



Memorandum

5.1

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: June 1, 2020

TO: Projects and Programs Committee

FROM: Vivek Bhat, Director of Programming and Project Controls
John Nguyen, Principal Transportation Planner

SUBJECT: Approve FY 2018-19 Measure B, Measure BB and Vehicle Registration Fee Program Compliance Summary Report and Interim Policy Updates

Recommendation

It is recommended that the Commission approve the Fiscal Year 2018-19 Measure B, Measure BB, and Vehicle Registration Fee Program Compliance Report and Interim Policy Updates.

Summary

Each year, Alameda CTC requires recipients of Measure B, Measure BB, and VRF Direct Local Distribution (DLD) funds to submit audited financial statements and program compliance reports to document the receipt and use of DLD funds. Alameda CTC, in conjunction with the Independent Watchdog Committee, reviews these reports to verify DLD funds are expended in compliance with the voter approved transportation expenditure plans and Alameda CTC's expenditure requirements. Alameda CTC prepares Program Compliance Summary Reports which includes a review of the fiscal year's DLD investments, fund balances, and a compliance determination.

Upon review of DLD recipients' financial statements and program compliance reports, Alameda CTC finds nineteen of the twenty DLD recipients in compliance with the DLD financial reporting and program compliance requirements for the FY18-19 reporting period. The City of Union City remains the only DLD recipient that has not submitted reports to Alameda CTC due a citywide virus hindering Union City's ability to access the data last Fall 2019. Union City is currently resolving their data accessibility issues and intends to submit their reports this Fall 2020. Alameda CTC will review the reports at that juncture and will report back to the Commission if there are any findings of non-compliance.

Additionally, Alameda CTC periodically reviews the DLD policies and implementation guidelines to ensure the DLD program is implemented in accordance with the Transportation Expenditure Plans and current transportation needs in Alameda County. With the Coronavirus (COVID-19) pandemic, and the resultant shelter-in-place order across the Bay Area Counties, Alameda CTC recommends a one-year extension of the current timely use of funds policy requirements, and modifying the Seniors and People with Disabilities DLD implementation guidelines to allow for the cost eligibility for Meals on Wheel Delivery programs for the FY 20-21 period.

Background

Alameda CTC is responsible for administering the Measure B, Measure BB, and the VRF Programs. Annually, Alameda CTC distributes over half of all revenues generated by these programs to twenty eligible recipients as Direct Local Distributions (DLD) for local transportation improvement programs. From the inception of each program to the end of Fiscal Year 2018-19 (FY18-19), Alameda CTC has distributed over \$1.4B in combined DLD funds to eligible recipients for local transportation (streets and road), bicycle/pedestrian, transit, and paratransit programs. The eligible recipients include twenty jurisdictions consisting of the fourteen cities, the County, and five transit agencies providing transportation improvements and services in Alameda County.

For FY18-19, Alameda CTC distributed approximately \$180.2 million in total DLD funds for the respective programs identified in the table below.

DLD Program	Measure B	Measure BB	VRF	Total
Local Transportation (Local Streets)	\$ 34.8	\$ 31.7	\$7.6	\$ 74.1
Transit	\$ 33.0	\$ 34.2	\$ -	\$ 67.2
Paratransit	\$ 14.1	\$ 14.2	\$ -	\$ 28.3
Bicycle and Pedestrian	\$ 5.8	\$ 4.8	\$ -	\$ 10.6
Total DLD Funds	\$ 87.7	\$ 84.9	\$7.6	\$180.2

The Master Programs Funding Agreements (MPFAs) between Alameda CTC and the recipients authorize the distribution of formula funds to the recipients and specifies expenditure requirements. Each year, recipients are required to submit audited financial statements and program compliance reports to confirm DLD annual receipts, expenditures and the completion of reporting obligations. This year's compliance reporting period is for FY18-19, which covers July 1, 2018 to June 30, 2019. The reports capture DLD recipients' annual reporting deliverables including:

- Annual revenues, interest, expenditures, and fund balances
- Publication of a newsletter article, website coverage, and signage
- Performance Metrics including Pavement Condition Index, transit on-time performance, capital vs. administrative investments, and service effectiveness.

- Documentation of current Bicycle and Pedestrian Master Plans
- Documentation of Measure BB Local Streets and Roads expenditures on bicycle/pedestrian improvements
- Adherence to Timely Use of Funds Policy

For the FY18-19 reporting year, except for the City of Union City, DLD recipients submitted the required compliance reports and audited financial statements by the December 31, 2019 deadline. The City of Union City was unable to submit the required reports due to a citywide virus hindering the City's ability to access the data last Fall 2019. The City is currently resolving their data accessibility issues and intends to submit their reports this Fall 2020. Alameda CTC will review the reports at that juncture, and will report back to the Commission if there are compliance issues.

For the remaining reports, Alameda CTC staff, in collaboration with the Independent Watchdog Committee, reviewed the recipients' expenditures to determine eligibility and program compliance. With the exception of the City of Union City, Alameda CTC has determined that DLD recipients are in-compliance with the financial reporting and expenditure requirements, and DLD policies for expenditures incurred during FY18-19. The DLD recipients' individual reports are available for review online at: <https://www.alamedactc.org/funding/reporting-and-grant-forms/>.

FY18-19 Fund Balances and Performance Monitoring

DLD recipients are required to document expenditure activities to report on the general performance of DLD funds. Key performance metrics monitored through the Annual Program Compliance Reporting process include timely use of funds, Measure BB Local Street and Road (LSR) investments towards bicycle/pedestrian improvements, pavement condition index, transit on-time performance, and paratransit related service implementation.

- Fund Balances: DLD recipients' collective FY18-19 ending fund balance by funding program totals \$109.0 (\$49.5M in Measure B, \$50.1M in Measure BB, and \$9.5M in VRF) as shown in Attachment A. The balance has increased by approximately \$13M from the past fiscal year. However, DLD recipients have reported \$54.4M of the fund balance is currently encumbered to active projects and contracts to demonstrate their commitment to use their DLD funds (refer to Attachment B).
- 15% Measure BB LSR Requirement: Additionally, Alameda CTC monitors the recipient's adherence to the 2014 Measure BB Transportation Expenditure Plan's requirement that mandates 15 percent of LSR DLD funds be spent on bicycle/pedestrian related improvements. Based on the collective Measure BB LSR expenditures to date, the DLD recipients are meeting the requirement with approximately 30 percent of total Measure BB LSR expenditures to date going towards bicycle/pedestrian related improvements (Attachment C).

- Pavement Condition Index: Alameda CTC's performance metric for LSR DLD recipients also requires a minimum PCI of 60 (Fair Condition) for local roadways. Most DLD recipients are maintaining this fair condition threshold, or have indicated a commitment and action plan to rehabilitate their most deteriorated roadways in their jurisdiction to bring their PCI to standard. A summary of jurisdictions PCI is included in Attachment E.
- Transit On-time Performance: For transit performance, Alameda CTC monitors the reported transit operator's annual adopted on-time performance goals to actual on-time performance achieved. Generally, transit operators are within a percent of their agency's goal. The Altamont Corridor Express noted a decline in its on-time performance in the fiscal year due to implementation of new positive train control technologies. The transit on-time performance summary is included in Attachment E.
- Seniors and People with Disabilities Performance: The Special Transportation for Seniors and People with Disabilities (Paratransit) Program contains specific performance measures based on the types of services provided by the DLD recipient. These transportation services include ADA-mandated paratransit services and city-based non-mandated paratransit programs that provide vital transportation options for seniors and people with disabilities. The recipients' programs and anticipated DLD expenditures are reviewed annually through Alameda CTC's Annual Paratransit Program Plan process. A review of the paratransit ADA mandated services performance summary is included in Attachment E.

Interim Policy Updates Recommended Due to Coronavirus Impact

The Coronavirus (COVID-19) pandemic, and the resultant shelter-in-place order across the Bay Area Counties, has altered the current state of sale tax and VRF program revenues, available local staff resources, and reshaped the near-term transportation needs. Alameda CTC is currently waiting for current program distribution receipts from the State to conduct a thorough revenue analysis, however, it is expected there will be a significant decline in Measure B, Measure BB, and VRF program revenues throughout the last quarter of fiscal year 2019-20 and into the next fiscal year as a result of the COVID-19 impact on the economy. Notwithstanding, transit agencies are expected to receive 40% less funds (from \$8.3 to \$5.0M) through the State Transit Assistance (STA) program in the upcoming fiscal year, potentially impacting service operations and performance. Alameda CTC is cognizant of the changes in funding and transportation priorities, and is committed to supporting DLD recipients in their program delivery while still maintaining strict oversight per the respective Transportation Expenditure Plans. In consideration of the COVID-19 impact, staff recommends updating its DLD program policies pertaining to timely use of funds and cost eligibility for the Meals on Wheels Program as described below.

Timely Use of Funds: Staff recommends a one-year extension of the current timely use of funds policy requirements to provide DLD recipients additional time to draw down their fund balances. Under the current policy, Alameda CTC monitors fund balances against the current Alameda CTC's Timely Use of Funds Policy in which the policy states that DLD recipients shall not carry an ending fund balance greater than 40 percent of their DLD funds received for that year, for four consecutive years, starting with fiscal year 2016-17. Alameda CTC is currently monitoring the fund balance to revenue ratio to verify DLD recipients are in-compliance with the policy by the end of fiscal year 2019-20. At this juncture, all recipients are currently in compliance with this policy and have thru fiscal year 2019-20 to draw down their fund balances to an acceptable level per the policy.

However, with the unknown long-term impacts of COVID-19 on program revenues, and recipients' reprioritizing resources in a more conservative manner, staff recommends a one-year extension, allowing the drawn down to through the end of fiscal year 2020-21. This provides recipients additional time to strategize their program expenditures. Alameda CTC will continue to review potential modifications to Timely Use of Funds Policy to ensure the policy is feasible and effective at achieving the intended goal of encouraging the expeditious use of DLD funds.

Meals on Wheels Program Cost Eligibilities: The current Implementation Guidelines for the Seniors and People with Disabilities program limits eligible use of DLD funds for the Meals on Wheels Program to the Cities of Alameda, Emeryville, Fremont, Hayward, and Newark, whose programs were established prior to 2012 with Measure B funds. The Meals on Wheels program provides meals directly to seniors and people with disabilities who are unable to use transportation services. At the time, the Implementation Guidelines restricted the DLD eligibilities from other cities to encourage the use of DLD funds towards other transportation services and priority programs developing across the county.

With the emergence of COVID-19, and required distancing among individuals to minimize the spread and associated health risks, meal delivery programs are a critical service for seniors and people with disabilities who are "sheltering" in their homes. Staff recommends relieving the eligibility limitation for fiscal Year 2020-21, and allow all DLD recipients the option to use their DLD funds to support Meals on Wheels Program operations that have become a service priority for seniors within Alameda County.

The recommended interim policy updates and changes are only for FY 20-21. If the circumstances require revisiting either of these policies beyond FY-20-21, staff will bring forward a new recommendation prior to the start of FY 21-22.

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

Attachments:

- A. DLD Program Summary of Fund Balances
- B. DLD Balances and Encumbrances
- C. Summary of Measure BB LSR Expenditures on Bicycle/Pedestrian improvements
- D. Performance Summary - PCI and on-time performance

**Measure B/Measure BB/Vehicle Registration Fee
Direct Local Distribution Fund Balances**

(As of the end of Fiscal Year 2018-19)

Jurisdiction:	Measure B	Measure BB	VRF	Total
AC Transit	\$5,488,298	\$6,071,409		\$11,559,707
BART	\$0	\$0		\$0
LAVTA	\$0	\$0		\$0
WETA	\$2,320,771	\$1,630,133		\$3,950,905
ACE	\$1,314,588	\$5,000		\$1,319,588
Alameda County	\$2,745,267	\$4,254,511	\$265,856	\$7,265,634
City of Alameda	\$1,725,191	\$1,010,492	\$657,910	\$3,393,592
City of Albany	\$1,482,191	\$1,863,669	\$192,237	\$3,538,097
City of Berkeley	\$4,541,388	\$8,819,093	\$1,021,658	\$14,382,139
City of Dublin	\$859,604	\$511,495	\$247,223	\$1,618,322
City of Emeryville	\$107,996	\$230,930	\$48,342	\$387,268
City of Fremont	\$3,126,397	\$3,857,056	\$789,440	\$7,772,893
City of Hayward	\$5,984,908	\$6,946,837	\$585,747	\$13,517,492
City of Livermore	\$3,355,842	\$3,004,013	\$618,767	\$6,978,622
City of Newark	\$937,258	\$726,494	\$346,556	\$2,010,308
City of Oakland	\$8,979,781	\$3,192,403	\$1,703,352	\$13,875,537
City of Piedmont	\$136,758	\$250,966	\$39,255	\$426,979
City of Pleasanton	\$1,633,211	\$2,228,051	\$658,687	\$4,519,949
City of San Leandro	\$1,486,903	\$2,830,655	\$1,110,362	\$5,427,920
City of Union City	\$3,289,927	\$2,620,345	\$1,168,881	\$7,079,153
Total	\$49,516,279	\$50,053,551	\$9,454,274	\$109,024,105

Notes:

1. Financials are from the Measure B/BB/VRF Direct Local Distribution Recipients' FY 2018-19 Audited Financial Statements. City of Union City balances reflects starting balances and revenues for FY18-19 based on prior reports and Alameda CTC's distribution records.

This page intentionally left blank

**Measure B/Measure BB/Vehicle Registration Fee
Direct Local Distribution Encumbrances and Balances**

(as of the end of Fiscal Year 2018-19)

Jurisdiction:	Total Balance	Total Encumbrance	Total Remaining (Bal. - Encumbered)	% Remaining Balance
AC Transit	\$11,559,707	\$11,559,707	\$0	0%
BART	\$0	\$0	\$0	0%
LAVTA	\$0	\$0	\$0	0%
WETA	\$3,950,905	\$2,436,631	\$1,514,274	38%
ACE	\$1,319,588	\$1,319,588	\$0	0%
Alameda County	\$7,265,634	\$5,918,369	\$1,347,265	19%
City of Alameda	\$3,393,592	\$2,074,837	\$1,318,755	39%
City of Albany	\$3,538,097	\$1,582,682	\$1,955,415	55%
City of Berkeley	\$14,382,139	\$5,174,450	\$9,207,689	64%
City of Dublin	\$1,618,322	\$1,598,592	\$19,730	1%
City of Emeryville	\$387,268	\$31,598	\$355,670	92%
City of Fremont	\$7,772,893	\$1,191,126	\$6,581,767	85%
City of Hayward	\$13,517,492	\$2,402,213	\$11,115,279	82%
City of Livermore	\$6,978,622	\$4,694,605	\$2,284,017	33%
City of Newark	\$2,010,308	\$1,194,245	\$816,063	41%
City of Oakland	\$13,875,537	\$5,128,229	\$8,747,308	63%
City of Piedmont	\$426,979	\$423,196	\$3,783	1%
City of Pleasanton	\$4,519,949	\$4,026,504	\$493,445	11%
City of San Leandro	\$5,427,920	\$3,599,952	\$1,827,968	34%
City of Union City	\$7,079,153	\$0	\$7,079,153	100%
Total	\$109,024,105	\$54,356,524	\$54,667,582	50%

Notes:

1. Encumbrances into active contracts and projects are as reported by Measure B/BB/VRF Direct Local Distribution Recipients, and are subject to change since the time of data submittal.
2. City of Union City has yet to submit a report for encumbrances.

This page intentionally left blank

Measure BB Local Streets and Roads Requirement

15% of Total LSR Expenditures must be towards benefiting bicylists/pedestrians.

Jurisdiction:	Total LSR Expenditures to Date	Total LSR Expenditures on Bike/Ped to Date	Percentage of LSR Expenditures on Bike/Ped over Total LSR Expenditures	15% minimum LSR achieved?
ACPWA	\$7,447,777	\$6,517,715	88%	Yes
City of Alameda	\$7,522,464	\$5,207,181	69%	Yes
City of Albany	\$177,072	\$163,875	93%	Yes
City of Berkeley	\$4,973,092	\$1,560,743	31%	Yes
City of Dublin	\$1,630,541	\$514,414	32%	Yes
City of Emeryville	\$1,052,392	\$242,497	23%	Yes
City of Fremont	\$8,032,436	\$3,085,951	38%	Yes
City of Hayward	\$6,519,047	\$1,367,398	21%	Yes
City of Livermore	\$1,795,925	\$412,961	23%	Yes
City of Newark	\$1,591,585	\$713,356	45%	Yes
City of Oakland	\$45,741,331	\$6,691,267	15%	Yes
City of Piedmont	\$1,482,612	\$289,062	19%	Yes
City of Pleasanton	\$2,034,657	\$459,914	23%	Yes
City of San Leandro	\$3,717,687	\$852,679	23%	Yes
City of Union City	\$1,647,858	\$258,488	16%	Yes
Total	\$95,366,477	\$28,337,500	30%	Yes

Notes:

1. The table above reflects total Measure BB funds reported by jurisdictions.

This page intentionally left blank

DLD Performance Summary
Fiscal Year 2018-19 Performance Monitoring

Table 1: Pavement Condition Index		
LSR Metric: Alameda CTC's performance		
Jurisdiction:	PCI Score	PCI Score > 60?
Alameda County	71	Yes
City of Alameda	70	Yes
City of Albany	57	No
City of Berkeley	60	Yes
City of Dublin	85	Yes
City of Emeryville	77	Yes
City of Fremont	72	Yes
City of Hayward	70	Yes
City of Livermore	78	Yes
City of Newark	76	Yes
City of Oakland	54	No
City of Piedmont	67	Yes
City of Pleasanton	79	Yes
City of San Leandro	58	No
City of Union City	81	Yes

Table 2: Transit On-time Performance				
Transit Metric: Alameda CTC monitors the reported transit operator's annual adopted on-time performance goals to actual on-time performance achieved.				
Jurisdiction:	On-Time Performance Goal	On-Time Performance Actual	Under/Over Goal	Goal Achieved?
AC Transit	72%	71%	-1%	No
ACE	95%	81%	-14%	No
BART	91%	90%	-1%	No
LAVTA	85%	84%	-1%	Yes
Union City Transit	90%	TBD	TBD	TBD

Table 3: ADA Mandated Services								
Paratransit Metric: Alameda CTC monitors programs mandated by the American's with Disabilities Act. Comparing annually the number of one-way trips/passenger ridership provided by the programs, and cost effectiveness of those trips (Measure B/BB costs by program divided by the number of passengers).								
	FY 16/17		FY 17/18			FY 18/19		
Agency	Number of One-way Trips	MB/BB Cost Per Trip	Number of One-way Trips	MB/BB Cost Per Trip	Total Costs Per Trip (all Sources)	Number of One-way Trips	MB/BB Cost Per Trip	Total Costs Per Trip (all Sources)
AC Transit	502,755	\$22.92	531,840	\$23.18	\$48.65	511,357	\$26.07	\$57.86
BART	225,876	\$17.73	238,942	\$18.13	\$50.28	229,740	\$20.45	\$58.07
LAVTA	50,433	\$9.18	50,967	\$9.77	\$36.50	46,108	\$12.19	\$39.44
Union City	21,375	\$24.48	18,028	\$28.57	\$50.72	TBD	TBD	TBD
Total	800,439	\$20.63	839,777	\$21.04	\$48.42	787,205	\$23.61	\$56.84

This page intentionally left blank