



DATE: March 11, 2019

TO: Transportation Authority of Marin Programming and Projects Executive Committee

FROM: Dianne Steinhauser, Executive Director
David Chan, Programming and Legislation Manager

SUBJECT: Lifeline Transportation Program (LTP) Cycle 5 Funding Exchange (Action), Agenda Item 6

RECOMMENDATION

Approve funding exchange from State Transit Assistance (STA) funds to Transportation Sales Tax funds for three projects from Lifeline Transportation Program (LTP) Cycle 5.

BACKGROUND

MTC established the LTP to fund projects that result in improved mobility for low income residents of the Bay Area. TAM was responsible for establishing project priorities for the Fifth Cycle LTP, as directed by MTC.

On November 29, 2007, the TAM Board adopted eligibility requirements regarding these LTP funds that prioritized programming to projects identified in adopted Community Based Transportation Plans (CBTPs). It was the intent of the policy that LTP funds would only be programmed to CBTP projects until all identified projects have been either completed or no longer needed or when the CBTPs are updated to introduce new projects. The three existing CBTPs include Marin City, Canal Neighborhood in San Rafael, and Novato.

MTC recognizes that projects coming out of local planning processes, such as CBTPs, may not meet the strict eligibility requirements for the fund sources available from the Lifeline Transportation Program. As a result, MTC allows projects recommended for Lifeline funding by CMAs to be exchanged or 'swapped' for fund sources more ideally suited for the specific project type.

The concept of swapping funds is part of the MTC adopted Lifeline policy and has been practiced by TAM in the past. Though the replacement projects ideally must meet all applicable requirements for the original fund source.

DISCUSSION

Prior TAM Board Actions

In June 28, 2018, the TAM Board programmed four projects with Lifeline funds that comprised of \$360,304 in State Transit Assistance (STA) funds and \$174,163 in Federal Section 5307 for a total of \$560,204 as shown in the below table.

TAM Board Approval June 28, 2019				
Sponsor	Project	Funding Recommended	STA Funds	Fed. Sec. 5307 Funds
Marin Transit	Bus Stop Improvements	\$200,000	\$25,837	\$174,163
Marin Transit	School Transportation Service in Novato	\$44,204	\$44,204	
Marin County	Drake/Cole Pedestrian Improvements	\$68,000	\$68,000	
San Rafael	Canal Neighborhood Crosswalk Improvements	\$248,000	\$248,000	
Total		\$560,204	\$386,041	\$174,163

Shortly after the initial programming of LTP funds on June 28, 2018, MTC informed all CMAAs that additional STA funds were available for programming. STA funds are derived from the sales of diesel fuel. The \$386,041 in STA funds initially reported as available to Marin was based on an estimate. In September 2018, FY 17/18 STA revenues were finalized by the State and actual revenues came in slightly higher than originally estimated. As a result, additional STA funds in the amount of \$30,947 were available for programming in Marin.

In November 14, 2018, the TAM Board programmed the additional STA funds in amount of \$30,947 to Marin Transit’s School Transportation Service in Novato. The revised programming is shown in the below table.

TAM Board Approval November 14, 2018				
Sponsor	Project	Funding Recommended	STA Funds	Fed. Sec. 5307 Funds
Marin Transit	Bus Stop Improvements	\$200,000	\$25,837	\$174,163
Marin Transit	School Transportation Service in Novato	\$75,151	\$75,151	
Marin County	Drake/Cole Pedestrian Improvements	\$68,000	\$68,000	
San Rafael	Canal Neighborhood Crosswalk Improvements	\$248,000	\$248,000	
Total		\$591,151	\$416,988	\$174,163

Since the November 14th meeting, MTC has programmed the STA and Federal Section 5307 funds to Marin Transit’s Bus Stop Improvement Project as recommended by the TAM Board. Marin Transit is eligible to claim the funds with MTC.

STA Fund Eligibility

STA funds are eligible to be used on transit operating and capital projects. However, school transportation service is not eligible under STA rules. Only transit operators and other specified agencies codified in STA Code can be eligible recipient of STA funds. In Marin, Marin Transit, GGBHTD, and SMART are the only eligible recipients of STA funds.

Based on these STA rules, Marin Transit’s School Transportation Service in Novato, Marin County’s Drake/Cole Pedestrian Improvement Project, and Canal Neighborhood Crosswalk Project are not eligible to receive STA funds.

Marin Transit is an eligible recipient, but school transportation projects are ineligible. The Pedestrian Improvement and Crosswalk Projects may be STA eligible as access to transit capital projects, but Marin County and San Rafael are ineligible recipients.

Funding Exchange Proposal

As noted above, MTC recognizes that some of the funds provided by the Lifeline Program are not suitable for the projects recommended for funding and allows funding exchanges to facilitate the delivery of Lifeline projects.

Staff approached Marin Transit on a proposal to exchange STA funds for Transportation Sales Tax funds (Measure AA) in order for these three projects to move forward. The proposal is to exchange \$391,151 in STA funds from Lifeline Cycle 5 for \$391,151 in Marin Transit’s Transportation Sales Tax funds. Marin Transit agreed to assist in the funding exchange by nominating Route 36 to receive \$391,151 in STA funds.

Upon approval by TAM and MTC of this funding exchange, Marin Transit will direct \$75,171 in Transportation Sales Tax funds from its local transit budget to the School Transportation Service in Novato project. Marin Transit will also allow TAM to program \$68,000 and \$248,000 in Transportation Sales Tax funds to Marin County and San Rafael, respectively, from the Transit Category of the Measure AA Strategic Plan in FY 19/20. Marin County and San Rafael will directly submit Measure AA allocation requests to TAM in FY 19/20. This funding exchange proposal is summarized in the below table.

Funding Exchange Proposal					
Sponsor	Project	Funding Recommended	STA Funds	5307 Funds	Transportation Sales Tax Funds
Marin Transit	Bus Stop Improvements	\$200,000	\$25,837	\$174,163	
Marin Transit	School Transportation Service in Novato	\$75,151			\$75,151
Marin County	Drake/Cole Pedestrian Improvements	\$68,000			\$68,000
San Rafael	Canal Neighborhood Crosswalk Improvements	\$248,000			\$248,000
Marin Transit	Route 36		\$391,151		
	Total	\$591,151	\$416,988	\$174,163	\$391,151

FISCAL IMPACTS

The Measure AA Strategic Plan would program \$68,000 and \$248,000 to Marin County’s Drake/Cole Pedestrian Improvement and San Rafael’s Canal Neighborhood Crosswalk Projects, respectively, under the Transit Category. TAM’s FY 19/20 Budget would include \$68,000 and \$248,000 in Measure AA funds for Marin County and San Rafael, respectively, to seek reimbursements for their respective projects.

NEXT STEP

Direct MTC to program \$391,151 in STA funds to Marin Transit’s Route 36 and inform Marin Transit to claim the funds after the MTC Commission approves the exchange, scheduled for April 2019.

Program \$68,000 and \$248,000 to Marin County and San Rafael in the Measure AA Transportation Sales Tax Strategic Plan in FY 19/20 under the Transit Category and include these funds in the FY 19/20 TAM Budget.

Instruct Marin County and San Rafael to request Measure AA allocations of funds in FY 19/20 for their respective projects.

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