



Agenda Item No. (5)(b)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of May 23, 2024

From: Terri Wright, Principal Analyst, Capital and Grant Programs  
Amy Frye, Director, Capital and Grant Programs  
Joseph M. Wire, Auditor-Controller  
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE ACTIONS RELATED TO GRANT PROGRAMS**  
**(a) AUTHORIZE FILING AN APPLICATION WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR FY 23/24 REGIONAL MEASURE 3 OPERATING FUNDS TO SUPPORT EXPRESS BUS SERVICES**

**Recommendation**

The Finance-Auditing Committee recommends that the Board of Directors authorize the General Manager to file an application with the Metropolitan Transportation Commission (MTC) for FY 23/24 Regional Measure 3 (RM3) funds to support express services in the amount of \$2,181,768. Approval of this action also authorizes the General Manager to file revisions to this application if projected funding amounts change during FY 23/24.

This matter will be presented to the Board of Directors at its May 24, 2024 meeting for appropriate action.

**Summary**

In June 2018, Bay Area voters approved RM3, authorizing increased Bay Area bridge tolls to fund specific capital projects and operating programs outlined in the RM3 Expenditure Plan. Following RM3's approval, multiple lawsuits were filed, temporarily halting access to the RM3 funds. These legal challenges were eventually heard by the California Supreme Court, which resulted in the dismissal of the lawsuits and the restoration of access to the RM3 funds in 2023.

On March 27, 2024, the MTC approved Resolution No. 4625, which authorized FY 23/24 allocations of RM3 funds for regional express bus operations. \$11.5 million was programmed to eight operators. MTC allocated \$2,181,768 to the District, which represents 19% of available funds. The actions authorized by this Board item will enable the District to file the application necessary to claim this revenue.

MTC has advised that the programming for RM3 express bus service will change from year-to-year to support near term public transit sustainability efforts that are further complicated by recent operator fiscal cliffs. Separately, MTC has yet to program allocations of escrowed RM3 funds of approximately \$24 million in RM3 express bus funding that accumulated from FY18/19 through FY 20/21 due to the lawsuits. MTC will reach out to operators for further coordination regarding those funds.

Going forward, the allocation of RM3 funds will be authorized through the annual Transportation Development Act (TDA), State Transit Assistance Act (STA), and Regional Measure 2 (RM2) claiming process, all of which were most recently approved by the Board on July 28, 2023. Staff anticipates bringing the matter to the Board at the July 26, 2024 Board meeting.

**Fiscal Impact**

This item authorizes an application for RM3 funds securing \$2,181,768 to support express bus operations. Coupled with the \$30,942,692 for TDA/STA/RM2 revenues authorized by the Board in July 2023, the District claimed \$33,124,460 for intercounty transit and express bus services in this fiscal year. The tables below summarize these fund sources and amounts.

**Table 1: FY 23/24 RM3 Requested Authorization**

Source	Purpose	Amount
NEW: RM3 - Operating	Route 580	\$2,181,768
	<b>Total</b>	<b>\$2,181,768</b>

**Table 2: FY 23/24 TDA/STA/RM2 Previously Authorized**

Source	Purpose	Amount
TDA – Marin	Intercounty Transit Service	\$4,770,059
TDA – Sonoma	Intercounty Transit Service	\$7,785,049
STA – Marin (Revenue Based)	Intercounty Transit Service	\$14,651,179
STA – Marin (Block Grant)	Intercounty Transit Service	\$1,724,843
STA – MTC Regional Coordination	Clipper Grant Administration	\$10,000
RM2 – Operating	Route 580	\$2,001,562
	<b>Total</b>	<b>\$30,942,692</b>
	<b>Combined Total</b>	<b>\$33,124,460</b>