



Agenda Item No. (5)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 24, 2021

From: Clifford Duong, 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 21/22 State of Good Repair (SGR) program funds to support transit 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 21/22 SGR program; and,
2. Approve submission of the list of FY 21/22 proposed project(s) and future lists of proposed projects to the Metropolitan Transportation Commission (MTC). The FY 21/22 list includes the purchase of a new passenger ferry vessel, Project #1940.

This matter will be presented to the Board of Directors at its June 25, 2021, 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. Senate Bill 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 State of Good Repair Program is funded from a portion of a new Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. A portion of this fee will be transferred to the State Controller's Office (SCO) for the SGR Program.

In collaboration with the SCO, the California Department of Transportation (Department) 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, the Department changed the SGR Program guidelines to require regional agencies such as the MTC to approve SGR Program Revenue-Based (PUC 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 the Department by September 1st.

The District's project list will include one capital project, Project #1940: Purchase New Vessel. The Board of Directors approved the addition of Project #1940 to the District Capital Budget along with the Proposed FY 18/19 Operating and Capital Budget at its June 22, 2018 meeting.

In order to secure SGR funds to support capital projects, program applicants are required to adopt a resolution (attached), 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 required by the California Department of Transportation and MTC.

Fiscal Impact

Approval of this item will allow eligibility for \$1,431,657 in SGR funds to Project #1940: Purchase New Vessel. Project #1940 includes the first phase of new vessel acquisition and is currently budgeted at \$11 million. The second phase is in the District's 10-year Plan for \$19 million to begin in FY 22/23. District staff are also pursuing federal and Low Carbon Transit Operations Program (LCTOP) funding opportunities for both phases of this project.