

Metropolitan Transportation Commission
Programming and Allocations Committee

November 8, 2023

Agenda Item 3a - 23-1284

MTC Resolution Nos. 4609, 4612, 4613, and 4614. Allocation of \$154.1 million in Regional Measure 3 (RM3) capital funds to Metropolitan Transportation Commission (MTC), Transbay Joint Powers Authority (TJPA), Alameda-Contra Costa Transit District (AC Transit), and Water Emergency Transportation Authority (WETA)

Subject:

Recommended allocation of a total \$154.1 million in RM3 capital funds to Metropolitan Transportation Commission (Clipper 2.0), Transbay Joint Powers Authority (Downtown Rail Extension Project “The Portal”), Alameda-Contra Costa Transit District (AC Transit Rapid Bus Improvements: Telegraph Rapid Corridor Project) and Water Emergency Transportation Authority (Ferry Expansion Program: Mission Bay Landing).

Background:

Bay Area voters approved Regional Measure 3 (RM3) on June 5, 2018, and on December 19, 2018, the Bay Area Toll Authority (BATA) adopted a toll schedule phasing in the resulting toll increase. BATA implemented the first and second dollars of the toll increase on January 1, 2019 and January 1, 2022, respectively.

MTC Resolution No. 4404, Revised, establishes policies and procedures to guide the delivery of capital projects funded by RM3. The overall RM3 capital expenditure program in statute is listed in Attachment A, including Commission-programmed subprojects, Letters of No Prejudice (LONPs), and allocations.

Litigation challenging RM3 was resolved in January 2023. BATA subsequently released the toll funds held in escrow and terminated the escrow agreement in March 2023. Prior to the release of funds from escrow, MTC approved LONPs for 21 projects, allowing those projects to proceed with local funds in place of the RM3 funds while preserving eligibility for reimbursement with RM3 funds when they became available.

In May 2023, the Commission directed staff to begin collecting RM3 allocation requests, starting with projects that have LONPs and have begun expending funds. Initial allocations were made in June 2023. To date, the RM3 Capital Program has made a total of \$699.4 million dollars in allocations.

November RM3 Allocation Recommendation

Staff recommend approval of \$154.1 million in RM3 allocations to five projects, including two with previously approved LONPs. The table below shows the recommended projects for allocation this month; summaries of each request are included in Attachment B, and further detail is found in each allocating resolution.

| Project Sponsor | RM3 Proj. # / MTC Res. No. | Project Title | LONP Amount (\$millions) | Allocation Request Amount (\$millions) |
|------------------------|-----------------------------------|--|---------------------------------|---|
| MTC | #28 4609 | Clipper Next Generation | \$30 | \$50 |
| TJPA | #9 4612 | Caltrain Downtown Extension Project (“The Portal”) | \$- | \$100.7 |
| AC Transit | #16 4613 | Telegraph Rapid Corridor Project | \$- | \$2.7 |
| WETA | #5.1 4614 | Mission Bay Landing | \$25 (CON) | \$0.70 (Design) |
| | | Total | \$55 | \$154.1 |

Issues:

Several conditions are recommended as part of this month’s allocations:

TJPA

- The Caltrain Downtown Extension Project (“The Portal) must meet compliance with the requirements of the Transit-Oriented Communities Policy (TOC) contained in MTC Resolution 4530, Revised. The MTC TOC policy requires the local jurisdiction (City of San Francisco) to submit a letter to MTC committing to compliance with the TOC policy. MTC is in receipt of the attached letter from the City of San Francisco addressing compliance with the TOC Policy contained in MTC Resolution 4530, Revised. Staff believe that the letter satisfies the TOC Policy requirement and thus can remove this condition.
- Approval of the Initial Project Report and Allocation Request must be made by the TJPA Board of Directors, which is expected on November 9th, 2023.

- Reimbursement of expenses related to the Caltrain Downtown Extension Project (“The Portal) with RM3 funds is contingent on an agreement between MTC and TJPA on the mechanism to ensure the return of RM3 funds used to purchase property for the Project if the Project does not proceed to construction and/or the property in question is not used for the Project.
- MTC staff notes for the Programming and Allocations Committee members that before future allocations, progress towards development and execution of a successor agreement to the San Francisco Peninsula Rail Memorandum of Understanding and the implementation of the Governance Blueprint adopted by TJPA on August 10, 2023 is expected and could be recommended as a condition of future allocations.

WETA

- The Mission Bay Ferry Landing Project must meet compliance with the requirements of the Transit-Oriented Communities Policy (TOC) contained in MTC Resolution 4530, Revised. The MTC TOC policy requires the local jurisdiction (City of San Francisco) to submit a letter to MTC committing to compliance with the TOC policy. MTC is in receipt of the attached letter from the City of San Francisco addressing compliance with the TOC Policy contained in MTC Resolution 4530, Revised. Staff believe that the letter satisfies the TOC Policy requirement and thus can remove this condition.

AC Transit

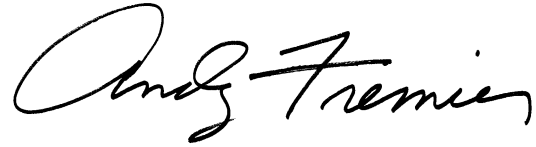
- Approval of the allocation request by the Alameda County Transportation Commission (ACTC), which is a listed co-sponsor in statute. Approval by ACTC is expected in early 2024. Confirmation of ACTC approval will be required before reimbursement can be made.

Recommendations:

Refer MTC Resolution Nos. 4609, 4612, 4613, and 4614 to the BATA Commission for approval.

Attachments:

- Attachment A: RM3 Capital Expenditure Plan Tracker
- Attachment B: RM3 Allocation Project Summaries
- Letter from City and County of San Francisco Planning Director Rich Hillis
- MTC Resolution Nos. 4609, 4612, 4613, and 4614

A handwritten signature in black ink that reads "Andrew B. Fremier". The signature is written in a cursive, flowing style.

Andrew B. Fremier