TO: MTC Planning Committee DATE: April 3, 2015

FR: MTC Executive Director

RE: Committed Projects and Funds Policy – Plan Bay Area 2040

MTC staff seeks the Committee's review and referral of the Committed Projects and Funds Policy for Plan Bay Area 2040, as reflected in MTC Resolution No. 4182, to the Commission for approval at its April 22, 2015, meeting.

Background

MTC Resolution No. 4006 established the Committed Projects and Funds Policy approved for Plan Bay Area by defining criteria to determine committed transportation projects and funding sources. The purpose of the Committed Projects and Funds Policy is to determine:

- Which projects are subject to a performance evaluation and/or subject to discretionary action by the Commission; and,
- Which fund sources are subject to discretionary action by the Commission.

MTC Resolution No. 4006 separated the Committed Projects and Funds Policy into three policy elements: (1) Prior Commitment Criteria – Project; (2) Prior Commitment – Funding Sources; and, (3) Projects Exempt from Senate Bill 375. Each policy element defined a set of criteria to determine the committed status. MTC Resolution No. 4006 stated that a transportation project/program that met any one of the following criterion (below) would be deemed committed:

1. Project has a certified Environmental Impact Report (EIR) or Record of Decision for Environmental Impact Statement (EIS) by May 1, 2011. In addition, project has full funding plan;
2. Proposition 1B Corridor Mobility Improvement Account (CMIA) and Trade Corridor Improvement Fund (TCIF) projects with full funding and approved baseline agreements as of February 2011;
3. Resolution 3434 Program – Project has a certified Environmental Impact Report (EIR) or Record of Decision for Environmental Impact Statement (EIS) by May 1, 2011. In addition, project has a full funding plan; and,
4. Regional Programs – Regional programs with executed contracts through contract period only and 1st and 2nd Cycle Regional Programs with New Act Funding through 2015.

Projects/programs that failed to meet at least one of the above criterion were subject to MTC's project performance assessment.

Proposal

For Plan Bay Area 2040, MTC staff proposes to maintain the policy framework of MTC Resolution No. 4006, with minor modifications to simplify committed criteria and update policy element criteria. In addition, staff is proposing that if a project's local funding commitment changes and discretionary funds are requested in the future, the project will be subject to a project-level

performance assessment at that time. Other proposed modifications as highlighted in Attachment A to the proposed resolution and updates include:

1. Simplification of project criteria to require all projects to have a certified Environmental Impact Report (EIR) or Record of Decision for Environmental Impact Statement (EIS) by September 30, 2015, and a full funding plan;
2. Updates to Tables 2a and 2b to list current regional operations programs (Table 2a) and regional funding programs (Table 2b);
3. An expanded definition of discretionary funding to include funds subject to competitive programs or future MTC advocacy;
4. An expanded definition of a committed fund source to be inclusive of actions that occur prior to the adoption of the Plan; and,
5. Updates to Table 3 to list current committed and discretionary fund sources.

Next Steps

MTC staff will request the assistance of the nine Bay Area Congestion Management Agencies (CMAs) and multi-county project sponsors (e.g., Caltrans, BART and Caltrain) to assist with the Project Update and Call for Projects for Plan Bay Area 2040. The Project Update and Call for Projects process will begin May 1, 2015, with final project submittals due to MTC by September 30, 2015. Projects/programs seeking future regional, state or federal funding through the planning horizon for Plan Bay Area 2040 must be submitted for consideration in the adopted Plan.

Recommendation

MTC staff recommends that this Committee approve and refer MTC Resolution No. 4182, which establishes the Committed Projects and Funds Policy for Plan Bay Area 2040, to the Commission for approval.

Steve Heminger

Attachments

Presentation Slides
MTC Resolution No. 4182

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Date: April 22, 2014
W.I.: 1121
Referred by: Planning Committee

ABSTRACT

Resolution No. 4182

This resolution approves the Committed Projects and Funds Policy for Plan Bay Area 2040 to (1) determine which projects are subject to a performance evaluation and/or subject to discretionary action by the Commission, and (2) determine which fund sources are subject to discretionary action by the Commission.

Further information is contained in the Executive Director's memoranda dated April 10, 2015.

Date: April 22, 2014
W.I.: 1121
Referred by: Planning Committee

RE: Plan Bay Area: Approval of Committed Projects and Funds Policy

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4182

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq.; and

WHEREAS, MTC develops a long-range Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS), pursuant to Government Code §§ 66513 and 65080; and

WHEREAS, the last major update of the RTP/SCS was adopted in July 2013 (MTC Resolution No. 4111); and

WHEREAS, MTC is updating its 2017 RTP/SCS, known as Plan Bay Area 2040; and

WHEREAS, MTC has developed a Committed Projects and Funds Policy for Plan Bay Area 2040; and

WHEREAS, Attachment A of this resolution, attached hereto and incorporated herein as though set forth at length, defines criteria to determine committed transportation projects and funding sources; and

RESOLVED, that MTC adopts the Committed Projects and Funds Policy.

METROPOLITAN TRANSPORTATION COMMISSION

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Dave Cortese, Chair

The above resolution was entered into by
the Metropolitan Transportation Commission
at a regular meeting of the Commission
held in Oakland, California on April 22, 2015

Committed Projects & Funds Policy for Plan Bay Area 2040

Purpose

The Committed Policy for Plan Bay Area 2040 will:

- Determine which projects proposed for inclusion in the Plan are not subject to discretionary action by the Commission because the projects are fully funded and are too far along in the project development process to consider withdrawing support.

  - Projects that are 100 percent funded through local funds are considered committed and not subject to a project-level performance assessment. *If a project's local funding commitment changes and discretionary funds are requested in the future, the project will be subject to a project-level performance assessment at that time.*
  - All other projects that are not fully funded nor sufficiently advanced in the project development process will undergo a project performance assessment. The results of the performance assessment will be presented to the Commission for its review, and the Commission may consider these results, along with other policy factors, when deciding on transportation projects to be included in the financially constrained plan.

- Determine which fund sources are subject to discretionary action by the Commission for priority projects and programs. The determination of which fund sources are deemed "committed" affects the amount of transportation revenues that will be subject to discretionary action by the Commission.

Policy Elements

1. Prior Commitment Criteria – Project

The following criteria are proposed to determine Regional Transportation Plan/Sustainable Communities Strategy (Plan Bay Area 2040) prior commitments. Projects that do not meet one of the following criterion will be subject to the project performance assessment.

A transportation project/program that meets any one of the following criterion would be deemed "committed":

1. Project has a certified Environmental Impact Report (EIR) or Record of Decision for Environmental Impact Statement (EIS) by September 30, 2015. In addition, project has full funding plan.
2. Regional Programs identified in Tables 2a and 2b.

Table 2a: Ongoing Regional Operations Program

Committed Project
Clipper ongoing Operations and Modernization
511 program ongoing Operations

Table 2b: Regional Funding Programs

Committed Programs	Period Committed
One Bay Area Grant (OBAG) Cycles 1 and 2	through FY 2021-22
Transit Core Capacity Challenge Grant	through FY 2029-30
Federal Transit Administration (FTA) Full Funding Grant or Project Construction Agreements for Section 5309	Completion of project(s)

2. Prior Commitment – Funding Sources

Funding for the Plan comes from a number of sources. Each funding source has specific purposes and restrictions. The federal, state, regional and local revenue sources proposed for inclusion in the Plan's revenue forecast are identified as either committed or discretionary funds and listed in Table 3. Committed and discretionary funds are defined below.

- Committed funding is directed to a specific entity or for a specific purpose as mandated by statute or by the administering agency.
- Discretionary funding is defined as:
  - Subject to MTC programming decisions.
  - Subject to compliance with Commission allocation conditions.
  - *Subject to competitive state and federal funding programs often involving MTC advocacy.*

The following criteria are proposed to determine Plan prior commitments:

- A transportation fund that meets either of the following criteria would be deemed "committed," *inclusive of actions that occur prior to the adoption of the Plan:*
  - Locally generated and locally subvened funds stipulated by statute.
  - Fund source that is directed to a specific entity or purpose as mandated by statute or by the administering agency.

Table 3: Committed versus Discretionary Funds

Committed Funds	Discretionary Funds
Federal Sources	
- FHWA Construction of Ferry Boats & Ferry Terminal Facilities Formula Program - FHWA National Highway Performance Program (NHPP) - FHWA/FTA Section 5303 Metropolitan Planning - High-Speed Rail Program	- FHWA Congestion Mitigation & Air Quality (CMAQ) Improvement Program - FHWA Highway Safety Improvement Program (HSIP) - FHWA Surface Transportation Program (STP) - FTA Passenger Ferry Grant Program - FTA Sections 5307 & 5340 Urbanized Area Formula (Capital) - FTA Section 5309 Fixed-Guideway Capital Investment Grants (e.g., New Starts/Small Starts

Committed Funds	Discretionary Funds
	not in a Full Funding Grant Agreement or Project Construction Agreement) - FTA Section 5310 Enhanced Mobility of Seniors & Individuals with Disabilities - FTA Section 5311 Non-Urbanized Area Formula - FTA Section 5337 State of Good Repair Formula - FTA Section 5339 Bus & Bus Facilities Program
State Sources	
- Cap & Trade High Speed Rail - Gas Tax Subvention - Low Carbon Transit Operations Program Revenue-Based - Proposition 1A (High-Speed Rail) - Proposition 1B - State Highway Operations & Protection Program (SHOPP) - State Transit Assistance (STA) Revenue-Based - Traffic Congestion Relief Program (TCRP)	- Active Transportation Program (ATP) - Affordable Housing & Sustainable Communities Program - Low Carbon Transit Operations Program Population-Based - State Transportation Improvement Program (STIP): Regional Transportation Improvement Program (RTIP) County Shares - STIP: Interregional Road/Intercity Rail (ITIP) - State Transit Assistance (STA) Population-Based - Transit and Intercity Rail Capital Program
Regional Sources	
- AB 434 (Transportation Fund for Clean Air – Regional) – 80% of funding - AB 1107 ½-cent Sales Tax in three BART Counties (75% BART Share) - BATA Base Toll Revenues & Seismic Retrofit Funds - Regional Express Lane Network Revenues - Regional Measure 2 (RM2) - Service Authority for Freeway and Expressways (SAFE)	- 2% Toll Revenues - 5% State General Funds - AB 434 (Transportation Fund for Clean Air – Regional) – 20% of funding - AB 664 - AB 1107 ½-cent Sales Tax in three BART counties (25% MTC Administered Share) - AB 1171 - Active Transportation Program (ATP) - BATA Project Savings - Bridge Toll Increase - Regional Gas Tax - RM1 Rail Extension Reserve
Local Sources	
- AB 434 (Transportation Fund for Clean Air – Local) - BART Seismic Bond Revenues - County Sales Tax Measures - County Sales Tax Measure Reauthorizations* - County Vehicle Registration Fees - Express Lane Revenue – Statutorily Authorized	- Transportation Development Act (TDA)

Committed Funds	Discretionary Funds
- Golden Gate Bridge Toll - Land Sales & Other Developer Revenues - Local Funding for Streets & Roads - Property Tax/Parcel Taxes - Public Private Partnerships - San Francisco Municipal Transportation Agency (SFMTA) General Fund/Parking Revenue - Transit Fare Revenues - Transit Non-Fare Revenues	
Anticipated Sources	
	- Anticipated Funds

**Reauthorized county sales taxes are subject to the decision of individual county sales tax authorities.*

3. Projects Exempt from Senate Bill 375

SB 375 provides that projects programmed for funding on or before December 31, 2011, are not required to be subject to the provisions required in the SCS or Alternative Planning Strategy (APS) if they are:

- Contained in the 2007 or 2009 Federal Statewide Transportation Improvement Program, or
- Funded pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2, or
- Specifically listed in a ballot measure prior to December 31, 2008, approving a sales tax increase for transportation projects.

A project's status as exempt under these SB 375 provisions does not preclude MTC from evaluating it for inclusion in the Plan per the project performance assessment process and at Commission discretion based on financial constraint, policy or other considerations.

Committed Projects and Funds Policy

Plan Bay Area 2040

MTC Planning Committee &
ABAG Administrative Committee

April 10, 2015

Committed Policy
Plan Bay Area 2040

The purpose of the Committed Projects and Funds Policy is to determine:

- Which **projects** are subject to a performance evaluation and/or subject to discretionary action by the Commission; and,
- Which **fund sources** are subject to discretionary action by the Commission.

Committed Policy
Plan Bay Area 2040

Projects that are 100% funded through local funds are considered committed and not subject to a project-level performance assessment.

If a project's local funding commitment changes and discretionary funds are requested in the future, the project will be subject to a project-level performance assessment at that time.

All other projects that are not fully funded nor sufficiently advanced in the project development process will undergo a project performance assessment.

The results of the performance assessment will be presented to the Commission for its review, and the Commission may consider these results, along with other policy factors, when deciding on transportation projects to be included in the financially constrained plan.

Committed Policy
Plan Bay Area 2040

Projects

- Project has a certified Environmental Impact Report (EIR) or Record of Decision for Environmental Impact Statement (EIS) by September 30, 2015.
- In addition, project has full funding plan.

Ongoing Regional Programs

- Clipper ongoing Operations and Modernization
- 511 program ongoing Operations

Regional Funding Programs

- OBAG Cycles 1 and 2
- Transit Core Connectivity Challenge Grant
- FTA Full Funding Grant or Project Construction Agreement

Committed Policy
Plan Bay Area 2040

Committed funding is directed to a specific entity or for a specific purpose as mandated by statute or by the administering agency.

Discretionary funding is defined as:

- Subject to MTC programming decisions.
- Subject to compliance with Commission allocation conditions.
- Subject to competitive state and federal funding programs often involving MTC advocacy.

Committed Policy
Plan Bay Area 2040

A transportation fund that meets either of the following criteria would be deemed "committed," inclusive of actions that occur prior to the adoption of the Plan:

- Locally generated and locally subvened funds stipulated by statute.
- Fund source that is directed to a specific entity or purpose as mandated by statute or by the administering agency.

Next Steps
Plan Bay Area 2040

Project Update and Call for Projects

- CMAs are asked to coordinate and lead the Project Update and Call for Projects with local project sponsors in their respective counties
- Sponsors of multi-county projects are asked to submit projects directly to MTC

Needs Assessments

- MTC will work directly with transit operators on operating and capital asset needs and revenues
- Will use data provided for the 2014 California Statewide Local Streets and Roads Needs Assessment

Call for Projects
Plan Bay Area 2040

Projects seeking future regional, state or federal funding must be submitted for consideration in the adopted Plan.

Encouraged to submit projects that:

- Support Plan Bay Area's performance targets.
- Support Plan Bay Area's adopted forecasted land use, including Priority Development Areas (PDA) and Priority Conservation Areas (PCA).

Needs Assessments
Plan Bay Area 2040

Transit Operating

- Projected costs to operate at existing service levels over the period of the Plan.
- Projected costs and service levels associated with planned, committed projects.
- Projected revenue from local sources to be used for transit operations.

Transit Capital

- Update/modify their existing transit capital asset information.
- Remove assets that are no longer part of the inventory.
- Add new assets or assets that have not previously been included in the RTCI.