Agenda Item No. (5)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 23, 2022

From: Jennifer Raupach, 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) 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 22/23 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 22/23 SGR program; and,

2. Approve submission of the Ferry Division Capital Project #1940, Purchase New Vessel, for the FY 22/23 proposed project list to the Metropolitan Transportation Commission (MTC).

This matter will be presented to the Board of Directors at its June 24, 2022, meeting for concurrence.

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 (Caltrans) 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, Caltrans changed the SGR Program guidelines to require regional agencies such as 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 Caltrans 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 Ferry Division 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 Caltrans and MTC.

**Fiscal Impact**

Approval of this item will allow eligibility for $1,474,600 in SGR funds to Project #1940, *Purchase New Vessel*. Project #1940 is included in the proposed FY 22/23 Ferry Division Capital Budget for a total project budget of $30 million, funded with $5,900,000 (20%) Federal (FTA) funds, $12,400,335 (41%) State (SGR and Low Carbon Transit Operations Program) funds, and $11,699,665 (39%) District funds.

Attachment: Resolution
WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, established the State of Good Repair (SGR) program to fund eligible transit maintenance, rehabilitation and capital project activities that maintain the public transit system in a state of good repair;

WHEREAS, the Golden Gate Bridge, Highway and Transportation District is an eligible project sponsor and may receive State Transit Assistance funding from the State of Good Repair Account (SGR) for transit projects;

WHEREAS, Senate Bill 1 (2017) named the California Department of Transportation (Department) as the administrative agency for the SGR;

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing SGR funds to eligible project sponsors;

WHEREAS, SGR funds are allocated by the Metropolitan Transportation Commission;

WHEREAS, the Golden Gate Bridge, Highway and Transportation District’s share of SGR funds for fiscal year 2022-23 is estimated to be $1,474,600;

WHEREAS, these funds are proposed to be used for the purchase of a new passenger ferry vessel, Project #1940;

WHEREAS, in order to qualify for these funds, the Golden Gate Bridge, Highway and Transportation District is required to submit a proposed project list to the Metropolitan Transportation Commission on an annual basis; and

WHEREAS, the Finance-Auditing Committee/Committee of the Whole, at its meeting of June 23, 2022, has so recommended; now, therefore, be it

RESOLVED that the Board of Directors of the Golden Gate Bridge, Highway and Transportation District hereby approves the SB1 State of Good Repair Project List for FY 2022-23, as presented by staff; and

RESOLVED that the General Manager, Auditor-Controller, and Director, Capital & Grant Programs are hereby authorized to submit a request for Scheduled Allocation of the SB1 State of Good Repair Funds, and to execute all agreements, amendments, certification and
assurances, and related documents for the SGR program required by the California Department of Transportation and the Metropolitan Transportation Commission.

ADOPTED this 24th day of June 2022 by the following vote of the Board of Directors:

AYES (   );

NOES (   );

ABSENT:

_____________________________
Michael Theriault
President, Board of Directors

ATTEST:

_____________________________
Amorette M. Ko-Wong
Secretary of the District

Reference: June 23, 2022, Finance-Auditing Committee, Agenda Item No. (5)(a)