



Agenda Item No. (5)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of July 25, 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 24/25 TRANSPORTATION DEVELOPMENT ACT, STATE TRANSIT ASSISTANCE, REGIONAL MEASURE 2, AND REGIONAL MEASURE 3 OPERATING FUNDS TO SUPPORT BUS, FERRY, AND PARATRANSIT 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 24/25 Transportation Development Act (TDA), State Transit Assistance (STA), Regional Measure 2 (RM2), and Regional Measure 3 (RM3) funds to support bus, ferry, and paratransit services in the amount of \$30,119,715. Approval of this action also authorizes the General Manager to file revisions to this application if projected funding amounts change during FY 24/25.

This matter will be presented to the Board of Directors at its July 26, 2024, meeting for appropriate action.

Summary

TDA funds (statewide sales tax revenues) are made available annually to the Golden Gate Bridge, Highway and Transportation District (District) for transit operating purposes through the MTC. The District is eligible to claim \$14,345,704 in TDA funds for FY 24/25 from Marin and Sonoma apportionment areas to subsidize the District's transit services provided in these counties. The breakdown of TDA funds the District may claim in FY24/25 are as follows:

- \$6,961,916 from Marin County (40% of Marin's TDA revenue estimate)
- \$7,383,788 from Sonoma County (25% of Sonoma's TDA revenue estimate)

STA funds (from gasoline and diesel fuel sales tax revenues) are also available annually to support transit operations. Based on existing funding agreements, the District is eligible to claim Marin

County population-based and Statewide revenue-based STA funds in the amount of \$12,810,517 to support the District’s bus, ferry, and paratransit operations in FY 24/25. The District does not receive any Sonoma County population-based STA funds. The total allotment of STA funds includes \$11,348,387 in Revenue-Based Funds, \$1,452,130 in Block Grant Funds, and \$10,000 to subsidize the District’s Capital & Grants Department administration of federal pass-through grant funds used to support the regional implementation of the Clipper automated fare collection system. STA estimates are pending a recalculation of the State Controller’s Office (SCO), which will most likely take place in August.

In March 2004, voters passed RM2, raising the toll for all vehicles on the seven state-owned toll bridges in the San Francisco Bay Area by \$1.00. This extra dollar funds various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors. The District is eligible to claim up to \$2,307,046 to support ongoing operations in FY 24/25 for Bus Route 580, San Rafael/Richmond Bridge service. Due to the unpredictability of ridership and route planning for FY 24/25, MTC will not enforce performance metrics, and funds will be transferrable to new routes as needed.

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. The District is eligible to claim up to \$656,448 to support ongoing operations in FY 24/25 for Bus Route 580, San Rafael/Richmond Bridge service. Due to the unpredictability of ridership and route planning for FY 24/25, MTC will not enforce performance metrics, and funds will be transferrable to new routes as needed.

Fiscal Impact

This item authorizes an application for funds that will provide \$30,119,715 to support on-going District operations for intercounty transit services. TDA/STA/RM2/RM3 revenues to support the District’s transit operations are included in the Adopted FY 24/25 Operating Budget. This year’s claim is approximately \$3.6 million less than the actual allocation received by the District last year. As noted in the table below, meaningful increases in the Marin TDA allocation was offset by decreases in the Marin STA allocations and the RM3 allocation.

Source	FY 24 Actual Allocation	FY 25 Claim
TDA – Marin	\$5,483,984	\$6,961,916
TDA – Sonoma	\$7,738,737	\$7,383,788
STA – Marin (Revenue Based)	\$14,651,179	\$11,348,387
STA – Marin (Block Grant)	\$1,508,974	\$1,452,130
STA – MTC Regional Coordination	\$10,000	\$10,000
RM2 – Operating	\$2,217,524	\$2,307,046
RM3 – Operating	\$2,181,768	\$656,448
Total	\$33,792,166	\$30,119,715