



Agenda Item No. (5)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 27, 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) APPROVE ACTIONS RELATIVE TO THE STATE OF GOOD REPAIR (SGR) PROGRAM

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors approve actions necessary to secure FY 24/25 State of Good Repair (SGR) Program funds to support projects that maintain the public transit system in a state of good repair for the Golden Gate Bridge, Highway and Transportation District (District):

1. Authorize the General Manager or his designee to execute for and on behalf of the District any documents necessary relative to the FY 24/25 SGR Program; and,
2. Approve submission of the Ferry Division Capital Project #2443, *San Francisco Ferry Terminal (SFFT) West and East Berth Rehabilitation*, for the FY 24/25 proposed project list to the Metropolitan Transportation Commission (MTC).

This matter will be presented to the Board of Directors at its June 28, 2024 meeting for appropriate action.

Summary

On April 28, 2017, Governor Brown signed Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act of 2017. SB 1 will provide over \$50 billion in new transportation funding over the next decade to repair highways, bridges and local roads, to make strategic investments in congested commute and freight corridors, and to improve transit service. Under SB 1, the SGR program will provide approximately \$105 million annually to transit operators in California for eligible transit maintenance, rehabilitation and capital projects.

The SGR Program is funded from a portion of the Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. A portion of this fee is transferred to the State Controller's Office (SCO) for the SGR Program.

In collaboration with the SCO, the California Department of Transportation (Caltrans) is tasked with the management and administration of the SGR Program. These funds will be allocated under the State Transit Assistance (STA) Program formula to eligible agencies pursuant to Public Utilities Code (PUC) section 99312.1: half is allocated according to population and half according to transit operator revenues.

Beginning in FY 19/20, Caltrans changed the SGR Program guidelines to require regional agencies such as MTC to approve SGR Program Revenue-Based (PUC section 99314) projects from transit operators and submit a single region-wide list of projects to Caltrans by September 1st of each year. This process differed from the process in place for the first two years of the SGR Program, whereby transit operators directly submitted their project lists to Caltrans by September 1st.

The District's project list will include one capital project: Project #2443, *SFFT West and East Berth Rehabilitation*. At its June 23, 2023 meeting, the Board of Directors approved the addition of former Project #2443, *SFFT Outer Berth Rehabilitation* to the Ferry Division Capital Budget, and it also approved the Proposed FY 23/24 Operating and Capital Budget. On March 22, 2024, the Board of Directors approved combining Project #2443 with Project #2444, *SFFT Inner Berth Hydraulics Rehabilitation* to create a new Project #2443, *SFFT West and East Berth Rehabilitation*.

In order to secure SGR funds to support capital projects, program applicants are required to adopt a resolution, which appoints individuals or positions to act on behalf of the applicant and its governing body to execute agreements, certifications and assurances, and other related documents as required by Caltrans and MTC.

Fiscal Impact

Approval of this item establishes the District's FY 24/25 SGR Project List for inclusion in the region-wide submission to Caltrans by MTC. This approval will allow eligibility for \$1,576,653 in FY 24/25 SGR funds for Project #2443, *SFFT West and East Berth Rehabilitation*, which is included in the proposed FY 24/25 Ferry Division Capital Budget for a total project budget of \$6,268,000. This is the second year of SGR funds programmed to this project, funded with \$2,830,253 state funds (45% SGR) and \$3,437,747 District funds (55%). The amount of state funds include \$1,253,600 in SGR funds from FY 23/24.