

Members of the Board

James Wunderman, Chair
Jeffrey DelBono
Anthony J. Intintoli, Jr.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS SPECIAL MEETING**

Thursday, April 23, 2020 at 9:00 a.m.

AUDIO CONFERENCE ONLY:
Call-in Number: 1-888-453-4395
Participant Passcode: 415 291 1675

AGENDA

1. CALL TO ORDER/ROLL CALL
2. CONSENT CALENDAR **Action**
 - a. Designate Authorized Agents to Apply for Federal or State Disaster Assistance Funds
3. CONSIDER ACTIONS TO ADDRESS THE IMPACTS OF THE COVID-19 PANDEMIC ON WETA OPERATIONS **Information/
Action**

Discussion and possible action to develop and implement strategies to address the unique challenges facing WETA during the COVID-19 crisis. Coordinate with public, contracting partners, and other public agencies to ensure that the needs of all stakeholders, and of those who work with them, are identified and addressed.

ADJOURNMENT

All items appearing on the agenda are subject to action by the Board of Directors. Staff recommendations are subject to action and change by the Board of Directors.

CHANGES RELATED TO COVID-19

Consistent with Governor Gavin Newsom's Executive Order N-25-20, effective immediately and until further notice, meetings will be conducted through teleconference to promote social distancing and reduce the chance of COVID-19 transmission.

PUBLIC COMMENTS As this is a special meeting of the Board, public comments are limited to the listed agenda items.

Public comment will be available via teleconference only. If you know in advance that you would like to make a public comment during the teleconference, please email BoardOfDirectors@watertransit.org with your name and item number you would like to provide comment on no later than 15 minutes after the start of the meeting. During the public comment period, speakers will be allotted no more than 3 minutes to speak and will be heard in the order of sign-up. Said time frames may be extended only upon approval of the Board of Directors.

Upon request, WETA will provide written agenda materials in appropriate alternative formats to individuals with disabilities. In addition, WETA will arrange for disability-related modifications or accommodations including auxiliary aids or services to enable individuals with disabilities to participate in public meetings. Please send an email with your request to: contactus@watertransit.org or by telephone: (415) 291-3377 as soon as possible and no later than 4 hours prior to the meeting and we will work to accommodate access to the meeting.

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Lauren Gularte, Program Manager/Analyst**

SUBJECT: Designate Authorized Agents to Apply for Federal or State Disaster Assistance Funds

Recommendation

Request that the Board of Directors designate the Executive Director, Nina Rannells, the Finance & Administration Manager, Lynne Yu, and the Program Manager/Analyst, Lauren Gularte, as authorized agents to apply for and obtain disaster assistance funds from the Federal Emergency Management Agency (FEMA) and the California Governor's Office of Emergency Services (Cal OES) after a declaration of a federal or state disaster.

Background/Discussion

The Robert T. Stafford Disaster Relief and Emergency Assistance Act authorizes FEMA to administer a federal disaster assistance program and the California Disaster Assistance Act authorizes Cal OES to administer a state disaster assistance program. These programs provide financial assistance to local government entities and certain private nonprofit organizations in the event of a declared disaster. FEMA coordinates with Cal OES to implement its disaster assistance program. The objective of both programs is to provide supplemental assistance to eligible entities for the alleviation of suffering and hardship resulting from declared disasters.

WETA is a local government entity and is eligible to apply for disaster assistance funds should the agency incur eligible damage or provide eligible services directly related to the declared disaster. As a requirement of the application process, agencies must designate persons or staff positions that are authorized by the governing body of the agency to engage with FEMA and Cal OES regarding the application for such funds. This designation is required to be on file with Cal OES and is effective for all open and future disasters for up to three years following the date of the approval. WETA's existing Designation of Authorized Agents expires this month, at its three-year mark and needs to be reapproved to remain eligible to submit a request for public assistance application.

Designation of the authorized agents will allow WETA to generally apply for disaster assistance funds for eligible costs incurred as a result of responding to a declared disaster or for damages to vessels or facilities as a result of a declared disaster. More specifically at this time, it will allow WETA to apply for disaster assistance for the costs incurred for the purchase of personal protective equipment and for the increased cleaning of vessels and facilities to fight against the spread of the COVID-19 virus.

Fiscal Impact

There is no fiscal impact associated with this item.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-14

**DESIGNATE AUTHORIZED AGENTS TO APPLY FOR
FEDERAL OR STATE DISASTER ASSISTANCE FUNDS**

WHEREAS, the WETA, a public entity established under the laws of the State of California, tasked with operating and expanding ferry service on the San Francisco Bay and with coordinating the water transit response to regional emergencies; and

WHEREAS, declarations of federal or state disasters in WETA's service area offer WETA the opportunity to apply for federal and state emergency financial assistance for related activities and repairs; and

WHEREAS, financial assistance for disasters is overseen by the Federal Emergency Management Agency (FEMA) and/or California Governor's Office of Emergency Services (Cal OES); and

WHEREAS, Cal OES requires a resolution from WETA designating WETA's authorized agents for the purpose of applying for disaster assistance funds; now, therefore, be it

RESOLVED, that the Board of Directors hereby designates WETA's Executive Director, Finance & Administration Manager and Program Manager/Analyst as authorized agents for and on behalf of the WETA for the purpose of applying and obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 and/or state financial assistance under the California Disaster Assistance Act; and be it further

RESOLVED, that WETA hereby authorizes its agent(s) to provide to Cal OES for all matters pertaining to such state disaster assistance the assurances and agreements required; and be it further

RESOLVED, that this is a universal resolution and is effective for all open and future disasters up to three years following the date of approval below; and be it further

RESOLVED, that Cal OES Form 130 will be executed and submitted with this resolution, 2020-14.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on April 23, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-14

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Lynne Yu, Finance & Administration Manager

SUBJECT: Consider Actions to Address the Impacts of the COVID-19 Pandemic on WETA Operations

Recommendation

Authorize the Executive Director to extend the paid status of WETA's crews under Blue & Gold Fleet employment from April 23 until at least May 7, the next regularly scheduled Board meeting, in order to ensure continuity of staff and emergency response readiness and provide staff with any further direction as may be required for returning with future actions on this matter.

Background

On March 4, 2020, the Governor of the State of California declared a State of Emergency in California as a result of the COVID-19 pandemic. On March 13, 2020, the President of the United States declared a National Emergency due to the COVID-19 pandemic. On March 16, 2020, the public health officers of six Bay Area counties within WETA's jurisdiction issued orders directing residents to shelter in place (Local Health Orders) which was scheduled to last until at least April 7. The orders limit activity, travel and business functions only for essential needs. On March 17, 2020, the public health officers of the three remaining counties joined the six Bay Area counties within WETA's jurisdiction directing residents to shelter in place (Local Health Orders). By April 1, these Local Health Orders in all Bay Area counties were extended to at least May 1.

WETA experienced significant reductions in system ridership exceeding an 80% decline leading up to the issuance of the March 17 Local Health Orders. In anticipation of further ridership declines associated with the March 17 Local Health Orders and concern over WETA's budgetary reliance on fare revenues to support operations, the Executive Director authorized a series of temporary emergency service reductions and suspensions effective March 17, 2020.

On March 19, 2020 the WETA Board held a Special Meeting to provide discussion and further guidance on the changes in services in response to this health emergency and the impact of the corresponding fare revenue losses on WETA's FY 2019/20 Operating Budget. At this meeting, the Board of Directors affirmed and ratified the actions of the Executive Director taken on March 17, 2020 to temporarily reduce ferry services.

Notwithstanding these service reductions and suspensions, the Board of Directors also directed the Executive Director to work with WETA's contract operator, Blue & Gold Fleet, to ensure that the then current crew levels were not reduced, at least until April 2, 2020, with the express understanding that WETA would bear the financial responsibility for reimbursing Blue & Gold Fleet for such labor costs. Since then, the Board has extended the paid status of WETA crews through April 23 as staff has worked to further assess the revenue and expense impacts of the pandemic and seek new funds to support our operation.

Staff has worked closely with Blue & Gold Fleet to develop a plan that makes the best use of WETA vessels and their crews during this temporary service reduction and also supports service resumption as quickly as possible when passenger demand returns or as would be required to respond to a regional emergency that impacts other forms of transportation.

On April 9, 2020 the WETA Board took several actions in support of the evolving situation. These included: extending the paid status of WETA crews under Blue & Gold Fleet through April 23, 2020; authorizing the Executive Director to take all necessary and appropriate actions in response to the COVID-19 pandemic with the understanding that further reductions in service and staffing in response to the impact of the COVID-19 pandemic on ferry ridership will require the Board's approval; temporarily eliminating largely unused midday, weekday Alameda/Oakland service; further authorizing the Executive Director to apply for any and all grant funds available; and directing the Executive Director to prepare a recovery plan for discussion in May and June in coordination with the development of the FY 2020/21 Operating and Capital Budget. A copy of the Board Resolution is provided as **Attachment A**.

Discussion

At the April 9 meeting, the Board of Directors requested that staff schedule a special meeting of the Board to take place on April 23 in order to receive additional information on the impact of the COVID-19 pandemic on WETA's finances in FY 2019/20 and into FY 2020/21. The Board acknowledged that this information would be critical to WETA's ability to develop a recovery plan for WETA's system and service operation.

One of the unknown factors at the time of the April 9 meeting was exactly how much WETA could expect to receive as a part of the transportation component of the federal CARES Act. As previously reported, \$25 Billion of the CARES Act program was set aside to support public transit operations across the country. Of this amount, approximately \$1.3 billion was anticipated to flow back to the San Francisco Bay Area for distribution as determined by the Metropolitan Transportation Commission (MTC) to the region's transit operators. WETA staff has participated in numerous discussions with MTC and Bay Area transit operators to determine a methodology for allocating these funds that considers key principles including distributing funds quickly in a manner that best addresses operators' needs arising from the COVID-19 crisis and allowing flexibility to address the uncertainty of the situation and changed circumstances. MTC is scheduled to take action on April 22 on a plan to program approximately 60% of these funds which would result in WETA receiving \$12.5 million to support our operation and operating shortfalls resulting from the COVID-19 pandemic (MTC's Program memo is provided as **Attachment B**). Once MTC takes action to approve programming of the CARES Act funds, WETA will be eligible to submit an application to the Federal Transit Administration for these funds which will take approximately 60 days to process before funds are available.

The federal CARES Act funds should fill WETA's anticipated operating shortfall in FY 2019/20 and provide some additional support for WETA's operation in FY 2020/21. Staff will participate in upcoming discussions with MTC and other transit operators to shape how future phases of funds (the remaining 40%) will be programmed to the region's transit operators. As indicated in MTC's distribution principles, future distributions will be subject to development of a comprehensive COVID-19 recovery strategy for each operator that considers any recommended regional adjustments to ensure network connectivity, lifeline service needs and financial sustainability.

Staff is preparing an analysis of the anticipated cost and revenue impacts of the COVID-19 pandemic on WETA's finances through June 30, 2020, the end of FY 2019/20, and a preliminary budget projection for FY 2020/21 for discussion with the Board at the meeting.

Fiscal Impact

There is no specific fiscal impact associated with this item at this time.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-12

**CONSIDER ACTIONS TO ADDRESS THE IMPACTS OF THE
COVID-19 PANDEMIC ON WETA OPERATIONS**

WHEREAS, on March 4, 2020, the Governor of the State of California declared a State of Emergency in California as a result of the COVID-19 pandemic; and

WHEREAS, on March 13, 2020, the President of the United States declared a National Emergency due to the COVID-19 pandemic; and

WHEREAS, on March 16, 2020, the public health officers of six Bay Area counties within WETA's jurisdiction issued orders directing residents to shelter in place (Local Health Orders) which was scheduled to last until at least April 7. The orders limit activity, travel and business functions only for essential needs; and

WHEREAS, on March 17, 2020, the public health officers of the three remaining counties joined the six Bay Area counties within WETA's jurisdiction directing residents to shelter in place (Local Health Orders); and

WHEREAS, WETA experienced significant reductions in system ridership exceeding 80% decline leading up to the issuance of the March 17 Local Health Orders; and

WHEREAS, in anticipation of further ridership declines associated with the March 17 Local Health Orders to shelter in place and concern over WETA's budgetary reliance on fare revenues to support operations, the Executive Director authorized a series of temporary emergency service reductions and suspensions effective March 17, 2020; and

WHEREAS, the California Environmental Quality Act (CEQA) exempts actions necessary to prevent or mitigate an emergency, defined to include any unexpected occurrence involving a clear and imminent danger and demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property or essential public services (Pub Res Code §§ 21080.32, 21080(b)(4)); and

WHEREAS, on March 19, 2020 the WETA Board held a special meeting to provide discussion and further guidance on the changes in services in response to this health emergency and the impact of the corresponding fare revenue losses on WETA's FY 2019/20 Operating Budget; and

WHEREAS, that in light of the facts and circumstances set forth in Resolution 2020-11, the Board of Directors affirmed and ratified the actions of the Executive Director taken on March 17, 2020 in response to the impacts of COVID-19 to reduce or suspend ferry service temporarily as follows:

- Suspend service to and from Richmond, Harbor Bay and South San Francisco;
- Reduce weekday service on the Alameda/Oakland and Vallejo routes;
- No weekend service on any routes;
- No service to Pier 41 on any routes; and

WHEREAS, that notwithstanding these service reductions and suspensions, the Board of Directors directed the Executive Director to work with WETA's contract operator, Blue & Gold Fleet, to ensure that current crew levels are not reduced, at least until April 2, 2020, with the express understanding that WETA would bear the financial responsibility for reimbursing Blue & Gold Fleet for such labor costs; and

WHEREAS, by April 1, 2020, the public health officers of all nine Bay Area counties within WETA's jurisdiction revised their shelter-in-place orders and also extended the order through at least May 1; and

WHEREAS, the WETA staff has been working diligently to secure any new federal, state or local funding that may be available to WETA as a result of the COVID-19 pandemic and will continue to maximize WETA's participation in any other funding options that may become available to offset the real and anticipated shortfalls in passenger fares and bridge toll revenues used to fund the majority of WETA's operating budget; and

WHEREAS, WETA staff has developed a plan to make the best use of its vessels and their crews during the time of this temporary service reduction that supports the need to be prepared to resume service as quickly as possible when passenger demand returns or to respond to a regional emergency that impacts other forms of transportation; and

WHEREAS, WETA staff will work to continue to identify other opportunities to reduce operating expenses in order to address the anticipated revenue losses associated with the COVID-19 pandemic and associated shelter-in-place orders; and

WHEREAS, WETA recognizes the importance of developing a recovery plan for quickly ramping up service levels to meet demand once the shelter-in-place orders are lifted and the Bay Area resumes work and travel activities, with the understanding that the COVID-19 pandemic could have lasting impacts on ridership demand and WETA's operating revenue resources; now, therefore be it

RESOLVED, that the Board of Directors ratifies the action of the Executive Director to extend the paid status of WETA's crews under Blue & Gold Fleet employment from April 2 through April 9 and authorizes the further extension of paid status through April 23, 2020, at which time the Board will review this matter further at a special Board meeting; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to take all necessary and appropriate actions in response to the COVID-19 pandemic, with the understanding that further reductions in service and staffing in response to the impact of the COVID-19 pandemic on ferry ridership will require the Board's approval; and be it further

RESOLVED, that the Board of Directors approves the temporary elimination of weekday Alameda/Oakland midday service in response to the impacts of the COVID-19 pandemic on ferry ridership; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to continue to prepare and submit requests and applications on WETA's behalf for federal, state, regional and local funds and/or reimbursements related to the fiscal impacts of the COVID-19 pandemic on WETA's operations; and be it further

RESOLVED, that the Board of Directors directs the Executive Director to prepare a recovery plan for discussion in May and June in coordination with the development of the FY 2020/21 Operating and Capital Budget, which may include additional cost savings measures that support WETA's ability to operate appropriately-scaled, flexible services during the recovery period as we move through this unprecedented time.

CERTIFICATION


The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on April 9, 2020.

YEA: J DelBono, A Intintoli, J Wunderman

NAY: None

ABSTAIN: None

ABSENT: None



/s/ Board Secretary
2020-12

END

Metropolitan Transportation Commission

April 22, 2020

Agenda Item 7f

MTC Resolution No. 4420

Subject: Programming of \$780,841,629 of FTA formula funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to support Bay Area transit operations in response to the COVID-19 pandemic.

Background: On Friday, March 27th, 2020, the president signed into law the CARES Act, which provides \$2 trillion across a host of domestic funding and relief programs to support efforts to respond to and prepare for the COVID-19 pandemic. The bill appropriates \$25 billion in supplemental Federal Transit Administration (FTA) Urbanized Area Formula (Section 5307) and Rural Area Formula (Section 5311) program fund apportionments to support transit agency response to the pandemic. Through these apportionments, approximately \$1.3 billion in funding is being provided to the Bay Area.

This funding addresses operating losses as a result of the pandemic, including reduced funding sources and increased costs. It may be used for operating expenses related to COVID-19, including reimbursement for operating costs and lost revenue, the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reductions in service. Additionally, such funding is eligible for up to a 100% federal share (compared to a typical 50% maximum federal share for operating assistance and 80% for capital projects).

MTC is responsible for programming the region's FTA Section 5307 program funds and for working with Caltrans for programming of regional Section 5311 program funds. After consultation with the region's transit operators, staff recommends programming approximately \$780 million or 61% of this supplemental funding today, to allow operators to access funding as soon as possible. The remainder of the funding would be programmed in future months as further transit revenue impacts become clearer.

Current Status of Service

Over the course of the pandemic, transit operators have experienced extreme budgetary impacts and ridership losses and have altered service to respond to the crisis. Service alterations made by operators in the region have included reduced hours and headways, suspended service on some routes, caps on passengers allowed per vehicle, and replacement of rail service with bus service. Meanwhile, a baseline level of service has continued to allow for the conduct of essential activities, including health care workers travelling to their jobs. Attachment A to this memo provides a summary of the current regional transit system service levels.

MTC staff has worked with regional transit agency partners to understand revenue impacts across the spectrum of transit operating fund sources, which vary widely by operator – including, but not limited to, fares, bridge tolls, park-and-ride fees, local and state sales taxes, property taxes, and jurisdictional general funds – as well as the relative timing of pandemic impacts to each of these sources. This understanding has shaped the recommendation today that

embraces the initial response to the pandemic's impact. However, as noted below under **Issues**, the next stage of *recovery* for transit operators must account for a more complex set of factors, that must similarly be accounted for in subsequent phases of CARES funding distribution.

Distribution Principles

With the objective of matching the financial need of operators throughout the region with the available funding, again in consultation with transit operators, staff developed the principles, listed in **Attachment B** and summarized below, to guide the distribution of the CARES Act funds.

1. Move quickly to distribute the first allocation of funds to operators as soon as possible;
2. Distribute funding in a manner that best addresses operators' needs arising from the COVID-19 crisis;
3. Allow flexibility to enable the region to address uncertainty/changed circumstances;
4. Address urbanized area (UZA) constraints associated with federal funds with a needs-based funding distribution of any COVID-19 supplemental state funds; and
5. ***Pending Additional Review:*** Future distribution(s) – beyond the initial phase – will be subject to a comprehensive COVID-19 recovery strategy for each operator that considers any recommended regional adjustments to ensure network connectivity, lifeline service needs, and financial sustainability. ***Staff intends to bring a discussion on this principle to the May 13th Programming and Allocations Committee for final action by the Commission on May 27, 2020.*** This will permit staff and the Commission to address timely and critical challenges addressing not only the terms for the subsequent rounds of funding distribution, but the larger recovery challenges facing the entire region. This is discussed further in **Issues** below.

Initial Distribution Framework: 5307 funding

Based on the first four principles, the following framework is proposed.

Initial Allocation of approximately 61% of Funds: The initial distribution will be limited to approximately 61% of the available funds in order to provide funding for immediate and known losses (e.g., fare revenue, parking revenue, etc.), while preserving flexibility to more accurately match revenue losses for longer-term funding sources (e.g., sales tax, city general funds, etc.) in the coming months once these impacts are known.

Distribution Formula: Funds in the initial distribution will be apportioned to transit operators based on a hybrid formula which recognizes the diverse revenue sources transit operators rely on to support their services. MTC staff are proposing to utilize the following methodology to determine each operator's apportionment:

- **1/3 – Share of Operating Cost as Budgeted FY 2019-20:** 1/3 of funds will be distributed based on an operator's share of the total budgeted FY

2019-20 operating costs for systems across the Bay Area, based on information reported to MTC through each operator's FY 2019-20 Transportation Development Act (TDA) claim.

- **1/3 – FY 2020-21 State Transit Assistance (STA) Revenue-Based Formula (inclusive of AB 1107 sales tax funds):** 1/3 of funds will be distributed based on an operator's FY 2020-21 STA Revenue-Based share, as calculated by the State Controller's Office and MTC, inclusive of AB 1107 sales tax funds used by AC Transit, BART, and SFMTA which are normally omitted from the STA Revenue-Based share calculation.
- **1/3 – Share of Farebox Revenue as Budgeted for FY 2019-20:** 1/3 of funds will be distributed based on an operator's share of the total budgeted FY 2019-20 transit farebox revenue for systems across the Bay Area, based on information reported to MTC through each operator's FY 2019-20 Transportation Development Act (TDA) claim.

In consideration of the more limited resources the Bay Area's small- and medium-sized transit operators have available, the distribution formula guarantees that these operators receive an apportionment equal to an amount no less than 17% of their budgeted FY 2019-20 operating costs.

In addition, 1% of funds from the initial distribution will be reserved for MTC Regional Transit Programs and expenses related to supporting transit recovery. Attachment C provides a summary of the Phase 1 CARES Act Funding distribution.

FTA Urbanized Area Eligibility: The Transit Capital Priorities Policy (MTC Resolution 4242, Revised), through which FTA Section 5307 funds are typically distributed, provides a limited urbanized area (UZA) eligibility based on several factors:

- FTA guidance
- National Transit Database (NTD) reporting
- Geographic service area
- Negotiated agreements among operators

The proposal today would program CARES Act funds to operators on the broadest possible eligibility based on NTD reporting and geographic service areas in order to meet the principle of programming funds on the basis of need. This methodology preserves a spirit of fairness and equity among the operators so that all operator needs can be met as best possible.

Initial Distribution: 5311 Funding

As the Designated Recipient of approximately \$95 million in CARES Act FTA Section 5311 funds for transit services in rural areas, Caltrans is responsible for applying for and distributing these funds to operators throughout the state in coordination with appropriate stakeholders, including MTC. In an April 10, 2020 letter to Section 5311 recipients and partners, Caltrans announced a round

1 statewide distribution of 5311 funds equal to approximately 30% of the total available statewide (Attachment D). These amounts are reflected in today's proposed programming action, treating the Section 5307 and Section 5311 funds as two pieces of the regional strategy to providing emergency transit operating relief. Future rounds of Caltrans' Section 5311 distribution will be made in coordination with MPOs like MTC and will be included in future programming action by the Commission. For both the round 1 distribution and any future rounds, operators will need to work with Caltrans directly for access to and use of those funds.

Issues:

In development of the principles and the initial funding distribution, there has been general agreement that a fifth principle – that requires transit operators to conduct a comprehensive assessment of their next fiscal year's budgetary health and financial stewardship of constrained subsidies – should be an essential consideration for future distribution of remaining federal emergency funding. Critically, there is little expectation that this federal funding is sufficient to restore and sustain prior levels of operations— it will help to stabilize transit operators for some number of months while they engage in a difficult assessment of what recovery means in an economic environment that will be significantly stressed.

Further and important to Principle 5, the depth and breadth of the current COVID-19 crisis have raised larger concerns- and highlighted the shared responsibility to engage in the “new normal” that is still evolving. Among the diverse feedback received on recovery challenges, there are three overarching questions that staff believes warrant comprehensive consideration by and direction from our Commission:

- How do we approach a public transportation operating environment post COVID-19 that will most assuredly be different than today— perhaps dramatically so— in terms of ridership demand and revenue stability?
- How does the region ensure that the most vulnerable of our public transit riders— those that have no other options and are most disadvantaged entering into any recovery period— receive priority consideration in the restructuring of services and the cost/affordability of using them?
- How should environmental goals, including reduction in vehicle use and attendant greenhouse gases, be effectively achieved in a yet-to-be-shaped restoration of public transit and how do other access options like telecommuting fit into the picture?

These questions are not answerable solely within the distribution objectives of remaining federal assistance funds. But decisions that will launch the Commission's release of those funds should address them with intention, as part of an opportunity to reset the Bay Area's public transit system and its role in the region's future.

Staff will propose a potential path for addressing these questions in its presentation and recommendation of a revised Principle 5 to the Programming and Allocations Committee in May. Considering any and all guidance

emerging from that action, staff will continue working closely with transit agencies focused on formulating strategies to inform and assist with transit agency recovery. While efforts are already underway at the individual operator level, a focused regional recovery effort will address issues that cross agencies, promote best practices, and inform the distribution of the second tranche of funds.


Next Steps:

At a high level, the second tranche of funds would be distributed to operators in order to a) reconcile the Phase 1 distribution with actual needs; and b) consider the larger transit recovery strategy to be more fully defined in and guided by Principle 5. As discussed above, the Phase 1 distribution is based on a hybrid formula which recognizes the diverse revenue sources transit operators rely on to support their services and is intended to provide funds for the immediate losses operators are experiencing. Future Phase(s) distribution is intended to take in the full scope of a broad range revenue losses including sales tax and general fund revenue, of which we will not know the scale until the coming months, and also initial information about each agency's recovery strategy and outlook into FY2020-21.

If approved by the Commission today, operators can submit grant applications for these funds to FTA immediately, with access to these funds anticipated once grants are approved.

Recommendation: Staff recommends Commission approval of MTC Resolution No. 4420, programming \$780,841,629 of CARES Act supplemental funding to transit operators for CARES Act-eligible projects.

Attachment: Attachment A: Current Status of Bay Area Transit System Operations
Attachment B: CARES Act Funding Principles
Attachment C: Phase 1 CARES Act Funding Distribution Summary
Attachment D: Caltrans CARES Act Section 5311 Funding Distribution – Round 1
MTC Resolution No. 4420


Therese W. McMillan

Bay Area Transit Operator Status
 As of April 14, 2020

Transit Operator	Average Weekday Ridership % Decrease	Status of Operations/Service	Collecting Fares (yes/no)	Workforce Impacts
AC Transit	-83%	<p><u>Service:</u> Operating a modified Sunday level of service. Most Transbay routes suspended. Weekday only and school service local routes suspended. Broadway Shuttle in Oakland suspended.</p> <p><u>Hours of operation:</u> Monday - Sunday - 24 hours (varies by line)</p>	No	<p>Providing personal protective equipment (PPE) to all frontline staff.</p> <p>Had to close Emeryville bus yard/division between April 3-11 because an operator tested positive for COVID-19.</p> <p>Passengers boarding through rear doors on buses.</p>
BART	-93%	<p><u>Service:</u> Operating a reduced service with trains every 30 minutes.</p> <p><u>Hours of operation:</u> Monday - Friday - 5:00 am - 9:00 pm; Saturday - Sunday - 8:00 am - 9:00 pm</p>	Yes	<p>Providing personal protective equipment (PPE) to all frontline staff.</p> <p>Shifting approximately 400 employees from operating budget to capital budget.</p>
Caltrain	-90%	<p><u>Service:</u> Caltrain is running a modified weekday schedule operating 42 trains per day, rather than the usual 92. Trains will make all local weekday stops. Limited and Baby Bullet service will be suspended until further notice. Weekend service will operate normally.</p> <p><u>Hours of operation:</u> Monday - Friday - 4:30 am - 1:40 am; Saturday - 7:00 am - 10:30 pm; Sunday - 8:00 am - 10:00 pm</p>	Yes	<p>Providing personal protective equipment (PPE) to all frontline staff.</p> <p>Furloughing train crews on service that has been cut.</p>
Golden Gate Transit + Ferry	Bus: -90% Ferry: -99%	<p><u>Service:</u> Bus: Operating a reduced service on most routes. Permitting local bus rides within San Francisco in an effort to help SFMTA; Ferry: Operating significantly reduced service on all ferry routes, suspended weekend and Chase Center/Oracle Park ferry service.</p> <p><u>Hours of operation:</u> Monday -</p>	Yes	<p>Providing personal protective equipment (PPE) to all frontline staff.</p>
SF Bay Ferry/WETA	-98%	<p><u>Service:</u> Operating very limited service to Oakland/Alameda and Vallejo. Alameda Harbor Bay, Richmond, and South SF service suspended. No weekend service.</p> <p><u>Hours of operation:</u> Monday - Friday - 6:00 am - 7:00 pm;</p>	Yes	<p>Providing personal protective equipment (PPE) to all frontline staff.</p> <p>Staff are wiping down every seat used by a passenger after each use and fogging each boat daily.</p>

Bay Area Transit Operator Status
 As of April 14, 2020

Transit Operator	Average Weekday Ridership % Decrease	Status of Operations/Service	Collecting Fares (yes/no)	Workforce Impacts
SFMTA	-83%	<u>Service:</u> Operating only 17 of 68 lines. All rail service suspended. <u>Hours of operation:</u> Regular service - 5:00 am - 10:00 pm; Owl service - 10:00 pm - 5:00 am	Yes	Providing personal protective equipment (PPE) to all frontline staff. Up to 40% of transit operators are out sick. Multiple employees have tested positive for COVID-19. Passengers boarding through rear doors on buses.
SamTrans	-80%	<u>Service:</u> Weekday service is operating on a regular, non-school day schedule. Weekend service is unchanged. <u>Hours of operation:</u> Regular service - 4:00 am - 12:00 am; Owl service - 12:00 am - 4:00 am	No	Providing personal protective equipment (PPE) to all frontline staff. Passengers boarding through rear doors on buses.
VTA	-75%	<u>Service:</u> Bus: Operating a reduced service, with 14 lines and school service suspended. Light rail: Trains operate every 30 minutes. <u>Hours of operation:</u> Bus: Monday - Sunday - 5:00 am - 9:00 pm; Light rail: Monday - Friday - 6:00 am - 6:00 pm; Saturday - Sunday - Closed	No	Providing personal protective equipment (PPE) to all frontline staff. Light rail operator tested positive for COVID-19 on March 25 resulting in an over two week closure of the VTA light rail system. Passengers boarding through rear doors on buses.
Small/Medium Transit Operators	Average weekday ridership has declined between -70% and -98%. Ridership declines have been greatest on services focused on peak commute trips and the least on services targeted to lifeline riders.	Most operators have reduced service significantly with many operating a modified weekend schedule every day. Operators like NVRTA and Santa Rosa CityBus have suspended some fixed route service and replaced it with on-demand app or telephone based dial-a-ride service SMART has suspended weekend service. Numerous operators are providing meals on wheels deliveries and assisting with transporting unhoused people to hotels.	Fare collection suspended for most, but not all, bus operators.	Providing personal protective equipment (PPE) to all frontline staff. Several operators including SolTrans and WestCAT are regularly fogging their buses to disinfect them. County Connection had to suspend operations on 4/4/2020 because an operator tested positive for COVID-19 and County Connection's only bus yard needed to be disinfected. Passengers boarding through rear doors on buses when possible.

**Principles for Distribution of CARES Act (H.R. 748) Supplemental
 Federal Transit Administration Formula Funds**

Principles	Proposed Action
1. Move quickly to distribute first allocation of funds to operators as soon as possible.	Recommend an allocation formula and distribution of an initial installment of funds for approval no later than at the regularly-scheduled MTC Commission meeting on April 22 nd .
2. Distribute funding in a manner that best addresses operators’ needs arising from the COVID-19 crisis.	Pursue agreement with transit operators on a distribution framework that comes as close as possible to anticipated transit operator costs associated with COVID-19, consistent with the intent of the CARES Act to direct funding according to need. Recognize the different revenues that comprise operator budgets and that will be affected by the COVID-19 crisis.
3. Allow flexibility to enable the region to address uncertainty/changed circumstances.	Distribute the funds in multiple phases. Limit the initial distribution of funds to approximately 60% of the total funding, given the challenge of accurately predicting revenue losses. Return to the Commission in July with a second programming action to revisit the formula and make any necessary adjustments based on more accurate information on revenue losses and costs incurred from March through June, and more refined forecasts of revenue impacts through the remainder of 2020.
4. Address urbanized area (UZA) constraints associated with federal funds with a needs-based funding distribution of any COVID-19 supplemental state funds.	Because the federal funds are apportioned to the region by UZAs (5 large and 7 small), there may be limitations in how well a regionwide formula can distribute funds in accordance with operators’ actual needs. MTC should take this into consideration in distributing any potential supplemental emergency state funds provided to the region that are under MTC discretion to best achieve a ‘needs-based’ distribution of the combined state and federal COVID-19 supplemental funds.
5. Pending Additional Review: Future distribution(s) – beyond the initial phase – will be subject to a comprehensive COVID-19 recovery strategy that considers any recommended regional adjustments to ensure network connectivity, lifeline service needs, and financial sustainability.	Staff intends to bring a discussion on this principle to the May 13th Programming and Allocations Committee for final action by the Commission on May 27, 2020.

Phase 1 CARES Act Distribution Summary

Operator	Phase 1 Amount
AC Transit	\$ 80,366,395
ACE	2,680,453
BART	251,637,050
Caltrain	49,292,725
CCCTA	7,067,680
City of Dixon	305,302
ECCTA	3,891,364
City of Fairfield	2,002,985
GGBHTD	30,163,006
LAVTA	3,501,369
Marin Transit	5,438,809
MTC	7,808,416
NVTA	2,701,734
City of Petaluma	498,342
City of Rio Vista	119,328
SFMTA	197,190,672
SamTrans	28,519,037
City of Santa Rosa	2,493,979
Solano County Transit	2,590,800
Sonoma County Transit	3,014,482
SMART	10,375,471
Union City Transit	922,560
City of Vacaville	488,659
VTA	73,023,596
WCCTA	2,218,204
WETA	12,529,212
Total	\$ 780,841,629

DEPARTMENT OF TRANSPORTATION

DIVISION OF RAIL AND MASS TRANSPORTATION

P.O. BOX 942874, MS-74

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*Making Conservation
a California Way of Life.*

April 10, 2020

Good Morning,

A week ago, Congress passed, and the President signed into law, the Coronavirus Aid, Relief and Economic Security Act (CARES Act). On Thursday April 2, 2020 the Federal Transit Administration provided apportionment tables for the public transit funding included in the CARES Act. This includes approximately \$95 million to California for distribution through the State-administered FTA 5311 Rural and Intercity Transit program. These funds are available until expended for expenses incurred in connection with the COVID-19 public health emergency.

All regular Section 5311 requirements apply to funds made available under the CARES Act, with the following exception:

CARES Act funds used to pay for operating expenses do not need to be included in the Transportation Improvement Program (TIP) or the Statewide Transportation Improvement Program (STIP). CARES Act funds used to pay for capital expenses for emergency relief do not need to be included in the TIP/STIP unless the projects are for substantial functional, locational, or capacity changes as defined in 23 CFR §§ 450.326(e)(5) and 450.218(g)(5). This action will help expedite resources to agencies across California.

We have heard the transit community's concerns and understand the desperate need for this funding. Therefore, we are taking the following steps to distribute the funds as quickly as possible.

1. The Caltrans Division of Rail and Mass Transportation (DRMT) will further expedite 5311 resources by applying to FTA for \$30 million (approximately 30% of California's 5311 CARES ACT apportionment). This exceeds the COVID-19 induced shortfall identified by 5311 subrecipients in the survey DRMT circulated last week. These responses have been used as the basis to develop the initial application to FTA.
2. CARES Act funds used to pay for operating expenses do not need to be included in the Transportation Improvement Program (TIP) or the Statewide Transportation Improvement Program (STIP). Therefore, DRMT is developing the application without programming information. This will expedite the application and reduce the administrative burden of the programming task.
3. The allocation each 5311 subrecipient receives from this \$30 million will be based on allocations made by RTPAs and MPOs to their local transit properties for the current operating year. The attached table identifies the

- amount calculated for each operator.
4. It is DRMT's intent to make the funds available to each operator as soon as FTA makes the award. While the grant application is at FTA for review, DRMT will work directly with each operator on agreements to expedite funding distribution.
 5. These funds are intended to cover agencies' expressed needs for COVID-19 response. DRMT will require operators provide documentation that funds were applied to costs incurred after January 20, 2020 and that those costs were for eligible COVID-19 uses as described in the CARES Act.
 6. DRMT will track the fund status of the initial \$30 million to see how quickly agencies are drawing down funds, which will determine the timing of subsequent applications for the remainder of California's share of CARES Act funds for 5311 subrecipients.
 7. Distribution of the remaining approximately \$65 million will also be based on applications to the FTA that will be developed in consultation between MPOs/RTPAs and Caltrans. It is not a prerequisite that applicants for the remainder of the funds apportioned to California be a current 5311 subrecipient. Funding requests included on a subsequent application will consider amounts that were already reimbursed to agencies and adjust future awards to subrecipients accordingly.

In addition, to provide further administrative relief during this emergency, FTA's Emergency Relief (ER) docket remains open and available for requests for relief from FTA statutory and administrative requirements of Section 5307 and 5311 funding in states that have declared an emergency, or the President has declared a major disaster under Section 401 of the Stafford Act. Direct recipients of 5307 funds should request waivers directly. The Caltrans Division of Rail and Mass Transportation will be requesting waivers on behalf of 5311 subrecipients. The ER docket can be found at: <https://www.transit.dot.gov/funding/grant-programs/emergency-relief-program/emergency-relief-docket>

You can find out more about the CARES Act and funding available for the 5311 Program on the FTA website: <https://www.transit.dot.gov/coronavirus>. Please reach out to the FTA 5311 Program Manager Kathy Pongratz at (916) 654-9955, or the Transit Grants and Contracts Office Chief Wendy King (916) 825-9519 with any questions.

Sincerely,



W. KYLE GRADING, Division Chief
Division of Rail and Mass Transportation

April 10, 2020
Page 3

Attachment

CARES Act Funding for 5311 Rural Transit Near-Term Impacts of COVID-19 (California: Round 1)**California Department of Transportation****Grant Application 1622-2020-3 (Calif ID #0020000192)**

Date: April 7, 2020

5311 Rural Subrecipient	County	Caltrans District	Amount
City of Arcata	HUM	1	\$ 165,849
Humboldt Transit Authority	HUM	1	\$ 695,008
Lake Transit Authority	LAK,MEN,NAP	1	\$ 410,298
Mendocino Transit Authority	MEN,SON	1	\$ 557,349
Redwood Coast Transit Authority	DN,HUM	1	\$ 178,284
County of Shasta Department of Public Works	SHA	2	\$ 424,404
County of Siskiyou	SIS	2	\$ 284,889
Lassen Transit Service Agency	LAS,MOD,PLU	2	\$ 221,408
Modoc Transportation Agency	LAS,MOD,SHA	2	\$ 60,564
Plumas County Transportation Commission	PLU	2	\$ 126,944
Tehama County Transit Agency	TEH	2	\$ 669,719
Trinity County Department of Transportation	TRI	2	\$ 84,915
Butte County Association of Governments/Butte Regional Transit	BUT	3	\$ 772,970
City of Auburn	PLA	3	\$ 88,376
Colusa County Transit Agency	COL	3	\$ 135,903
County of Nevada Public Works, Transit Services Division	NEV	3	\$ 525,997
County of Sacramento Department of Transportation	SAC,SJ	3	\$ 326,797
El Dorado County Transit Authority	ED,SAC	3	\$ 564,119
Glenn County Transportation Commission	GLE	3	\$ 178,433
Placer County Public Works (TART & PCT)	PLA	3	\$ 440,034
Sierra County Transportation Commission	SIE	3	\$ 54,924
Town of Truckee	NEV	3	\$ 100,658
Yolo County Transportation District	SAC,SOL,YOL	3	\$ 155,462
Yuba-Sutter Transit Authority	SUT,YUB	3	\$ 542,445
City of Dixon	SOL	4	\$ 305,302
City of Rio Vista	SAC,SOL	4	\$ 119,328
Marin County Transit District	MRN	4	\$ 239,772
Napa Valley Transportation Authority	NAP	4	\$ 240,051
San Mateo County Transit District	SM	4	\$ 177,565
Santa Clara Valley Transportation Authority	SCL	4	\$ 91,374
Sonoma County Transit	MRN,SON	4	\$ 549,696
City of Guadalupe	SB	5	\$ 69,061
City of Solvang	SB	5	\$ 224,445
Monterey-Salinas Transit	MON	5	\$ 691,355
San Benito County Local Transportation Authority	SBO,SCL	5	\$ 350,680
San Luis Obispo Regional Transit Authority	SLO	5	\$ 591,789
Santa Cruz Metropolitan Transit District	MON,SCL,SCR	5	\$ 200,431
City of Arvin	KER	6	\$ 76,734
City of Chowchilla	MAD	6	\$ 71,384
City of Corcoran - Corcoran Area Transit	KIN	6	\$ 112,297
City of Dinuba	FRE,TUL	6	\$ 229,348

CARES Act Funding for 5311 Rural Transit Near-Term Impacts of COVID-19 (California: Round 1)

California Department of Transportation

Grant Application 1622-2020-3 (Calif ID #0020000192)

Date: April 7, 2020

5311 Rural Subrecipient	County	Caltrans	
		District	Amount
City of McFarland	KER	6	\$ 53,756
City of Porterville	TUL	6	\$ 282,177
City of Shafter	KER	6	\$ 66,844
City of Taft	KER	6	\$ 34,426
City of Wasco	KER	6	\$ 97,151
City of Woodlake	TUL	6	\$ 133,352
County of Tulare	KER,TUL	6	\$ 413,637
Fresno County Rural Transit Agency	FRE	6	\$ 1,728,208
Kern Regional Transit	KER	6	\$ 1,130,110
Kings County Area Public Transit Agency	KIN	6	\$ 306,920
Madera County	MAD	6	\$ 388,322
City of Ojai	VEN	7	\$ 445,173
County of Los Angeles - Department of Public Works	LA	7	\$ 475,588
City of Needles	SBD	8	\$ 43,951
Morongo Basin Transit Authority	SBD	8	\$ 441,449
Mountain Area Regional Transit Authority	SBD	8	\$ 312,084
Palo Verde Valley Transit Agency	RIV	8	\$ 130,459
Riverside Transit Agency	ORA,RIV,SBD,SD	8	\$ 611,400
Sunline Transit Agency	RIV	8	\$ 375,782
Victor Valley Transit Authority	SBD	8	\$ 744,249
City of California City	KER	9	\$ 51,360
City of Ridgecrest	KER	9	\$ 102,687
City of Tehachapi	KER	9	\$ 44,651
Eastern Sierra Transit Authority	INY,MNO	9	\$ 207,785
Alpine County Community Development	ALP	10	\$ 75,056
Amador Transit	AMA,SAC	10	\$ 241,687
Calaveras Transit Agency	CAL	10	\$ 480,981
County of Mariposa	MAD,MPA,TUO	10	\$ 115,802
San Joaquin Regional Transit District (RTD)	SJ	10	\$ 1,308,034
Stanislaus County Public Works - Transit Division	MER,STA	10	\$ 514,990
Transit Joint Powers Authority for Merced County	MER	10	\$ 592,355
Tuolumne County Transit Agency (TCTA)	TUO	10	\$ 351,289
Imperial County Transportation Commission	IMP	11	\$ 336,176
North County Transit District	SD	11	\$ 488,232
San Diego Metropolitan Transit System	SD	11	\$ 267,514
GRAND TOTAL - 5311 Rural			\$ 25,500,000

5311(f) Intercity Bus Subrecipient	Caltrans	
	District	Amount
GRAND TOTAL - 5311 Intercity Bus		\$ 4,500,000

Date: April 22, 2020
W.I.: 1512
Referred By: Commission

ABSTRACT

Resolution No. 4420

This resolution approves the process, establishes the criteria, and programs projects for Federal Transit Administration (FTA) Sections 5307 Urbanized Area Formula and 5311 Rural Area formula funds apportioned to the San Francisco Bay Area pursuant to the Coronavirus Aid, Relief, and Economic Security Act (H.R. 748) for FY2019-20 Emergency Transit Operations Assistance.

This resolution includes the following attachments:

Attachment A – Principles for Distribution of CARES Act (H.R. 748) Supplemental
Federal Transit Administration Formula Funds

Attachment B – FY2019-20 Emergency Transit Operations Programming Policy

Attachment C – FY2019-20 Emergency Transit Operations Program of Projects

Date: April 22, 2020
W.I.: 1512
Referred By: Commission

RE: San Francisco Bay Area FY2019-20 Emergency Transit Operations Programming Policy

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4420

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

WHEREAS, MTC is the designated Metropolitan Planning Organization (MPO) for the nine-county Bay Area; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748) has been signed into law in response to the nationwide Coronavirus pandemic, which provides supplemental appropriations for Emergency Transit Operations Assistance through the Federal Transit Administration (FTA) Section 5307 Urbanized Area and Section 5311 Rural Area formula programs; and

WHEREAS, MTC is the designated recipient of the FTA Section 5307 Urbanized Area Formula Program funds for the large urbanized areas of San Francisco-Oakland, San Jose, Concord, Antioch, and Santa Rosa, and has been authorized by the California Department of Transportation (Caltrans) to select projects and recommend funding allocations subject to state approval for the FTA Section 5307 funds for the small urbanized areas of Vallejo, Fairfield, Vacaville, Napa, Livermore, Gilroy-Morgan Hill, and Petaluma in MTC's Federal Transportation Improvement Program and for the Section 5311 funds in non-urbanized areas; and

WHEREAS, MTC has worked cooperatively with the cities, counties and transit operators in the region to establish a set of principles to guide the development of the process and methodology for the initial distribution of CARES Act supplemental federal transit funds; and which provide for adjustments for subsequent distributions, as set forth in Attachment A, which is incorporated herein as though set forth at length; and

WHEREAS, the Policy to be used for the distribution of funds is set forth in Attachment B, which is incorporated herein as though set forth at length; and

WHEREAS, the projects to be funded are set forth in the detailed project listings in Attachment C, which are incorporated herein as though set forth at length; now, therefore, be it

RESOLVED, that MTC approves FY2019-20 Emergency Transit Operations Programming Policy as set forth in Attachment B; and, be it further

RESOLVED, that MTC will use the Policy as set forth in Attachment B to program supplemental FTA Sections 5307 and 5311 formula funds appropriated in the CARES Act for Emergency Transit Operations Assistance as provided under statute; and, be it further

RESOLVED, that MTC will return to the Commission to consider and approve those criteria and factors that will be identified for and associated with Principle 5 as provided for in Attachment A, as a basis for subsequent distributions beyond the initial distribution; and, be it further

RESOLVED, that MTC adopts the FY2019-20 Emergency Transit Operations Program of Projects to be funded as set forth in Attachment C; and, be it further

RESOLVED, that the Executive Director of MTC, or their designee, is authorized and directed to modify the Program of Projects as listed in Attachment C to meet requirements of FTA, and be it further

RESOLVED, that the Executive Director of MTC, or their designee, is authorized and directed to forward a copy of this resolution to the Federal Transit Administration (FTA) or other such agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

Scott Haggerty, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California on April 22, 2020.

Date: April 22, 2020

W.I.: 1512

Referred By: Commission

**Principles for Distribution of CARES Act (H.R. 748) Supplemental
 Federal Transit Administration Formula Funds**

Principles	Proposed Action
1. Move quickly to distribute first allocation of funds to operators as soon as possible.	Recommend an allocation formula and distribution of an initial installment of funds for approval no later than at the regularly-scheduled MTC Commission meeting on April 22 nd .
2. Distribute funding in a manner that best addresses operators' needs arising from the COVID-19 crisis.	Pursue agreement with transit operators on a distribution framework that comes as close as possible to anticipated transit operator costs associated with COVID-19, consistent with the intent of the CARES Act to direct funding according to need. Recognize the different revenues that comprise operator budgets and that will be affected by the COVID-19 crisis.
3. Allow flexibility to enable the region to address uncertainty/changed circumstances.	Distribute the funds in multiple phases. Limit the initial distribution of funds to approximately 60% of the total funding, given the challenge of accurately predicting revenue losses. Return to the Commission in July with a second programming action to revisit the formula and make any necessary adjustments based on more accurate information on revenue losses and costs incurred from March through June, and more refined forecasts of revenue impacts through the remainder of 2020.
4. Address urbanized area (UZA) constraints associated with federal funds with a needs-based funding distribution of any COVID-19 supplemental state funds.	Because the federal funds are apportioned to the region by UZAs (5 large and 7 small), there may be limitations in how well a regionwide formula can distribute funds in accordance with operators' actual needs. MTC should take this into consideration in distributing any potential supplemental emergency state funds provided to the region that are under MTC discretion to best achieve a 'needs-based' distribution of the combined state and federal COVID-19 supplemental funds.
5. Pending Additional Review: Future distribution(s) – beyond the initial phase – will be subject to a comprehensive COVID-19 recovery strategy that considers any recommended regional adjustments to ensure network connectivity, lifeline service needs, and financial sustainability.	Staff intends to bring a discussion on this principle to the May 13th Programming and Allocations Committee for final action by the Commission on May 27, 2020.

Date: April 22, 2020
W.I.: 1512
Referred By: Commission

**San Francisco Bay Area FY2019-20 Emergency Transit Operations
Assistance Programming Policy**

Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

I. About the Policy

- a. **Background:** The FY2019-20 Emergency Transit Operations Assistance Programming Policy applies to the programming of supplemental Federal Transit Administration Section 5307 Urbanized Area and 5311 Rural Area formula program funds apportioned to the San Francisco Bay Area in FY2019-20, pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748).

This policy contains the rules for establishing a program of projects for eligible transit operators in the San Francisco Bay Area Region.

On March 27, 2020, the President signed the CARES Act into law, providing supplemental appropriations for emergency transit operations in response to the global Coronavirus pandemic. These supplemental appropriations were provided via existing FTA Section 5307 and 5311 formula programs, and follow many of the same statutory guidelines and requirements. However, the funds are explicitly eligible for use for operating assistance and capital expenses related to transit operator response to the Coronavirus pandemic.

- b. **Goals & Objectives:** The goal of this policy is to provide emergency operating assistance to transit operators to mitigate lost fare revenues, reduced sales tax revenues, and other lost revenues, and increased costs associated with the Coronavirus pandemic; recognizing distinctions between initial responses to the crisis, and recovery efforts emerging from it;

II. The Policy

a. FTA Funds

- i. **Federal Eligibility:** In addition to the typical eligibility for capital and operating projects for the FTA Section 5307 Urbanized Area and FTA Section 5311 Rural Area Formula Programs as described in detail in MTC Resolution Nos. 4036, Revised (5311 Program Policy), and 4242, Revised (Transit Capital Priorities Policy), the CARES Act also makes these funds *“available for the operating expenses of transit agencies related to the response to a coronavirus public health emergency as described in section 319 of the Public Health Service Act, including, beginning on January 20, 2020, reimbursement for operating costs to maintain service and lost revenue due to the coronavirus public health emergency, including the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reductions in service.”* Further, the CARES Act provides this supplemental funding up to a 100% Federal share.
- ii. **Regional Eligibility:** Transit operators are required to submit annual reports to the National Transit Database (NTD). Service factors reported in large urbanized areas partially determine the amounts of FTA Section 5307 funds generated in the region. An operator is eligible to be programmed and apply to FTA for funds only in designated UZAs, as outlined in Table 1 below. Eligibility is based on geographical operations and 2018 self-reported NTD information and may be broader than the

UZA eligibility for the Transit Capital Priorities (TCP) Program (MTC Resolution No. 4242, Revised) typically used for distribution of FTA formula funds, in which certain operator agreements are recognized. Additionally, MTC is an eligible recipient in each UZA in the region.

Table 1. Urbanized Area Eligibility

Urbanized Area	Eligible Transit Operators [†]
San Francisco-Oakland	Alameda-Contra Costa Transit District (AC Transit), Altamont Corridor Express (ACE)*, San Francisco Bay Area Rapid Transit District (BART), Peninsula Corridor Joint Powers Board (Caltrain), Fairfield and Suisun Transit (FAST)*, Golden Gate Bridge, Highway & Transportation District (GGBHTD), Marin County Transit District (Marin Transit)*, MTC, San Francisco Municipal Transportation Authority (SFMTA), San Mateo County Transit District (SamTrans), Santa Clara Valley Transportation Authority (VTA), Solano County Transit (SolTrans)*, Sonoma-Marin Area Rail Transit (SMART)*, City of Union City (Union City Transit)*, Water Emergency Transportation Authority (WETA)*, Western Contra Costa Transit Authority (WestCAT)*
San Jose	AC Transit, ACE*, Caltrain, MTC, VTA
Concord	ACE*, BART, Central Contra Costa Transit Authority (CCCTA)*, Eastern Contra Costa Transit Authority (ECCTA/Tri Delta Transit)*, Livermore-Amador Valley Transit Authority (LAVTA)*, MTC, SolTrans*
Antioch	BART, ECCTA/Tri Delta Transit*, MTC
Santa Rosa	GGBHTD, MTC, Santa Rosa CityBus*, SMART*, Sonoma County Transit*
Vallejo	FAST*, MTC, SolTrans*, WETA*
Fairfield	FAST*, MTC, SolTrans*
Vacaville	City of Vacaville (CityCoach)*, FAST*, MTC
Napa	MTC, NVTA/Vine*
Livermore	ACE*, LAVTA*, MTC
Gilroy-Morgan Hill	Caltrain, MTC, VTA
Petaluma	GGBHTD, City of Petaluma*, MTC, SMART*, Sonoma County Transit*

[†] Eligibility based on 2018 NTD Report Data

*Small Operator

The FTA Section 5311 Rural Area formula program provides funds to transit operators for service in non-urbanized and rural areas. Operator eligibility is determined by non-urbanized service as provided in the 2012 Regional Transit Database, as explained in MTC Resolution No. 4036, and as self-reported in 2018 NTD reporting. Operators eligible to receive Rural Area formula program funds, based on their provision of rural and non-urbanized area service are as follows:

AC Transit	FAST	SamTrans
Caltrain	LAVTA	SolTrans
CCCTA	Marin Transit	Sonoma County Transit
City of Dixon	NVTA/Vine	Vacaville CityCoach
City of Rio Vista	Petaluma	VTA
ECCTA/Tri Delta Transit		

Per the State Management Plan for Federal Transit Funds, Caltrans makes final determination of project eligibility for Section 5311 Rural Area Formula funds.

b. Funding Distribution Methodology

- i. Regional Programming Approach: The Regional Programming Approach, as described below, is designed to prioritize funds to operators based on needs. The approach assumes a regional programming perspective and constrains regional demands to the amount of funds available to the region, prior to programming funds to project. It then assigns funds from urbanized areas in the following order:
 1. Fund needs for operators that are restricted to receiving funds in one UZA (e.g., SFMTA, WestCAT, CCCTA, etc.).
 2. Fund balance of operator needs among multiple UZAs, as eligibility allows, with the objective of fully funding needs (as defined in III.a., below) due to the Coronavirus to the maximum extent possible.
 3. Reduce operator funding proportionately in UZAs where needs exceed available funding.
 4. If, after Future Phase(s) funds are programmed to address pandemic-related operator needs (further described in III.a.2. below), any remaining funds will be programmed for eligible recipients per the TCP Policy (MTC Resolution No. 4242, Revised), but using the UZA eligibility outlined in Table 1 to maintain maximum flexibility with these funds.
- ii. Phased Distribution of Funds: Funds will be distributed in two Phases:
 1. Phase 1: 60.6% of the region's apportionment will be assigned to operators in Phase 1. This phase is intended to roughly address estimated direct operating impacts as a result of the Coronavirus pandemic through June 30, 2020 (e.g., unrealized fare revenue as a result of decreased ridership, unrealized transit agency parking revenue, unrealized bridge toll revenue, increased expenses due to extra cleaning labor and supplies, etc.) using the methodology described in III.a.i., below.
 2. Future Phases: The remaining 39.4% of the region's apportionment will be assigned to operators in future phases following the Principles included in Attachment A, with emphasis on the recovery based considerations embodied in Principle 5, to be determined in consultation with regional partners and adopted by the Commission. The methodology for future phases is described in III.a.ii., below.

III. The Process

- a. The distribution of funds in Phases 1 and Future Phase(s) will utilize separate methodologies in order to balance the impacts of the Coronavirus pandemic on the various operators in the region. This process recognizes the myriad revenue sources that go into different operator budgets, and seeks to provide equitable levels of funding to each across the region.
 - i. Phase 1 Methodology: The following process describes the methodology used to determine the funding targets to distribute the region's apportionment of CARES Act supplemental FTA funds in Phase 1:
 1. MTC 1% Take-down: 1% of the funds will be assigned to MTC for operating assistance.
 2. The remaining Phase 1 funds will be targeted to operators proportionally based on the following three factors, weighted equally, and with a floor applied such that the Small Operators, as defined above, receive an amount equal to at least 17% of their FY2019-20 operating costs:
 - a. Fare box revenues as reported in operators' FY2019-20 Transportation Development Act (TDA) Claims;
 - b. Operating costs, as reported in operators' FY2019-20 TDA Claims; and
 - c. STA Revenue-based formula qualifying revenues (PUC99314), without the AB 1107 sales tax exclusion.
 - ii. Future Phase(s) Methodology: The following process describes the methodology used to determine the funding targets to distribute the region's apportionment of CARES Act supplemental FTA funds in Future Phase(s):
 1. *TBD (Will be amended concurrent with Commission programming of remaining funds, following continued discussion with regional partners and adoption by the Commission.)*
 - iii. Funding: Once operator funding targets are determined by the methodology outlined above, the Phase 1 and Future Phase(s) targets will be funded using the Regional Programming Model described in II.b.i, above.
- b. Annual Programming in the TIP: MTC, in cooperation with the state and eligible transit operators, is required to develop a Transportation Improvement Program (TIP) for the MTC Region. The TIP is a four-year programming document, listing federally-funded transportation projects, projects requiring a federal action, and projects deemed regionally significant. TCP programming in each year of the TIP will be financially constrained to the estimated apportionment level. Programming adjustments in the TIP will be done in consultation with eligible transit operators in the MTC region.

The CARES Act waives the typical requirement for TIP inclusion for the supplemental apportionments included in the Act used for operating assistance or to pay for capital expenses for emergency relief do not need to be included in the TIP/STIP unless the projects are for substantial functional, locational, or capacity changes. [23 CFR §§ 450.326(e)(5), 450.218(g)(5)]. Over time, MTC will work to incorporate all such funding from the CARES Act in to the TIP for fund monitoring purposes. However, inclusion in the TIP is not a precondition for receiving these funds.

- c. Process for Programming Revisions & Amendments: The principles, policy, and associated programming (Attachments A, B, and C to this resolution) will be revised at a later date to include Future Phase funding amounts for operators and to include more detail on the FTA Section 5311 process, as needed, once provided by Caltrans. MTC will consider revisions to an operator's programming as requested.
- d. Grant Applications:
 - i. FTA Section 5307 Programs: Each operator is expected to complete their own Federal grant application using FTA's Transit Award Management System (TrAMS). MTC staff will review grant applications and submit concurrence letters or other required materials to FTA on behalf of project sponsors as needed.
 - ii. FTA Section 5311 Program: Operators are responsible for working with Caltrans, the designated recipient and grantee for the Section 5311 program, to respond to calls for projects and submit required materials to access these funds. MTC will assist with the Regional Agency/Transportation Planning Agency (TPA) Certifications and Assurances and any other documentation, as needed.

FY2019-20 Emergency Transit Operations Program of Projects

TIP ID	Operator	Project Description	Total FTA Program*	FTA Section 5307	FTA Section 5311*
Apportionments			1,288,388,608	1,283,243,071	5,145,537
Phase 1 Programming					
TBD	AC Transit	CARES Act-eligible Projects	80,366,395	80,366,395	
TBD	ACE ¹	CARES Act-eligible Projects	2,680,453	2,680,453	
TBD	BART	CARES Act-eligible Projects	251,637,050	251,637,050	
TBD	Caltrain	CARES Act-eligible Projects	49,292,725	49,292,725	
TBD	CCCTA	CARES Act-eligible Projects	7,067,680	7,067,680	
TBD	City of Dixon	CARES Act-eligible Projects	305,302	-	305,302
TBD	ECCTA	CARES Act-eligible Projects	3,891,364	3,891,364	
TBD	City of Fairfield	CARES Act-eligible Projects	2,002,985	2,002,985	
TBD	GGBHTD	CARES Act-eligible Projects	30,163,006	30,163,006	
TBD	LAVTA	CARES Act-eligible Projects	3,501,369	3,501,369	
TBD	Marin Transit	CARES Act-eligible Projects	5,438,809	5,199,037	239,772
TBD	MTC	CARES Act-eligible Projects	7,808,416	7,808,416	
TBD	NVTA	CARES Act-eligible Projects	2,701,734	2,461,683	240,051
TBD	City of Petaluma	CARES Act-eligible Projects	498,342	498,342	
TBD	City of Rio Vista	CARES Act-eligible Projects	119,328	-	119,328
TBD	SFMTA	CARES Act-eligible Projects	197,190,672	197,190,672	
TBD	SamTrans	CARES Act-eligible Projects	28,519,037	28,341,472	177,565
TBD	City of Santa Rosa	CARES Act-eligible Projects	2,493,979	2,493,979	
TBD	Solano County Transit	CARES Act-eligible Projects	2,590,800	2,590,800	
TBD	Sonoma County Transit	CARES Act-eligible Projects	3,014,482	2,464,786	549,696
TBD	SMART	CARES Act-eligible Projects	10,375,471	10,375,471	
TBD	Union City Transit	CARES Act-eligible Projects	922,560	922,560	
TBD	City of Vacaville	CARES Act-eligible Projects	488,659	488,659	
TBD	VTA	CARES Act-eligible Projects	73,023,596	72,932,222	91,374
TBD	WCCTA	CARES Act-eligible Projects	2,218,204	2,218,204	
TBD	WETA	CARES Act-eligible Projects	12,529,212	12,529,212	
Phase 1 Program Total			780,841,629	779,118,541	1,723,088
Fund Balance			507,546,978	504,124,530	3,422,449
Future Phase Programming					
TBD	AC Transit	CARES Act-eligible Projects	-		
TBD	ACE	CARES Act-eligible Projects	-		
TBD	BART	CARES Act-eligible Projects	-		
TBD	Caltrain	CARES Act-eligible Projects	-		
TBD	CCCTA	CARES Act-eligible Projects	-		
TBD	City of Dixon	CARES Act-eligible Projects	-		
TBD	ECCTA	CARES Act-eligible Projects	-		
TBD	City of Fairfield	CARES Act-eligible Projects	-		
TBD	GGBHTD	CARES Act-eligible Projects	-		
TBD	LAVTA	CARES Act-eligible Projects	-		
TBD	Marin Transit	CARES Act-eligible Projects	-		
TBD	MTC	CARES Act-eligible Projects	-		
TBD	NVTA	CARES Act-eligible Projects	-		
TBD	City of Petaluma	CARES Act-eligible Projects	-		
TBD	City of Rio Vista	CARES Act-eligible Projects	-		
TBD	SFMTA	CARES Act-eligible Projects	-		
TBD	SamTrans	CARES Act-eligible Projects	-		
TBD	City of Santa Rosa	CARES Act-eligible Projects	-		
TBD	Solano County Transit	CARES Act-eligible Projects	-		
TBD	Sonoma County Transit	CARES Act-eligible Projects	-		
TBD	SMART	CARES Act-eligible Projects	-		
TBD	Union City Transit	CARES Act-eligible Projects	-		
TBD	City of Vacaville	CARES Act-eligible Projects	-		
TBD	VTA	CARES Act-eligible Projects	-		
TBD	WCCTA	CARES Act-eligible Projects	-		
TBD	WETA	CARES Act-eligible Projects	-		
Future Phase Program Total			-	-	-
Total Programming (Phase 1 + Future Phase)			780,841,629	779,118,541	1,723,088
Fund Balance			507,546,978	504,124,530	3,422,449

Notes:

*Estimated amount. Final 5311 amount to be provided by Caltrans.

1. Programming for ACE equal to 50% of the calculated need; remaining 50% will be funded from the San Joaquin Region.

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-15

**CONSIDER ACTIONS TO ADDRESS THE IMPACTS OF THE
COVID-19 PANDEMIC ON WETA OPERATIONS**

WHEREAS, in consideration of the ongoing impact of the COVID-19 pandemic on WETA's operations, the Board requested staff to schedule a special meeting on April 23 to further consider the financial impact of the COVID-19 pandemic on WETA services and staffing; and

WHEREAS, the WETA staff has worked to identify and secure new federal, state and local funding that may be available to WETA as a result of the COVID-19 pandemic to offset the real and anticipated shortfalls in passenger fares and bridge toll revenues used to fund the majority of WETA's operating budget; and

WHEREAS, a first phase of federal CARES Act funds, as programmed by the Metropolitan Transportation Commission, will provide WETA with \$12.5 million of new funds to address the immediate budget shortfall anticipated in FY 2019/20 and will allow some flexibility to address the uncertainty of the situation and changed circumstances; and

WHEREAS, consistent with MTC's distribution principles, future distributions of these funds will be subject to development of a comprehensive COVID-19 recovery strategy for each operator that considers any recommended regional adjustments to ensure network connectivity, lifeline service needs and financial sustainability; and

WHEREAS, WETA recognizes the importance of developing a recovery plan for quickly ramping up service levels to meet demand once the shelter-in-place orders are lifted and the Bay Area resumes work and travel activities, with the understanding that the COVID-19 pandemic could have lasting impacts on ridership demand and WETA's operating revenue resources and directed staff to begin the process of developing such a plan at its April 9, 2020 meeting in conjunction with the FY 2020/21 Operating and Capital Budget; and

WHEREAS, the Board of Directors has previously taken action to extend the paid status of WETA's crews under Blue & Gold Fleet employment through April 23, 2020, in order to maintain its trained workforce for recovery services and to serve in an emergency response capacity as WETA sought out new funding sources to backfill revenue shortfalls; and

WHEREAS, with the availability of new CARES Act funds, WETA has sufficient funds to retain Blue & Gold Fleet crews while we work to develop a FY 2020/21 budget and related recovery plan in the coming weeks; and

WHEREAS, in order to continue to retain WETA crews employed by Blue & Gold Fleet the Board of Directors will need to take action to authorize an extension of the paid status of WETA's crews under Blue & Gold Fleet employment from April 23 until at least May 7, the next regularly scheduled Board meeting, in order to ensure continuity of staff and emergency response readiness; and

WHEREAS, the Board of Directors may wish to provide staff with further direction as may be required in order to return with future actions on this matter; now therefore be it

RESOLVED, that the Board of Directors authorizes the Executive Director to extend the paid status of WETA's crews under Blue & Gold Fleet employment from April 23 until at least May 7, the next regularly scheduled Board meeting, in order to ensure continuity of staff and emergency response readiness.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on April 23, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary
2020-15

END