



RESOLUTION APPROVING PROGRAMMING PRIORITIES FOR UP TO \$3,794,003 IN  
SAN FRANCISCO'S ESTIMATED FISCAL YEAR 2020/21 STATE TRANSIT ASSISTANCE  
COUNTY BLOCK GRANT FUNDS

WHEREAS, In 2018, the Metropolitan Transportation Commission (MTC) established a transit-focused State Transit Assistance (STA) County Block Grant program, combining funds that were previously distributed via a regional paratransit program, a regional Lifeline Transportation Program (LTP), and a northern counties/small transit operators' program; and

WHEREAS, As the Congestion Management Agency (CMA) for San Francisco, the Transportation Authority is responsible for administering San Francisco's STA County Block Grant program; and

WHEREAS, MTC requires that by May 1 of each year, CMAs submit the distribution policy for STA population-based funds; and

WHEREAS, STA funds are generated by the sales tax on diesel fuel and have been a volatile source of funding even before the COVID-19 pandemic; and

WHEREAS, For the first two years of the STA block grant program (Fiscal Years (FYs) 2018/19 and 2019/20), San Francisco was projected to receive a total of \$7.9 million of which the Board programmed \$3.1 million (40%) to the San Francisco Municipal Transportation Agency (SFMTA) for its paratransit program based on the amount that SFMTA would have received under the regional program in FY 2018/19, and for the remaining \$4.7 million (60%), the Board approved the San Francisco LTP Cycle 1 program of projects that address transportation needs of low-income populations; and

WHEREAS, The STA County Block Grant Cycle 1 program of projects included the SFMTA's paratransit program (\$3,141,610), SFMTA's Continuing Late Night Transit Service to Communities in Need (\$1,609,700), SFMTA's San Francisco



Community Health Mobility Navigation Project: Removing Health Care Transportation Barriers for Low Access Neighborhoods (\$396,300), and the Bay Area Rapid Transit's (BART's) Elevator Attendant Initiative (\$2,600,000); and

WHEREAS, Annual STA revenues are projections and annual amounts may be higher or lower when confirmed at the end of each FY following the State's reconciliation of actual revenues generated; and

WHEREAS, The current projections for San Francisco's FY 2020/21 and FY 2021/22 STA County Block Grant funds, totaling \$7.59 million, are based on estimates that were prepared in January 2020 before the economic effects of the COVID-19 pandemic began to be experienced; and

WHEREAS, Given expectation of lower than anticipated FY 2019/20 STA revenues and a fall revision to reduce the FY 2020/21 revenue forecast, Transportation Authority staff recommended programming just the first year of funds at this time with the first priority for the FY 2020/21 funds as backfilling anticipated lower STA revenues for the aforementioned four transit operating projects serving low income populations funded in the prior cycle and then directing all the remaining funds to support SFMTA's FY 2020/21 paratransit program operations; and

WHEREAS, Transportation Authority staff anticipate returning to the Board in Spring 2021 to recommend a programming approach for the FY 2021/22 STA revenues after assessing the updated STA revenue forecast and considering the status of SFMTA's operating revenues, now, therefore be it

RESOLVED, That the Transportation Authority hereby approves up to \$3,794,003 in San Francisco's estimated FY 2020/21 STA County Block Grant funds with the first priority being to backfill any shortfalls in the aforementioned four projects funded in the prior cycle due to lower than anticipated FY 2019/20 STA County Share block grant revenues and then programming all remaining revenues to



SFMTA's paratransit program; and be it further

RESOLVED, That the Executive Director is hereby authorized to communicate this information to the MTC, other relevant agencies, and interested parties.



## Memorandum

### AGENDA ITEM 20

**DATE:** March 31, 2020  
**TO:** Transportation Authority Board  
**FROM:** Anna LaForte - Deputy Director for Policy and Programming  
**SUBJECT:** 04/14/20 Board Meeting: Approve Programming Priorities for Up to \$3,794,003 in San Francisco's Estimated Fiscal Year 2020/21 State Transit Assistance County Block Grant Funds

#### **RECOMMENDATION** ☐ Information ☒ Action

Approve programming priorities for up to \$3,794,003 in San Francisco's Estimated Fiscal Year 2020/21 State Transit Assistance (STA) County Block Grant Funds

#### **SUMMARY**

In 2018, the Metropolitan Transportation Commission (MTC) established the STA County Block Grant program to be administered by Congestion Management Agencies (CMAs). MTC used to distribute these funds via a regional paratransit program, a regional Lifeline Transportation Program (LTP), and a northern counties/small transit operators program. For the first cycle (FYs 2018/19 and 2019/20) the Board directed 40% (\$3.1 million) of San Francisco's share of revenues to SFMTA's paratransit program and the remaining 60% (\$4.7 million) to a new San Francisco LTP (Table 1 in the memo). STA revenues come from the state sales tax on diesel fuel and have been a volatile source of funding even before the COVID-19 pandemic. We expect to receive actual FY 2019/20 revenues in the fall and updated FY 2020/21 revenue estimates, both of which will likely be lower than current estimates. In light of the significant decline in transit fare and other operating revenues due to the COVID-19 pandemic, we recommend first backfilling the FY 2019/20 funds programmed to paratransit and SF LTP projects (Table 1) and then directing the remaining FY 2020/21 funds to support the San Francisco Municipal Transportation Agency's paratransit operations.

- ☐ Fund Allocation
- ☒ Fund Programming
- ☐ Policy/Legislation
- ☐ Plan/Study
- ☐ Capital Project Oversight/Delivery
- ☐ Budget/Finance
- ☐ Contract/Agreement
- ☐ Other:  
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## BACKGROUND

STA funds are generated by the sales tax on diesel fuel. It is a flexible transit funding program that can be used for a wide range of transit-related capital and operating purposes. In FY 2018/19, MTC began distributing a majority of the region's STA population-based funds to CMAs through a transit-focused STA County Block Grant program. The program allows each county to determine how best to invest in paratransit and other transit operating and capital needs, including providing lifeline transit services. Funds are distributed among the nine Bay Area counties based on the amount that each county would have received in FY 2018/19 under the former regional programs. MTC requires that by May 1 of each year, CMAs submit the distribution policy for STA population-based funds.

In FYs 2018/19 and 2019/20, the first two years of the new STA block grant program, San Francisco was projected to receive a total of \$7.9 million. The Board previously directed \$3.1 million (40%) to the SFMTA for its paratransit program based on the amount that SFMTA would have received under the regional program in FY 2018/19. For the remaining \$4.7 million (60%), the Board approved the SF LTP Cycle 1 program of projects that address transportation needs of low-income populations. Table 1 below shows the projects funded in the prior cycle of the STA block grant program.

Table 1. STA County Block Grant Program (FYs 2018/19-2019/20)	
Paratransit (operations) (SFMTA)	\$ 3,141,610
San Francisco Community Health Mobility Navigation Project: Removing Health Care Transportation Barriers for Low Access Neighborhoods (SFMTA)	\$ 396,300
Continuing Late Night Transit Service to Communities in Need (SFMTA)	\$1,609,700
Elevator Attendant Initiative (BART)	\$2,600,000
<b>Total</b>	<b>\$7,747,610</b>



## DISCUSSION

As noted above, STA funds tend to be a volatile fund source. For each funding cycle, we receive an estimate of San Francisco's share of revenues, which is followed by a reconciliation with actual revenues when those figures become available. Table 2 below shows the current projections for San Francisco's FY 2020/21 and FY 2021/22 STA County Share Block Grant funds, totaling \$7.59 million. These estimates were prepared in January 2020 before the economic effects of the COVID-19 pandemic began to be experienced.

<b>Table 2. Estimated San Francisco STA County Block Grant Funds for FY 2020/21 and 2021/22 (as of January 2020)*</b>	
STA Revenues (FY 2020/21)*	\$ 3,794,003
STA Revenues (FY 2021/22)**	\$ 3,794,003
<b>Total Estimated Funds</b>	<b>\$ 7,588,006</b>

*\* Based on the Governor's budget released in January 2020. The Metropolitan Transportation Commission will provide revised county share estimates in Fall 2020.*

*\*\* Projected 0% growth rate for FY 2021/22 is based on annual trends from FY 2008/09 to FY 2017/18 in diesel fuel prices and diesel consumption in California, an average of 2.2% and -1.3% respectively.*

Given our expectation of lower than anticipated FY 2019/20 STA revenues and a fall revision to reduce the FY 2020/21 revenue forecast, we are recommending programming just the first year of funds at this time. We recommend that the first priority for the FY 2020/21 funds be backfilling anticipated lower STA revenues for the four projects shown in Table 1, funded in the prior cycle. These are SFMTA and BART transit operating projects benefitting communities of concern. Then, we recommend directing all the remaining funds to support SFMTA's paratransit program operations in FY 2020/21.

### Next Steps

Following Board approval of the FY 2020/21 STA County Block Grant priorities, we will provide the Board resolution to MTC. We will provide an update to the Board in Fall 2020 on actual FY 2019/20 STA revenues. We anticipate returning to the Board in Spring 2021 to program the FY 2021/22 STA revenues. At the time, we will assess the current STA revenue forecast and consider the status of SFMTA's operating revenues, as well as other factors to develop a recommendation about whether to continue directing all the funds toward SFMTA's paratransit program or to issue a call for projects for San Francisco's LTP.

## FINANCIAL IMPACT

There are no impacts to the Transportation Authority's budget associated with the recommended action.



## **CAC POSITION**

None. The March 25 CAC meeting was cancelled in light of the local health emergency related to the COVID-19 pandemic.

## **SUPPLEMENTAL MATERIALS**

None.