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Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
415.778.6700
www.mtc.ca.gov

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March 28, 2017

TO: Claimants for Transportation Development Act (TDA) Articles 4, 4.5 and 8; State Transit Assistance (STA); and Assembly Bill (AB) 1107 Funds for FY 2017-18

This letter transmits information regarding the submittal of applications to MTC for the allocation of funds referenced above for FY 2017-18.

Transit Claim Forms and Instructions Online

All information necessary to submit an application for TDA, STA, and AB 1107 Funds can be found on MTC's website at: <http://mtc.ca.gov/our-work/invest-protect/investment-strategies-commitments/transit-21st-century/transit-operating-0>.

Please submit one original, signed copy of your claim application plus an electronic version of the completed Excel workbook. Fully electronic submissions of the completed claim and workbook are encouraged. April 1st is the earliest MTC may receive a claim requesting funding for the upcoming fiscal year. June is the earliest that funds will be allocated for FY 2017-18.

Fund Estimate Caution

Please note that the apportionments shown in the FY 2017-18 Annual Fund Estimate do not reflect allocations made after January 31, 2017. Any allocations made by MTC subsequent to January 31, 2017 will reduce the amount shown in the Fund Estimate as available for allocation in FY 2017-18. Furthermore, MTC staff will return to the Commission in July 2017 with a recommendation to revise the FY 2017-18 Fund Estimate to reflect actual FY 2016-17 TDA end-of-year (June 30th) revenues. This action could result in negative end-of-year balances in FY 2016-17 for some apportionment areas. Allocations in excess of actual generations will be rescinded.

State Transit Assistance

The distribution of STA funds in FY 2017-18 is subject to change pending the Legislature's consideration of [Assembly Bill 1113](#). The Fund Estimate currently assumes that FY 2017-18 funds will be distributed using the same Revenue-based shares as FY 2016-17 as directed by Senate Bill 838 (2016).

Resolution 3866

Please note that the Standard Assurances for transit claimants reflect the requirements of MTC Resolution No. 3866, MTC's Transit Coordination Implementation Plan. Resolution 3866 requires all claimants for State Transit Assistance, Transportation Development Act, Regional Measure 2, Congestion Mitigation and Air Quality, Surface Transportation Program and Transit Capital Priorities funds to make a reasonable effort to implement the Transit Coordination Implementation Plan.

If MTC determines that an operator has not met Transit Coordination Implementation Plan requirements, MTC may, at its discretion, withhold, restrict or re-program funds and allocations to such operator to the extent allowed by statute, rule, regulation, or MTC policy.

Productivity Improvement Program (PIP) Projects

All (large and small) operators are required to submit PIP projects. As required by TDA statutes, any recommendations from the TDA Performance audit must be included as PIP projects.

For large operators, the PIP process was brought into alignment with the Transit Sustainability Project (TSP) beginning with claims for FY2014-15. Each of the Large Operators must have one PIP project to reduce at least one TSP performance metric (Cost per Revenue Hour, Cost per Passenger or Cost per Passenger Mile) by 5% by the end of FY2016-17, and maintain the metric at equal to or less than the cost of inflation in subsequent years. Beginning in FY2018-19, MTC may link operating and capital funds administered by MTC to progress towards achieving the performance targets. Large operators should contact Melanie Choy with any questions by email at mchoy@mtc.ca.gov or phone, 415-778-6607. Large operators are asked to submit the following items to Melanie Choy through email by July 31, 2017:

1. An update to the TSP Strategic Plan identifying progress and any new strategies implemented to achieve the TSP targets.
2. A copy of your agency's FY2015-16 NTD submittal.

For small operators, PIP projects may be based on operators' own planning efforts in addition to the recommendations from the TSP adopted by MTC Resolution No. 4060 which can be viewed at <http://mtc.ca.gov/our-work/invest-protect/investment-strategies-commitments/transit-21st-century/transit>. Operators are asked to have at least one active project; two projects are required if one of the projects is Clipper® implementation or Asset Management. The Claim workbook contains a tab for reporting on existing or completed projects and a tab for submitting new projects. The current PIP Program can be viewed at <http://mtc.ca.gov/our-work/invest-protect/investment-strategies-commitments/transit-21st-century/transit-operating-0/>.

Lead Time for Transit Allocations

Please submit applications by the first of the month prior to the month in which you request MTC action on your application (e.g. submit request by May 1 for action in June). Please note that the Programming and Allocations Committee and the Commission do not meet in August.

Allocation Instructions

Subsequent to the approval of an allocation, the MTC Finance Section prepares an "Allocation Instruction" specifying the purpose and amount of the allocation, its expiration date, and any conditions MTC imposed on the use of the funds. A single claim application may result in multiple Allocation Instructions (e.g., transit capital, transit operating, paratransit operating). The allocation instructions are sent to the County Auditor of your county (TDA funds) and the Alameda County Auditor (STA funds), with a copy of each Allocation Instruction sent to the claimant. Each Allocation Instruction has an allocation number, and it is important to refer to the allocation number when making an inquiry to MTC regarding an allocation.

Claimants for FY 2016-17 TDA Article 4, 4.5 and 8,
STA, AB 1107
March 28, 2017
Page 3 of 3

Audit and State Controller's Report Submittals

Per TDA law, claimants are required to submit fiscal audits and State Controller Reports to MTC. We request that these documents be submitted both electronically to Seema Prasad at sprasad@mtc.ca.gov and in hardy copy. If these reports have already been submitted for FY 2015-16, there is no need to resubmit them with your FY 2017-18 claim. Please submit audits to:

Metropolitan Transportation Commission
Attn: TDA Audit
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

We are open to your suggestions on improving the TDA application process. Please contact the TDA Program Manager, Cheryl Chi, at 415-778-5339 or cchi@mtc.ca.gov with any comments or questions.

Sincerely,



Anne Richman
Director, Programming and Allocations Section

AR:cc