submit comments prior to the April workshop. The expectation is CARB will begin the formal rule making process shortly after the April workshop in order to present the ICT rule to the Board at its July meeting for adoption.

CARB staff would like any comments to be submitted as soon as possible in order to incorporate them into the April workshop. The entire document is available at <https://arb.ca.gov/msprog/ict/meeting/mt180327/180327ictconcept.pdf>.

VW settlement: The California Air Resources Board staff has released its discussion document on how it proposes to spend approximately \$423 million, which is California's share from the Volkswagen Environmental Mitigation Trust. The Trust is expected to be fully funded by November 2018, and California has 10 years to spend the funds. A copy of the proposed plan is available at https://www.arb.ca.gov/msprog/vw_info/vsi/vw-mititrust/meetings/021618_discussiondoc.pdf.

Table 1: Recommended Categories and Allocations

Eligible Mitigation Action Category	Eligible Technology ¹	Benefiting DC or LIC ²	Recommended Allocation (millions)
Transit, School, and Shuttle Buses	Zero-Emission	50%	\$130
Class 8 Freight and Port Drayage Trucks	Zero-Emission	50%	\$90
Light-Duty ZEV Infrastructure	Charging Equipment and Hydrogen Dispensing Equipment	35%	\$10
Zero-Emission Freight / Marine			
Forklifts and Port Cargo Handling Equipment	Zero-Emission	75%	\$70
Airport Ground Support Equipment	Zero-Emission		
Oceangoing Vessel Shorepower	Shorepower Systems		
Combustion Freight / Marine			
Class 7-8 Freight Trucks	Low NOx ³	50%	\$60
Freight Switchers	Tier 4		
Ferries / Tugs	Tier 4 and Tier 4-Equivalent Hybrid		
Admin Reserve ⁴			\$63
Total		> 50%	\$423

The largest recipient is zero emission transit and school buses, with 31 percent of the funds, or \$130 million directed toward these projects. The discussion document states that these funds would be allocated on a first come-first served basis. The funds would be allocated in manner similar to the HVIP rebate program, and would provide grants of up to \$180,000 for a battery electric bus and up to \$400,000 for a new fuel cell electric bus. The fuel cell bus amount includes \$100,000 for fueling infrastructure costs. These funds cannot be used in combination with HVIP funds.

Senate Bill 1

The Road Repair and Accountability Act of 2017 (SB 1) invests \$5.4 billion annually over the next decade to fix California's transportation system. It will address a backlog of repairs and upgrades, while ensuring a cleaner and more sustainable travel network for the future.

On February 22, 2018, Alameda CTC approved a support position on Proposition 69, Motor vehicle fees and taxes: restriction on expenditures: appropriations limit, as authorized by ACA 5 (Frazier). If approved by voters in June 2018, Proposition 69 will safeguard new SB 1 dollars for transportation use only under a constitutional amendment (ACA 5).

For more information about SB 1, refer to Attachment A: SB 1 Frequently Asked Questions. In Alameda County, in addition to transit operating funds and transit state

of good repair funds, the following provides an example of the types of capital projects that Alameda CTC is currently developing and delivering which could be delivered more quickly to the public if Alameda CTC and are partners are able to leverage SB 1 funding to deliver multimodal solutions that support the region's transportation system.

ID	Transportation Mode
	Bikeways
1	East Bay Greenway (Lake Merritt to South Hayward)
	Express Lanes
2	I-680 Express Lanes from SR-84 to Alcosta Boulevard
3	I-680 Sunol Express Lanes (Phase II)
	Goods Movement
4	Go Port: 7th Street Grade Separation and Port Arterial Improvements
	Interchanges and Highways
5	I-80 Ashby (SR 13) Interchange Improvements
6	I-80 Gilman Interchange Improvements
7	I-580/I-680 Interchange Improvements
	Interchanges and Highways Continued
8	I-880 Interchange Improvements (Whipple Road/Industrial Parkway Southwest and Industrial Parkway)
9	I-880 Interchange Improvements (Winton Avenue/A Street) - Phase 1
	I-880 Interchange Improvements (Winton Avenue/A Street) - Phase 2
10	SR-262 (Mission Boulevard) Cross Connector
11	SR-84 Widening From South of Ruby Hill Drive to I-680 and SR-84/I-680 Interchange Improvements
	Interregional Rail Services: ACE, Capital Corridor
12	Countywide Alameda County Grade Crossing Program
13	Interregional Rail Services: ACE, Capital Corridor
	Multimodal Arterial Corridors
14	Dublin Boulevard Extension
15	East 14th Street/Mission and Fremont Boulevard Multimodal Corridor
16	Oakland/Alameda Access Project
17	San Pablo Avenue (SR-123) Multimodal Corridor
18	Telegraph Avenue Multimodal Corridor
19	University Ave Multimodal Corridor
20	West Grand/Grand Avenue/MacArthur Boulevard Multimodal Corridor

Regional Measure 3

SB 595 authorized Regional Measure 3 (RM 3) that allows voters to approve a toll increase to fund congestion-relief projects and improve mobility in the bridge corridors. On January 24, 2018, the Metropolitan Transportation Commission (MTC) Bay Area Toll Authority (BATA) approved putting RM 3 on the June 5 ballot in the nine Bay Area counties. The measure will raise bridge tolls by \$1 on the Bay Area's seven state-owned toll bridges in 2019, followed by additional \$1 increases in 2022 and 2025.

On February 27, 2018, the Alameda County Board of Supervisors approved putting RM 3 on the June 5 ballot in Alameda County. All nine counties in the San Francisco Bay Area have approved putting the measure on the ballot. The full MTC [Regional Measure 3 Expenditure Plan](#) is available online.

Legislation

Staff recommends positions on the bills noted in the following table.

Bill Number	Bill Information	Recommendation
AB 2418 (Mullin) Transportation: emerging transportation technologies: California Smart Cities Challenge Grant Program.	This bill would establish the California Smart City Challenge Grant Program to enable municipalities to compete for grant funding for emerging transportation technologies to serve their transportation system needs, and would specify certain program goals. The bill would make the implementation of the program contingent upon an appropriation in the annual budget act.	Alameda CTC's 2018 legislative program supports legislation that increases transportation funding and supports emerging technologies such as alternative fuels and fueling technology to reduce greenhouse gas emissions. Staff recommends a support position on AB 2418.
AB 3000 (Friedman) Sales and use taxes: exemption: retail hydrogen vehicle fuel.	Existing sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. Those laws provide various exemptions from those taxes. On and after January 1, 2019, and before January 1, 2030, this bill would exempt from those taxes the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, retail hydrogen vehicle fuel.	Alameda CTC's 2018 legislative program supports legislation that increases transportation funding. AB 3000 will decrease the amount of sales tax that funds transportation. Staff recommends an oppose position on AB 3000.

Bill Number	Bill Information	Recommendation
SB 1328 (Beall) Mileage-based road usage fee.	Existing law requires the Chair of the California Transportation Commission to create a Road Usage Charge Technical Advisory Committee in consultation with the Secretary of the Transportation Agency. The purpose of the technical advisory committee is to guide the development and evaluation of a pilot program to assess the potential for mileage-based revenue collection as an alternative to the gas tax system. This bill would extend the operation of these provisions until January 1, 2023. It would also require the technical advisory committee to assess the potential for mileage-based revenue collection for California's roads and highways as an alternative to the gas tax system.	Alameda CTC's 2018 legislative program supports legislation that supports the implementation of more stable and equitable long-term funding sources for transportation. Staff recommends a support position on SB 1328.

Fiscal Impact: There is no fiscal impact associated with the requested action.

Attachment:

- A. SB 1 Frequently Asked Questions

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SB 1: Frequently Asked Questions

The Road Repair and Accountability Act of 2017 (SB 1) is a long-term transportation solution that will provide new revenues for road safety improvements, fill potholes and repair local streets, highways, and bridges. SB 1 will provide transportation investments in every community, improving the quality of life for all Californians. SB 1 includes strict accountability provisions to reduce waste and bureaucracy and dedicates all funds to transportation improvements. Opponents of SB 1 are spreading false information and flat-out untruths full of potholes.

1. How much of SB 1 funds will be used to fix our roads?

SB 1 invests more than \$5 billion annually directly for maintenance, repair, and safety improvements on state highways, local streets and roads, and bridges. SB 1 also provides investments in mass transit to help relieve congestion. In total, SB 1 will provide:

- \$1.5 billion for the State Highway Operations and Protection Program
- \$1.5 billion for local streets and roads
- \$400 million for bridge maintenance and repairs
- \$300 million for goods movement and freight projects
- \$275 million for congested corridors and relief management
- \$200 million for the Local Partnership Program to match locally generated transportation funds
- \$100 million for the Active Transportation Program to improve safety and expand access on streets, roads and highways for bicyclists and pedestrians.
- \$750 million for mass transit

2. What is the average cost of SB 1 to California motorists?

The California Department of Finance calculated that the average cost to motorists is roughly \$10/month. Here's how this is estimated:

- **Registration:** Nearly 50% of all registered vehicles in California are valued at less than \$5,000. Forty percent are valued at less than \$25,000. Thus, the average annual amount for vehicle registration is approximately \$48.

- **Fuel:** California's 26 million licensed drivers consume 15.5 billion gallons per year. That is 577 gallons per driver, multiplied by 12 cents per gallon is \$69.24 each.

The annual average cost per driver is:

Vehicle Registration \$47.85

Fuel \$69.24

Total \$117.09 per year OR \$9.76 per month

3. Which SB 1 funds go directly into the state's General Fund?

None. Revenues go directly into transportation accounts and are constitutionally protected.

Article XIX of the California Constitution already protects the gasoline excise tax and vehicle registration fees, and a portion of the sales tax on diesel, and dedicates them to transportation purposes. This accounts for about 70% of the revenues generated by SB 1. ACA 5, a constitutional ballot measure which will go before the voters in June 2018, extends these same constitutional protections to the remaining 30% of new revenues generated by SB 1.

4. What is the oversight for SB 1?

SB 1 creates a new Office of the Inspector General (IG) charged with overseeing projects and programs to ensure all SB 1 funds are spent as promised. The IG is required to report annually to the state Legislature.

Furthermore, SB 1 has significant accountability and transparency provisions designed to ensure the public has full access to information on how their tax dollars are being invested. Cities and counties must publicly adopt and submit to the state a planned list of projects and year-end reporting that accounts for every single dollar of SB 1 revenue they receive.

5. How will the new funds be used to build new roads?

SB1 funds can and will be used to build new roads and increase capacity on our roads and highways.

- SB 1 funds will be used to restore the State Transportation Improvement Program (STIP). The CTC previously cut and delayed \$1.5 billion in projects from STIP, including new capacity projects, which are now eligible to move forward.
 - There is \$200 million annually in SB 1 for self-help counties that can be used on new roads and capacity increasing projects.
 - SB 1 includes \$250 million annually for congested road and highway corridors and \$300 million for the trade corridor programs, which can both fund increased capacity.
 - Lastly, while cities and counties will primarily (initially) be using local funds on “fix it first” projects to repair roads in bad shape, local governments can use these funds for new roads and capacity enhancements, especially once their road conditions are brought up into a state of good repair.
-

6. Can California dedicate existing General Fund revenues to fix transportation?

California has a combined need of over \$130 billion over the next 10 years just to bring the state highway and local street and road systems into a good and safe condition. If we were to use funds from the General Fund, we would need to pull \$130 billion from important areas like education, healthcare, public safety, and other programs that Californians rely upon.

SB 1 follows the user-pay model where everyone pays their fair share and all drivers pay a little more to fix the roads they drive on.

7. Which state has the highest gas tax in the nation?

Figures from the Tax Foundation and the American Petroleum Institute show Pennsylvania tops out as the highest in the nation. California’s gas taxes haven’t been raised in more than 20 years and, as a result, transportation improvement funding simply hasn’t kept pace with inflation, leading to the backlogs of unfunded infrastructure. SB 1 changes that.

Since 2013, 26 states have increased gas taxes and other transportation revenues to fix their roads and bridges. In fact, of those 26 states, 17 are governed by Republicans.

8. What are the impacts of SB 1 on our economy?

SB 1 is a job creator. The White House Council of Economic Advisors found that every \$1 billion invested in transportation infrastructure supports 13,000 jobs a year. With the \$5 billion annually planned from SB 1, this measure will put 650,000 people to work rebuilding California over the next decade.

9. How will this tax increase save money for California's working families and businesses?

California motorists currently pay \$763 per year, on average, in extra vehicle repair costs due to wear and tear because of the poor condition of our roads. With SB 1, CA drivers will save money by driving on improved roads and will need fewer vehicle repairs.

10. Why are a very small amount of SB 1 funds being provided to CSU and UC for research?

SB 1 directs \$7 million (one-tenth of one percent of total SB 1 revenues) to CSU and UC transportation research institutions for research directly related to improving transportation technology, practices, materials, and impacts to the environment.

11. What percentage of the funding from the state's gas tax increase will be used for "non-road-related projects like building parks and lifeguards?"

A percentage of the existing gas tax revenue related to fuel sales from boats, agricultural equipment, and other off-highway vehicles (quads, dirt bikes) has always gone toward supporting infrastructure related to these economic and recreational activities. The percent of gas tax revenues collected from these sources is two-percent (2%).

12. Which funds raised by SB 1 will be used to repay outstanding loans from certain transportation funds?

All outstanding transportation loans are being repaid by the General Fund. The FY 2016-17 state budget already started to repay those loans, and SB 1 requires all loans to be repaid by 2020.

13. How will SB 1 contribute to Caltrans and state highway system efficiencies?

Caltrans staffing levels are currently at the lowest they've been in a decade. Additionally, SB 1 mandates that the California Department of Transportation "shall implement efficiency measures with the goal to generate at least one hundred million dollars (\$100,000,000) per year in savings to invest in maintenance and rehabilitation of the state highway system."

14. What amount of SB 1 dollars will be diverted to fund high-speed rail?

No funds raised from SB 1 will be used to fund high-speed rail.

California's state-maintained transportation infrastructure will receive roughly half of SB 1 revenue:\$26 billion. The other half will go to local roads, transit agencies and an expansion of the state's growing network of pedestrian and cycle routes. There is no remaining balance that could be used for the high-speed rail project.

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Memorandum

5.2

1111 Broadway, Suite 800, Oakland, CA 94607

• 510.208.7400

• www.AlamedaCTC.org

DATE: April 2, 2018

TO: Planning, Policy and Legislation Committee

FROM: Vivek Bhat, Director of Programming and Project Controls
Jacki Taylor, Senior Program Analyst

SUBJECT: State Transit Assistance (STA) County Block Grant Program

Recommendation

It is recommended that the Commission approve Resolution 18-004, regarding the establishment of a State Transit Assistance (STA) County Block Grant Program and funding distribution formula for Alameda County, including the annual funding distribution for FY 2018-19 STA funds.

Summary

STA is the State's flexible transit funding program which may be used for capital or operating purposes and is an important source of transit operations funding. The statewide STA program is split equally between a Revenue-based program (Public Utilities Code 99314) and a Population-based program (Public Utilities Code 99313). The Revenue-Based program distributes funds directly to transit operators based on each transit operator's share of statewide qualifying revenues used for transit operations, while the Population-Based program distributes funds to the State's regional transportation planning agencies such as the Metropolitan Transportation Commission (MTC) based on their share of California's population. On February 28, 2018, MTC approved Resolution 4321 which established a new policy for the distribution of STA Population-Based funds in the nine-county Bay Area region. Under MTC Resolution 4321, Congestion Management Agencies (CMAs) are charged with playing a coordinating role in the development of a STA Population-Based distribution program within their county. MTC Resolution 4321 replaced MTC Resolution 3837 with a new transit-focused, One Bay Area Grant (OBAG)-style STA County Block Grant for 70 percent of the STA Population-Based funds received by MTC, with the remaining 30 percent directed towards MTC's Regional STA Program. MTC Resolution 4321 includes several policy conditions for the STA County Block Grant Program.

An Alameda CTC Commission-approved STA County Block Grant Program identifying STA distribution percentages by transit operator will be due to MTC by May 1st of each year.

Background

Senate Bill (SB) 1 provides a significant infusion of funding for public transit, including formula based and competitive funding. The State Transit Assistance (STA) program will be boosted by approximately \$250 million per year from an increase in the diesel sales tax rate of 3.5 percent. These funds would augment the existing STA program (around \$294 million statewide). MTC estimates the Bay Area would receive approximately \$94 million per year from this augmentation of the STA program.

The statewide STA program is split equally between a Revenue-based program (Public Utilities Code 99314) and a Population-based program (Public Utilities Code 99313). The Revenue-Based program distributes funds directly to transit operators based on each transit operator's share of statewide qualifying revenues used for transit operations, while the Population-Based program distributes funds to the State's regional transportation planning agencies (such as MTC) based on their share of California's population. The Bay Area currently receives approximately 56% of Revenue-Based funds and 19% of Population-Based funds. Attachment A displays the increase in STA Revenue-Based shares for Transit Operators within Alameda County due to SB1.

In 2008, MTC adopted an STA Allocation Policy, Resolution 3837, which included a provision that the policy and funding distribution formula for the Population-based funds be revisited after ten years. On February 28, 2018, MTC approved Resolution 4321 (Attachment B) which established a new policy framework for the use of STA Population-based funds in the MTC region. Under Resolution 4321, 70 percent of the funds will be distributed to the region's CMAs, using the same distribution formula MTC established under Resolution 3837, for a new transit-focused, OBAG-style STA County Block Grant program. MTC will continue to direct 30 percent of the funds towards its Regional STA Program.

STA Population-Based County Block Grant Program

Commencing with Fiscal Year 2018-19, as part of a STA County Block Grant, 70% of the STA Population-Based funds is reserved for programming to STA-eligible operators by the region's CMAs in each of the nine Bay Area counties. The STA County Block Grant will allow each county to determine how best to invest in transit operating needs, including paratransit and lifeline transit services and shall be distributed annually among the nine counties according to the percentages shown in Table 1. Each county's STA share is based on the total of its share of each of the three program categories in the original STA Resolution 3837 formula (Northern Counties/Small Operators Program, Regional Paratransit Program, and the Lifeline Transportation Program). For the region, MTC estimates approximately \$37 million - \$39 million will be available for the annual County Block Grant programs. Starting with FY 2018-19, roughly 50 percent of the annual STA revenue for the County Block Grant funding will come from an augmentation from SB1.

Table 1. Distribution of STA Population-Based Funds

STA Population-based Program		FY 2018-19 Estimate
70% County Program		\$37,615,833
County	% STA Funds	
Alameda	17.68%	\$6,649,391
Contra Costa	22.18%	\$8,344,142
Marin	5.71%	\$2,146,528
Napa	3.49%	\$1,313,035
San Francisco	8.46%	\$3,180,601
San Mateo	5.06%	\$1,904,308
Santa Clara	14.09%	\$5,300,829
Solano	10.50%	\$3,950,403
Sonoma	12.83%	\$4,826,595
30% Regional Program		\$16,121,071
Grand Total		\$53,736,904

STA County Block Grant Program Requirements/Conditions

While the new County Block Grant model allows flexibility and control at a county level, MTC Resolution 4321 also applies certain conditions. A few key conditions that are applicable to Alameda County's program are listed:

- Minimum shares for Small and North County Operators: Within Alameda County a minimum of 24 percent of the County Block Grant funds shall be reserved and programmed to the eligible small operators, LAVTA and Union City Transit.
- Reporting: Each CMA must submit to MTC by May 1st of each year, a report including the following information about the previous, completed fiscal year: 1) the county's programming distribution of STA Population-Based funds among its STA-eligible operators and; 2) the estimated amount of STA Population-Based funding that will be spent within or benefiting Communities of Concern.
- Fund Exchanges: Each CMA is required to seek approval from MTC before requesting that a STA-eligible recipient of STA Population-Based funds perform a fund exchange involving STA Population-Based funds.
- Coordinated Claim/Submission Deadline: Each CMA must play a coordinating role in the development of STA Population-Based claims from STA-eligible operators within their county. Each CMA must also submit to MTC by May 1st of each year a governing board-approved resolution listing the distribution policy for STA

Population- Based funds among the STA-eligible operators for the subsequent fiscal year. Operators will continue to submit their own claims, if desired.

- Performance Measures: All small and medium sized operators shall meet Transit Sustainability Project (TSP) performance requirements similar to the large operators and achieve a 5% real reduction in cost per service hour, cost per passenger, or cost per passenger mile by Fiscal Year 2022-23. Operators may substitute TSP performance measures for a similar local voter approved or CMA adopted performance measure, subject to MTC concurrence.
- Mobility Management: In five counties (Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara) each county must establish or enhance mobility management programs to help provide equitable and effective access to transportation.

Proposed STA Block Grant Program for Alameda County

Attachment C details three options for the distribution of Alameda County's STA Block Grant Program funding, by program category. The amounts shown in Attachment C are based on the MTC-approved STA FY 2018-19 Fund Estimate. The actual revenue disbursed each year will be based on the actual revenue received by MTC distributed by the percentages shown in Attachment C. The proposed distribution formula continues the use of the same three STA program categories initially established through MTC's Resolution 3837: Small Operators, Paratransit and Lifeline/Mean-based, and proposes a formula that provides a level of funding similar to what has traditionally been distributed for these categories: 24%, 25% and 51%, respectively. Resolution 4321 requires a minimum 24 percent of Alameda County STA funds be reserved for its small operators, LAVTA and Union City Transit. The proposed sub-allocation between LAVTA and Union City Transit is 74 percent and 26 percent, respectively, which is consistent with the shares these operators received under MTC Resolution 3837. For the Lifeline/Mean-based category, staff recommends revising this program from a discretionary program to a formula-based distribution to STA-eligible transit operators. The operators will be required to use the Lifeline/Mean-based portion of its annual STA Block Grant funding in Communities of Concern (COCs) or other low-income areas of the County and identify on an annual basis the projects proposed for the Lifeline funds and how the projects will improve mobility for the county's low-income residents.

The Alameda CTC's Affordable Student Transit Pass Program (ASTPP) is eligible to be funded by the STA funds for the transit operators participating in the ASTPP. The ASTPP is a three-year pilot program that is expected to become an on-going program in Alameda County. The ASTPP includes free and universal passes at schools with high percentages of students who qualify for free and reduced price lunch and a free and mean-based program at other schools solely for low-income students. In December, the Commission adopted a legislative platform specifically supporting identification of funding to expand the ASTPP. In February, the Commission adopted the implementation program for Year 3 of the ASTPP and specifically directed staff to identify new funding sources for the

program. Based on direction received from the Commission, staff is proposing a portion of the Lifeline/Mean-based category be directed towards the ASTPP by the percentages identified in the Alameda CTC's annual STA County Block Grant Resolution, and as defined through funding agreements with transit operators.

The three options under consideration for the distribution of the Lifeline/Mean-based category, which represents 51 percent of the total annual STA fund estimate are shown in Attachment C, as follows:

- Option 1: Proposes 100 percent of the Lifeline/Mean-based program category be directed towards transit operators for the ASTPP, with no STA Lifeline/Mean-based program funds distributed to transit operators for general lifeline transit needs;
- Option 2: Proposes all Lifeline/Mean-based STA funding be distributed to transit operators for general lifeline transit needs, with no STA funds directed towards the (ASTPP); and
- Option 3: Proposes 50 percent of the funding for the Lifeline/Mean-based program category be distributed to transit operators for general lifeline transit needs and 50 percent directed towards the ASTPP.

STA County Block Grant funds to the ASTPP will supplement and not displace any Measure BB funds. In the event funding is not available for the ASTPP to fulfill the ASTPP funding needs, none of the Transit Operators will be responsible for backfilling a funding shortfall with transit revenues. Any future funding needed for the ASTPP program will be sought and secured by the Alameda CTC.

It is recommended the Commission approve Resolution 18-004 which reflects Option 3 above, establishing the STA County Block Grant Program (Attachment D) which includes the distribution of funding by operator.

Next Steps

An approved STA County Block Grant program resolution is due to MTC by May 1, 2018. Exhibit A of the resolution will reflect the set-aside approved for ASTPP (if any). Transit operators will have additional time to submit detailed project lists for each sub-program.

Fiscal Impact: There is no fiscal impact associated with the requested action. The transit operators will work directly with MTC to access the STA funding.

Attachments:

- A. FY 2018-19 STA Revenue Based Estimates for Alameda County Transit Operators
- B. MTC Resolution 4321
- C. Alameda CTC STA Block Grant Distribution Formula Scenarios
- D. Alameda CTC Resolution 18-004, establishing the Alameda County STA Block Grant Program

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SB1 - FY 2018-19 Estimates***Revenue-Based State Transit Assistance (STA) and State of Good Repair (SGR)***

Alameda County Transit Operators	Base STA Distribution (A)	STA SB 1 Augmentation (B)	State of Good Repair (SGR) Program (C)	Total SB 1 Augmentation (STA + SGR) (D) = (B+C)	Total (E) = (A+D)	% Increase over Base Amount due to SB-1
AC Transit	\$8,309,164	\$8,309,164	\$3,149,541	\$11,458,705	\$19,767,869	138%
BART	\$16,098,558	\$16,098,558	\$6,102,066	\$22,200,624	\$38,299,182	138%
LAVTA	\$146,790	\$146,790	\$55,640	\$202,430	\$349,220	138%
Union City	\$45,153	\$45,153	\$17,115	\$62,268	\$107,421	138%
ACE (Ala. Co.)	\$98,681	\$98,681	\$37,404	\$136,085	\$234,766	138%
Total	\$24,698,346	\$24,698,346	\$9,361,766	\$34,060,112	\$58,758,458	138%

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Memorandum

TO: Congestion Management Agencies and Small Operators DATE: March 2, 2018

FR: Anne Richman, Director, Programming and Allocations

RE: State Transit Assistance Population-Based Funds – Implementation Schedule and Next Steps

STA County Block Grant Established

On February 28, 2018 the MTC Commission approved MTC Resolution 4321 (Attached) which establishes a new policy framework for the use of State Transit Assistance (STA) Population-Based (Public Utilities Code § 99313) funds in the MTC region.

MTC Resolution 4321 replaced MTC Resolution 3837 with a new transit-focused, OBAG-style STA County Block Grant for STA Population-Based funds (70%), with funds continuing for the Regional Program (30%). The STA County Block Grant is accompanied by several policy conditions, largely aimed at improving transit coordination and efficiency while stabilizing funding.

Implementation Schedule

Under MTC Resolution 4321 Congestion Management Agencies (CMAs) are charged with playing a coordinating role in the development of a STA Population-Based distribution program within their county. The below table provides a summary of key dates relevant to the implementation of MTC Resolution 4321.

Date	Action
May 1, 2018	CMAs submit to MTC their STA Population-Based distribution for FY 2018-19
Late Spring/Summer 2018	Transit operators submit TDA/STA claims to MTC for FY 2018-19.
November 2018	STA payments for first quarter of FY 2018-19 made by the State Controller.
May 1, 2019	CMAs submit to MTC their STA Population-Based distribution for FY 2019-20.
May 1, 2020	CMAs submit to MTC information on how STA Population-Based funds were used in FY 2018-19 to benefit communities of concern.

Performance Measures Evaluation/Next Steps

MTC Resolution 4321 includes a policy that extends the performance measures established as a part of the Transit Sustainability Project (TSP) to the region's smaller transit operators. Based on discussions with CMAs and transit operators over the last several months, MTC Resolution 4321 includes a provision that directs MTC staff to work with CMA and small transit operator staff over the next year to "evaluate whether an alternate performance framework or metrics are more appropriate for the small operators."

MTC staff anticipate launching a discussion on alternative performance measures for small operators in the next few months.

MTC Staff Support

Staff from MTC's Programming and Allocations Section are available to assist CMAs and transit operators with implementation of MTC Resolution 4321. Please contact the following members of staff for assistance: William Bacon (415.778.6628, wbacon@bayareametro.gov), Cheryl Chi (415.778.5339, cchi@bayareametro.gov), or Theresa Romell (415.778.6772, trromell@bayareametro.gov).

Attachment

MTC Resolution 4321 (adopted February 28, 2018)

Date: February 28, 2018
W.I.: 1511
Referred By: PAC

ABSTRACT

Resolution No. 4321

This resolution establishes a policy for the programming and allocation of State Transit Assistance (STA) funds and State of Good Repair Program funds, made available under the provisions of Public Utilities Code Sections 99312.1, 99313, and 99314.

This resolution supersedes Resolution No. 3837.

Further discussion of this action is contained in the Executive Director's Memorandum to the Programming and Allocations Committee dated January 3, 2018 and the MTC Programming and Allocations Committee Summary Sheet dated February 14, 2018.

Date: February 28, 2018
W.I.: 1511
Referred By: PAC

Re: Adoption of MTC's State Transit Assistance (STA) and State of Good Repair Program Programming and Allocation Policy.

METROPOLITAN TRANSPORTATION COMMISSION

RESOLUTION NO. 4321

WHEREAS, State Transit Assistance (STA) funds are to be used to enhance public transportation service, including community transit service, and to meet high priority regional transportation needs; and

WHEREAS, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act of 2017, establishes the State of Good Repair Program (SGR Program); and

WHEREAS, both STA and SGR Program funds are distributed by the State Controller's Office pursuant to Public Utilities Code § 99313 and 99314, a Population-Based and Revenue-Based program, respectively; and

WHEREAS, the Metropolitan Transportation Commission (MTC), as the Regional Transportation Planning Agency for the San Francisco Bay Area, is responsible for the allocation of STA and SGR Program funds available to eligible claimants in this region; and

WHEREAS, MTC adopted an STA Allocation Policy in Resolution No. 3837 in 2008; and

WHEREAS, SB 1 significantly increased the amount of funding to the STA program and established the SGR Program; and

WHEREAS, in order to align the allocation of STA and SGR Program funding with the Bay Area's most pressing transportation needs; now, therefore, be it

RESOLVED, that MTC adopts its State Transit Assistance and State of Good Repair Program Programming and Allocation Policy described in Attachment A, attached hereto and incorporated by reference, for guidance to eligible claimants in the preparation of their

applications for STA and SGR Program funds and to staff for reviewing such applications; and
be it further

RESOLVED, that the prior policy governing allocation of State Transit Assistance Funds
contained in Resolution No. 3837 is superseded by this resolution.

METROPOLITAN TRANSPORTATION COMMISSION

Jake Mackenzie, Chair

The above resolution was entered
into by the Metropolitan Transportation
Commission at a regular meeting of
the Commission held in San Francisco,
California, on February 28, 2018.

**STATE TRANSIT ASSISTANCE AND STATE OF GOOD REPAIR PROGRAM
PROGRAMMING AND ALLOCATION POLICY
Exhibit 1**

This policy affects all allocations by the Metropolitan Transportation Commission (MTC) of STA and SGR Program funds, made available under the provisions of Public Utilities Code Sections 99312.1, 99313 and 99314 and relevant subsections.

I. STA Population-Based Funds (PUC Code 99313) Including Interest Earnings

1. STA Population-Based County Block Grant

Commencing with Fiscal Year 2018-19 70% of the STA Population-Based funds and interest is reserved for programming to STA-eligible operators by Congestion Management Agencies (CMAs) in each of the nine Bay Area counties as part of a STA Population-Based County Block Grant (County Block Grant). The County Block Grant will allow each county to determine how best to invest in transit operating needs, including providing lifeline transit services. The funds reserved for the County Block Grant shall be distributed amongst the nine counties according to the percentages shown in Table 1. Each county's share in Table 1 was calculated based on the county's share of STA funds from the Resolution 3837 formula, totaled across all categories (Northern Counties/Small Operators Program, Regional Paratransit Program, and the Lifeline Transportation Program).

Table 1. Distribution of STA Population-Based County Block Grant, by County

Alameda	17.68%
Contra Costa	22.18%
Marin	5.71%
Napa	3.49%
San Francisco	8.46%
San Mateo	5.06%
Santa Clara	14.09%
Solano	10.50%
Sonoma	12.83%

Within Alameda and Contra Costa Counties a minimum amount of County Block Grant funds shall be programmed amongst the transit operators detailed in Table 2.

Table 2. Alameda and Contra Costa County Small Operator Minimum

County	Minimum % of Block Grant to be Allocated Annually Amongst Eligible Small Operators	Eligible Small Operators
Alameda County	24%	LAVTA and Union City Transit
Contra Costa County	60%	CCCTA, ECCTA, WestCAT

The following program conditions apply to the County Block Grant:

- **Reporting:** Each CMA must submit to MTC by May 1st of each year, a report including the following information about the previous, completed, fiscal year: 1) the county's programming distribution of STA Population-Based funds amongst STA-eligible operators and; 2) the estimated amount of STA Population-Based funding that will be spent within or benefiting Communities of Concern.
- **Fund Swaps:** Each CMA is required to seek approval from MTC before requesting that a STA-eligible operator recipient of STA Population-Based funds perform a fund swap involving STA Population-Based funds. The CMA must notify all STA-eligible operators within their county of the request to swap funds before seeking approval from MTC. The swaps will be limited to transit-eligible activities unless there is concurrence from the transit operators.
- **Coordinated Claim/Submission Deadline:** Each CMA must play a coordinating role in the development of STA Population-Based claims from STA-eligible operators within their county. Each CMA must also submit to MTC by May 1st of each year a governing board-approved resolution listing the distribution policy for STA Population-Based funds amongst the STA-eligible operators for the subsequent fiscal year. Operators will continue to submit their own claims, if desired.
- **Performance Measures:** All small and medium sized operators shall meet Transit Sustainability Project (TSP) performance requirements similar to the large operators and achieve a 5% real reduction in cost per service hour, cost per passenger, or cost per passenger mile by Fiscal Year 2022-23. For operators that have already achieved a 5% real reduction in one of the above performance measures by FY 2017-18 no further reduction is required. Operators may substitute TSP performance measures for a similar local voter approved or CMA adopted performance measure, subject to MTC concurrence. Once the 5% reduction is achieved transit operators are expected to keep future cost increases to no higher than the San Francisco Area Consumer Price Index as defined by the U.S. Bureau of Labor Statistics. Beginning in Fiscal Year 2023-24 MTC may link existing and new operating and capital funds administered by MTC to progress towards achieving the performance target. Staff will work with the small operators and CMAs to evaluate whether an alternate performance framework or metrics are more appropriate for the small operators. Staff will return within one year to

report on whether to retain the current framework or adjust the performance requirements.

- **Operator Consolidation Planning Efforts:** In the Northern Counties (Marin, Napa, Solano, and Sonoma) as an alternative to meeting TSP performance requirements, counties and transit operators may develop a plan to consolidate into a single county operator.
- **Mobility Management:** In the five other counties (Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara) each county must establish or enhance mobility management programs to help provide equitable and effective access to transportation.

2. *MTC Regional Program*

Commencing with Fiscal Year 2018-19 30% of the STA Population-Based funds and interest is reserved for projects and programs that improve regional coordination, including but not limited to:

- Clipper®
- 511
- Transit connectivity

In addition, a portion of the Regional Program funding (approximately \$8 million in the first year based on the estimated Senate Bill 1 increment for Fiscal Year 2018-19) will be used to pay for the administrative costs and to help offset transit fare revenue loss for a regional means-based fare program.

MTC will develop an annual MTC Regional Coordination program. All final programming will be reviewed and approved by the MTC Programming and Allocations Committee (PAC).

3. *Transit Emergency Service Contingency Fund*

The Transit Emergency Service Contingency Fund shall be used to provide assistance for an emergency response to a qualifying incident or event, under specific circumstances as described in MTC Resolution No. 4171.

The fund shall not exceed a total balance of \$1 million of STA Population-Based funds. In any individual fiscal year no more than \$333,333 of STA Populated-Based funds and interest shall be apportioned to the fund. Interest accrued to the fund shall not count towards the \$1 million total balance limit and interest can continue to accrue once the fund has reached \$1 million. Beginning in Fiscal Year (FY) 2015-16, \$333,333 in STA Population-Based funds, taken “off the top” from estimated STA Population-Based revenues for the fiscal year, will be apportioned to the fund. Apportionments will continue in subsequent fiscal years until the fund reaches a total of \$1 million. In future years should

the balance of the fund fall below \$1 million, funds shall be apportioned in the next fiscal year to restore the full balance of the fund, subject to the annual apportionment limit.

II. STA Revenue-Based Funds (PUC Code 99314)

Funds apportioned to the region based on revenues generated by the transit operators will be allocated to each STA-eligible operator for the support of fixed route and paratransit operations, for inter-operator coordination, including the cost of interoperator transfers, joint fare subsidies, integrated fares etc., and for capital projects consistent with the adopted long-range plan.

III. SGR Program Population-Based Funds (PUC Code 99312.1, distributed via PUC 99313)

MTC will develop an annual investment program for SGR Program Population-Based Funds through the annual Fund Estimate. All final programming will be reviewed and approved by the MTC Programming and Allocations Committee (PAC) and will be consistent with the below priorities. All proposed programming actions will be submitted to Caltrans for approval, consistent with SGR Program Guidelines.

1. *Priority 1: Clipper® 2.0*

Invest in the development and deployment of the Bay Area's next generation transit fare payment system, Clipper® 2.0.

2. *Priority 2: Green Transit Capital Priorities*

If not needed for Clipper® 2.0, program SGR Program Population-Based funds to the acquisition of zero emission buses (ZEB) by the Bay Area's transit operators. SGR Program funds are intended to pay for the cost increment of ZEBs over diesel or hybrid vehicles or for charging or hydrogen infrastructure to support ZEBs. MTC staff will work to secure a 1:1 match commitment from the Bay Area Air Quality Management District to expand and accelerate the deployment of ZEBs in the region.

IV. SGR Program Revenue-Based Funds (PUC Code 99312.1, distributed via PUC 99314)

Funds apportioned to the region based on revenues generated by the transit operators will be allocated to each respective STA-eligible operator for state of good repair projects, preventative maintenance, and other projects approved by the California Department of Transportation (Caltrans) as eligible for SGR Program expenditure.

**State Transit Assistance (STA)
Rules and Regulations
for the MTC Region
Exhibit 2**

These Rules and Regulations cover the eligibility requirements and the rules for a full or partial allocation of these funds.

Eligibility Requirements

To be eligible for any STA funds in the MTC region, an operator must comply with all SB 602 fare and schedule coordination requirements for the fiscal year. The evaluation of operator's compliance with the SB 602 program is made annually.

An operator's requested STA allocation may also be partially or fully reduced if the operator did not make satisfactory progress in meeting its Productivity Improvement Program (PIP) and/or the Regional Coordination projects for which each operator is a participant.

SB 602 Requirements/California Government Code Section 66516

Fare coordination revenue-sharing agreements, must be fully executed by all participating operators and provisions of the agreement(s) must be in compliance with MTC rules and regulations.

MTC Res. 3866 (Transit Coordination Implementation Plan) documents coordination requirements for Bay Area transit operators to improve the transit customer experience when transferring between transit operators and in support of regional transit projects such as Clipper. If a transit operator fails to comply with the requirements of Res. 3866 or its successor, MTC may withhold, restrict or reprogram funds or allocations.

PIP Projects

PIP projects are a requirement of STA funding. Failure by operators to make a reasonable effort to implement their PIP projects may affect the allocation of these funds. Projects will be evaluated based on actual progress as compared to scheduled. STA funds may be reduced proportionate to the failure of the operator to implement the PIP project/s. Progress in meeting the milestones identified for a project may be used as the basis for assessing reasonable effort.

The amount withheld will be reviewed with the affected operator. Partial funds withheld may be held by MTC up to two years to allow an operator to comply with its PIP as required by statute.

After two years, funds withheld under this section may also be re-allocated to any eligible operator for purposes of improving coordination, according to the unfunded coordination projects in the Regional Coordination Plan (MTC Res. 3866 or its successor). MTC may also allocate these funds to any operator whose increase in total operating cost per revenue vehicle hour is less than the increase in the CPI.

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Proposed STA County Block Grant Funding Distribution for Alameda County

5.2C

Option 1 - 100% to Low Income Student Riders on ASTPP

Alameda County's Share of FY 2018-19 STA Fund Estimate ¹

\$ 6,649,391

Program Category	% of Program	Funding by Category/Operator	% of Category
Small Operator Guarantee²	24%	\$ 1,595,854	100%
LAVTA		\$ 1,182,046	74%
Union City Transit		\$ 413,808	26%
Regional Paratransit / Mobility Management²	25%	\$ 1,662,348	100%
AC Transit (For East Bay Paratransit Service)		\$ 1,516,061	91%
LAVTA		\$ 88,104	5%
Union City Transit		\$ 58,182	4%
Lifeline / Means-based Program (100% reserved for Low Income Student Riders on ASTPP) ^{3,4}	51%	\$ 3,391,189	100%
AC Transit		\$ 3,018,158	89%
BART		\$ -	0%
LAVTA		\$ 237,383	7%
Union City Transit		\$ 135,648	4%
Total STA Fund Distribution	100%	\$ 6,649,391	

Total by Operator		
Agency	Total \$	% Total
AC Transit	\$ 4,534,219	68%
BART	\$ -	0%
LAVTA	\$ 1,507,534	23%
Union City Transit	\$ 607,638	9%
	\$ 6,649,391	100%

Notes:

1. Alameda County's Share of STA funds is 17.68% of MTC Region share; Source: MTC FY 2018-19 Fund Estimate, approved February 2018.
2. Small Operator and Regional Paratransit shares by operator are consistent with MTC's current formula.
3. Proposal would set aside 100% of the Lifeline/Mean-Based component for the Affordable Student Transit Pass Program (ASTPP).
4. Formula Distribution to Operators based on actual % distribution to Operators calculated from first year implementation of the ASTPP.

Proposed STA County Block Grant Funding Distribution for Alameda County

Option 2 - 100% to Lifeline Program

Alameda County's Share of FY 2018-19 STA Fund Estimate ¹ \$ 6,649,391

Program Category	% of Program	Funding by Category/Operator	% of Category
Small Operator Guarantee²	24%	\$ 1,595,854	100%
LAVTA		\$ 1,182,046	74%
Union City Transit		\$ 413,808	26%
Regional Paratransit / Mobility Management²	25%	\$ 1,662,348	100%
AC Transit (For East Bay Paratransit Service)		\$ 1,516,061	91%
LAVTA		\$ 88,104	5%
Union City Transit		\$ 58,182	4%
Lifeline / Means-based Program (100% to Lifeline Program; 0% reserved for Low Income Student Riders on ASTPP) ^{5,6}	51%	\$ 3,391,189	100%
AC Transit		\$ 2,459,785	73%
BART		\$ 810,275	24%
LAVTA		\$ 90,235	3%
Union City Transit		\$ 30,894	1%
Total STA Fund Distribution	100%	\$ 6,649,391	

Total by Operator		
Agency	Total \$	% Total
AC Transit	\$ 3,975,846	60%
BART	\$ 810,275	12%
LAVTA	\$ 1,360,385	20%
Union City Transit	\$ 502,884	8%
	\$ 6,649,391	100%

Notes:

1. Alameda County's Share of STA funds is 17.68% of MTC Region share; Source: MTC FY 2018-19 Fund Estimate, approved February 2018.
2. Small Operator and Regional Paratransit shares by operator are consistent with MTC's current formula.
5. Proposal would set aside 100% of the Lifeline/Mean-Based component for the Lifeline Program.
6. Formula Distribution to Operators based on % of low income ridership; Source: MTC compiled data from 2012/2013 California Household Travel Survey.

Proposed STA County Block Grant Funding Distribution for Alameda County

Option 3 - 50% to Low Income Student Riders on ASTPP; 50% to Lifeline Program

Alameda County's Share of FY 2018-19 STA Fund Estimate ¹

\$ 6,649,391

Program Category	% of Program	Funding by Category/Operator	% of Category
Small Operator Guarantee²	24%	\$ 1,595,854	100%
LAVTA		\$ 1,182,046	74%
Union City Transit		\$ 413,808	26%
Regional Paratransit / Mobility Management²	25%	\$ 1,662,348	100%
AC Transit (For East Bay Paratransit Service)		\$ 1,516,061	91%
LAVTA		\$ 88,104	5%
Union City Transit		\$ 58,182	4%
Lifeline / Means-based Program (50% reserved for Low Income Student Riders on ASTPP; 50% to Lifeline Program) ^{3,4,5,6}	51%	\$ 3,391,189	100%
Low Income Student Riders on ASTPP	25.5%	\$ 1,695,594	50%
AC Transit		\$ 1,509,079	89%
BART		\$ -	0%
LAVTA		\$ 118,692	7%
Union City Transit		\$ 67,824	4%
Lifeline Program	25.5%	\$ 1,695,594	50%
AC Transit		\$ 1,229,892	73%
BART		\$ 405,137	24%
LAVTA		\$ 45,118	3%
Union City Transit		\$ 15,447	1%
Total STA Fund Distribution	100%	\$ 6,649,391	

Total by Operator		
Agency	Total \$	% Total
AC Transit	\$ 4,255,032	64%
BART	\$ 405,137	6%
LAVTA	\$ 1,433,959	22%
Union City Transit	\$ 555,261	8%
	\$ 6,649,390	100%

Notes:

- Alameda County's Share of STA funds is 17.68% of MTC Region share; Source: MTC FY 2018-19 Fund Estimate, approved February 2018.
- Small Operator and Regional Paratransit shares by operator are consistent with MTC's current formula.
- Proposal would set aside 50% of the Lifeline/Mean-Based component for the Affordable Student Transit Pass Program (ASTPP).
- Formula Distribution to Operators based on actual % distribution to Operators calculated from first year implementation of the ASTPP.
- Proposal would set aside 50% of the Lifeline/Mean-Based component for the Lifeline Program.
- Formula Distribution to Operators based on % of low income ridership; Source: MTC compiled data from 2012/2013 California Household Travel Survey.

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Commission Vice ChairMayor Pauline Cutter,
City of San Leandro**AC Transit**

Board President Elsa Ortiz

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Supervisor Wilma Chan, District 3
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Executive Director

Arthur L. Dao

**ALAMEDA COUNTY TRANSPORTATION COMMISSION
RESOLUTION 18-004****Approval of the FY 2018-19 Distribution Formula for
Alameda County's STA County Block Grant Program**

WHEREAS, Metropolitan Transportation Commission (MTC) is the Metropolitan Planning Organization (MPO) and Regional Transportation Planning Authority (RTPA) for the nine counties of the San Francisco Bay region; and

WHEREAS, MTC has adopted a new policy framework for the distribution and use of State Transit Assistance (STA) Population-Based (Public Utilities Code § 99313) funds in the MTC region (MTC Resolution No. 4321); and

WHEREAS, MTC Resolution 4321 reserves 70 percent of MTC's STA Population-Based funding for a new transit-focused, OBAG-style STA County Block Grant Program that is to be administered by the region's Congestion Management Agencies (CMAs); and

WHEREAS, MTC Resolution 4321 established the percentage of the funds reserved for the STA County Block Grant Program that each CMA is to receive and identified 17.68 percent as Alameda County's share of funding; and

WHEREAS, MTC requires each CMA to submit annually by May 1st, a proposed distribution of STA County Block Grant Program funding to STA-eligible transit operators in the county, as a percentage of the county's total STA share; and

WHEREAS, MTC has adopted Resolution 4322, the region's FY 2018-19 Fund Estimate for STA Population-Based (Public Utilities Code § 99313) funds, which estimates the total funding available for the FY 2018-19 STA County Block Grant Program.

WHEREAS, Alameda CTC's 2014 Transportation Expenditure Plan includes funding for a pilot program for an Affordable Student Transit Pass Program (ASTPP). Alameda CTC is responsible for seeking and securing funding to expand the program. STA County Block Grant funds for the ASTPP will supplement and not displace any Measure BB funds. Funding for the ASTPP will not be backfilled with STA funds and transit operators are not responsible for funding additional needs of the ASTPP.

NOW, THEREFORE BE IT RESOLVED, that the Alameda CTC will administer Alameda County's STA County Block Grant Program in accordance with MTC Resolution 4321.

BE IT FURTHER RESOLVED, that the Alameda CTC approves the FY 2018-19 Distribution Formula for Alameda County's STA County Block Grant Program, as detailed in Exhibit A.

DULY PASSED AND ADOPTED by the Alameda CTC Commission at the regular Commission meeting held on Thursday, April 26, 2018 in Oakland, California, by the following vote:

AYES: **NOES:** **ABSTAIN:** **ABSENT:**

SIGNED:

ATTEST:

Richard Valle
Chair, Alameda CTC

Vanessa Lee
Clerk of the Commission

EXHIBIT A

Alameda County STA Block Grant Program - Funding Distribution		
Program Category	% of STA Program	% of Category
Small Operator Guarantee	24%	100%
LAVTA		74%
Union City Transit		26%
Regional Paratransit / Mobility Management	25%	100%
AC Transit (For East Bay Paratransit Service)		91%
LAVTA		5%
Union City Transit		4%
Lifeline / Means-based Program	51%	100%
Low Income Student Riders on the Affordable Student Transit Pass Program		% TBD
AC Transit		% TBD
BART		% TBD
LAVTA		% TBD
Union City Transit		% TBD
Lifeline Program		% TBD
AC Transit		% TBD
BART		% TBD
LAVTA		% TBD
Union City Transit		% TBD
Total STA Funding Distribution	100%	

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