

**Metropolitan Transportation Commission  
Programming and Allocations Committee**

February 10, 2016

Commission  
Agenda Item 7c

**Resolution No. 4220**

**Subject:** Annual Fund Estimate and proposed apportionment and distribution of \$626 million in Transportation Development Act (TDA), State Transit Assistance (STA) Population-Based funds, Assembly Bill 1107 (AB 1107), and transit-related bridge toll funds for FY 2016-17.

**Background:** The following are highlights of the fund estimate for FY 2016-17:

1. **Economic Overview:** The Bay Area economy continues its robust performance with gains in employment, decreases in unemployment rates, rising real estate values, and continued growth in taxable sales.
2. **Transportation Development Act (TDA):** State law requires county auditors to submit annual estimates of the ¼-cent TDA sales tax revenue generation to MTC by February 1<sup>st</sup>. A summary of the county auditors' mid-year estimates indicate that regional TDA revenue generation is expected to increase by 6% in FY 2015-16, with an additional increase of 2% in FY 2016-17. However some counties estimate significant decreases. Specific areas of note include:
  - The auditors in Contra Costa and Sonoma counties reduced their revised FY 2015-16 revenue estimates creating a lower base for the FY 2016-17 Fund Estimate.
  - The San Francisco auditor's revised FY 2015-16 forecast is 12% higher than actual TDA revenue for FY 2014-15. While San Francisco is experiencing strong sales tax growth, this level of growth may be optimistic. Staff is advising San Francisco TDA claimants to conservatively claim funds to avoid any possible rescissions.

Despite robust sales tax growth since the Great Recession and that the Bay Area is at all time highs of population and employment, overall sales tax revenue in inflation adjusted terms remains 13% below the "dotcom boom" peak reached in FY 2000-01 and 1% below the pre-recession peak reached in FY 2005-06. The Bay Area's challenge in returning to previous levels of sales tax revenue highlights significant structural changes in the regional economy away from goods (subject to sales tax) towards untaxed services. This structural change is significant as sales tax revenues account for 40% of operating revenues for transit and are the entire underpinning of the county-based self-help funding movement.

3. **AB 1107:** A portion (25%) of BART's half-cent sales tax revenue generated in Alameda, Contra Costa, and San Francisco counties is subject to allocation by MTC, and in turn, MTC staff is responsible for estimating the annual revenue generation. Based on trends in actual revenues, and this fiscal year's second quarter actual receipts, staff recommends increasing the current-year FY 2015-16 estimate from \$77.6 million to \$79.2 million (a 2% increase over actual FY 2014-15 revenues). Staff proposes an additional increase of 2% in FY 2016-17 (\$80.7 million).

Date: February 24, 2016  
W.I.: 1511  
Referred by: PAC

ABSTRACT

Resolution No. 4220

This resolution approves the FY 2016-17 Fund Estimate, including the distribution and apportionment of Transportation Development Act (TDA), State Transit Assistance (STA), Assembly Bill (AB) 1107 sales tax, and transit-related bridge toll funds.

Further discussion of these actions is contained in the MTC Programming and Allocations Summary Sheet dated February 10, 2016.

Date: February 24, 2016  
W.I.: 1511  
Referred by: PAC

RE: Determination of Transportation Development Act (TDA) Area Apportionments and Proposed Distribution of Operating Funds for FY 2016-17

METROPOLITAN TRANSPORTATION COMMISSION  
RESOLUTION NO. 4220

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, the Transportation Development Act (TDA), Public Utilities Code (PUC) Sections 99200 *et seq.*, provides that funds are made available from the Local Transportation Fund (LTF) for various transportation purposes; and

WHEREAS, pursuant to 21 California Code of Regulations Section 6620, the County Auditor for each of the nine counties in the Bay Area has submitted the revised and new TDA fund estimates for FY 2015-16 and FY 2016-17 as shown in Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length; and

WHEREAS, MTC is required to determine and advise all prospective claimants, prior to March 1 each year, of all area apportionments from the LTF for the following fiscal year pursuant to 21 California Code of Regulations Section 6644; and

WHEREAS, all area apportionments of TDA funds for the 2016-17 fiscal year are shown in Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length; and

WHEREAS, MTC has prepared a proposed distribution of operating assistance funds, including TDA, State Transit Assistance (STA) pursuant to Public Utilities Code § 99310 *et seq.*, the twenty-five percent (25%) of the one-half cent transaction and use tax collected pursuant to PUC Section 29142.2 (AB 1107), and estimates of certain toll bridge revenues (SHC §§ 30910 *et seq.*), in order to provide financial information to all prospective claimants to assist them in developing budgets in a timely manner; and

WHEREAS, the proposed distribution of such operating assistance funds is also shown in Attachment A; now, therefore, be it

RESOLVED, that MTC approves the area apportionments of TDA funds, and the proposed distribution of operating assistance funds for the 2016-17 fiscal year as shown in Attachment A, subject to the conditions noted therein; and, be it further

RESOLVED, that MTC intends to allocate operating assistance funds for the 2016-17 fiscal year, based on the area apportionments of TDA funds, the proposed distribution of operating assistance funds and upon the receipt of appropriate claims from eligible claimants; and, be it further

RESOLVED, that Attachment A may be revised by the MTC Executive Director or his designee to reflect funds returned to the Local Transportation Fund and expired capital allocations or by approval of the MTC Programming and Allocations Committee, except that any significant changes shall be submitted to the full Commission for approval.

METROPOLITAN TRANSPORTATION COMMISSION

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Dave Cortese, Chair

The above resolution was approved by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on February 24, 2016.

**FY 2016-17 FUND ESTIMATE  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
SAN FRANCISCO COUNTY**

Attachment A  
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FY2015-16 TDA Revenue Estimate			FY2016-17 TDA Revenue Estimate		
<b>FY2015-16 Generation Estimate Adjustment</b>			<b>FY2016-17 County Auditor's Generation Estimate</b>		
1. Original County Auditor Estimate (Feb, 15)	48,421,155		13. County Auditor Estimate	50,724,425	
2. Revised Estimate (Feb, 15)	52,465,784		<b>FY2016-17 Planning and Administration Charges</b>		
3. Revenue Adjustment (Lines 2-1)		4,044,629	14. MTC Administration (0.5% of Line 13)	253,622	
<b>FY2015-16 Planning and Administration Charges Adjustment</b>			15. County Administration (0.5% of Line 13)	253,622	
4. MTC Administration (0.5% of Line 3)	20,223		16. MTC Planning (3.0% of Line 13)	1,521,733	
5. County Administration (Up to 0.5% of Line 3)	20,223		17. Total Charges (Lines 14+15+16)	2,028,977	
6. MTC Planning (3.0% of Line 3)	121,339		18. TDA Generations Less Charges (Lines 13-17)	48,695,448	
7. Total Charges (Lines 4+5+6)		161,785	<b>FY2016-17 TDA Apportionment By Article</b>		
8. Adjusted Generations Less Charges (Lines 3-7)		3,882,844	19. Article 3.0 (2.0% of Line 18)	973,909	
<b>FY2015-16 TDA Adjustment By Article</b>			20. Funds Remaining (Lines 18-19)	47,721,539	
9. Article 3 Adjustment (2.0% of line 8)	77,657		21. Article 4.5 (5.0% of Line 20)	2,386,077	
10. Funds Remaining (Lines 8-9)		3,805,187	22. TDA Article 4 (Lines 20-21)	45,335,462	
11. Article 4.5 Adjustment (5.0% of Line 10)	190,259				
12. Article 4 Adjustment (Lines 10-11)		3,614,928			

**TDA APPORTIONMENT BY JURISDICTION**

Column	A	B	C=Sum(A:B)	D	E	F	G	H=Sum(C:G)	I	J=Sum(H:I)
	6/30/2015	FY2014-15	6/30/2015	FY2014-16	FY2015-16	FY2015-16	FY2015-16	6/30/2016	FY2016-17	FY 2016-17
Apportionment Jurisdictions	Balance (w/o interest)	Interest	Balance (w/ interest) <sup>1</sup>	Outstanding Commitments <sup>2</sup>	Transfers/ Refunds	Original Estimate	Revenue Adjustment	Projected Carryover	Revenue Estimate	Available for Allocation
Article 3	730,000	13,007	743,007	(1,656,353)	0	929,686	77,657	93,997	973,909	1,067,906
Article 4.5	(385)	618	233	(2,278,290)	(2,278,290)	2,277,731	190,259	(2,088,357)	2,386,077	297,720
<b>SUBTOTAL</b>	<b>729,615</b>	<b>13,625</b>	<b>743,240</b>	<b>(3,934,643)</b>	<b>(2,278,290)</b>	<b>3,207,417</b>	<b>267,916</b>	<b>(1,994,360)</b>	<b>3,359,986</b>	<b>1,365,626</b>
Article 4										
SFMTA	(4,203)	5,945	1,743	(43,280,753)	2,278,290	43,276,891	3,614,928	5,891,099	45,335,462	51,226,561
<b>SUBTOTAL</b>	<b>(4,203)</b>	<b>5,945</b>	<b>1,743</b>	<b>(43,280,753)</b>	<b>2,278,290</b>	<b>43,276,891</b>	<b>3,614,928</b>	<b>5,891,099</b>	<b>45,335,462</b>	<b>51,226,561</b>
<b>GRAND TOTAL</b>	<b>\$725,412</b>	<b>\$19,571</b>	<b>\$744,983</b>	<b>(\$47,215,396)</b>	<b>\$0</b>	<b>\$46,484,308</b>	<b>\$3,882,844</b>	<b>\$3,896,739</b>	<b>\$48,695,448</b>	<b>\$52,592,187</b>

1. Balance as of 6/30/15 is from MTC FY2014-15 Audit, and it contains both funds available for allocation and funds that have been allocated but not disbursed.

2. The outstanding commitments figure includes all unpaid allocations as of 6/30/15, and FY2015-16 allocations as of 1/31/16.