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**Enactment #:**

**Title:** Staff Report for a Resolution Authorizing the City Manager to Enter the City into a Master Programs Funding Agreement with the Alameda County Transportation Commission for the Distribution and Receipt of Measure B, Vehicle Registration Fee (VRF) Funds and Measure BB Transportation Sales Tax Revenue

**Sponsors:** Keith Cooke

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**Attachments:** 1. Alameda CTC Master Programs Funding Agreement .pdf

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Staff Report for a Resolution Authorizing the City Manager to Enter the City into a Master Programs Funding Agreement with the Alameda County Transportation Commission for the Distribution and Receipt of Measure B, Vehicle Registration Fee (VRF) Funds and Measure BB Transportation Sales Tax Revenue

**SUMMARY AND RECOMMENDATIONS**

Staff recommends that the City Council approve and authorize the City Manager to enter the City into a ten year Master Programs Funding Agreement (MPFA) with the Alameda County Transportation Commission (Alameda CTC). The new agreement will serve as the contract for distribution and receipt of Measure B, Vehicle Registration Fee (VRF) funds and Measure BB transportation sales tax revenues.

**BACKGROUND**

In November 2000, Alameda County voters approved the extension of the ½ cent sales tax for twenty years for transportation projects throughout the county (Measure B). Voters also approved rules and regulations concerning these funds, including entering into agreements for managing these funds. Collection of the revenues commenced on April 1, 2002 and will continue until 2022. As a participating agency, the City entered into a master project funding agreement and specific project funding agreements prior to receiving the funds on a reimbursement basis.

Voters approved the Measure F Alameda County Vehicle Registration Fee (VRF) Program on November 2, 2010, with 63% of the vote. The fee generates about \$11 million per year for the County through a \$10 per year vehicle registration fee.

On November 4, 2014, the voters of Alameda County, pursuant to the provisions of the Local Transportation Authority and Improvement Act, California Public Utilities Code Section 180000 et seq., approved Measure BB, thereby authorizing Alameda CTC to administer the proceeds from the extension of an existing one-half of one percent transaction and use tax scheduled to terminate on March 31, 2022, and the augmentation of the tax by one-half of one percent. The duration of the tax will be 30 years from the initial year of collection, which began April 1, 2015, with said tax to expire on March 31, 2045. The tax proceeds will be used to pay for the investments outlined in the 2014 Alameda County Transportation Expenditure Plan ("2014 TEP"), as it may be amended from time to time.

Alameda CTC staff developed a 10-year Master Program Funding Agreement (MPFA) and Implementation Guidelines that addresses each fund source and specifies definitions, eligibility, and fund uses for each type of funding. The adoption of a new MPFA with the Alameda CTC for Measure B, VRF and Measure BB funds will integrate funding requirements of the three revenue sources and streamline monitoring and reporting. This agreement aims to improve efficiencies for the City's reporting requirements and delineates the requirements of the Direct Local Distribution (DLD) funds, which are allocated directly to local jurisdictions and transit operators, as authorized by Measure B, Measure F for VRF and Measure BB and as further detailed in the 2014 TEP.

Discretionary funds identified in the 2014 TEP are not the subject of this Agreement and the City will have to enter into a separate agreement for those funds. The DLD funds will remain available for distribution upon execution of this agreement.

**Measure B Funds:** The Measure B Sales & Use Tax generates approximately \$104 million per year for Alameda County. The City receives approximately \$1.9 million per year of Measure B DLD funds for three types of programs:

- Bicycle and Pedestrian Safety
- Local Streets and Roads
- Paratransit

The City's original Master Agreement with ACTC for these funds expires June 30, 2022; however, that agreement is superseded by the subject MPFA.

**Vehicle Registration Fee:** This fee generates about \$11 million per year for the County through a \$10 per year vehicle registration fee. The City will receive approximately \$405,000 per year of DLD funds for three types of programs:

- Local Streets and Roads
- Bicycle and Pedestrian Projects

The City's original Master Agreement with ACTC for these funds expires June 30, 2022; however, that agreement is superseded by the subject MPFA.

**Measure BB Funds:** The Measure BB Sales Tax generates approximately \$120 million per year for Alameda County. The City will receive approximately \$1.7 million per year of Measure BB DLD funds for three types of programs:

- Bicycle and Pedestrian Safety
- Local Streets and Roads
- Paratransit

The City's Master Agreement with ACTC for these funds expires June 30, 2016.

## **Analysis**

### **Master Programs Funding Agreement**

The MPFA specifies the types of Measure B, VRF and Measure BB funds that the City can receive from the Alameda CTC, including DLD and grant funds. The Alameda CTC expects to allocate funds pursuant to the MPFA from July 1, 2016 through June 30, 2026. The MPFA oversees the following types of distributions:

- Bicycle and Pedestrian Safety: Measure B and Measure BB DLD
- Local Streets and Roads: Measure B, VRF and Measure BB DLD
- Paratransit: Measure B and Measure BB DLD

The proposed Measure B/BB/VRF MPFA reflects a combined master agreement for the DLD funds from each of the three fund sources. This allows for consistent policies and requirements that are applicable to all DLD funds to streamline program implementation for the City and for Alameda CTC. The MPFA contains policies on expenditures, timely use of funds requirements, and performance measures to guide the expeditious use and investment of these funds across all recipients. The MPFA is attached with the resolution of this item.

The performance measures contained in Exhibit C of the MPFA establish performance reporting expectations for DLD investments. It is important to note each of the applicable DLD programs (local transportation, bicycle/pedestrian and paratransit) are distinct and the City can use the funds, at their discretion, on a variety of transportation needs. Thus, the performance measures for DLD funds monitor quantifiable data on universal investments such as pavement condition index for streets and roads, quantities of sidewalk or bike facility improvements and trips provided/individuals served. The City will comply with Alameda CTC requirements by conducting performance reporting and data collection through the annual program compliance reporting and annual paratransit program plan review.

The MPFA is based primarily on the existing 2012 Measure B/VRF MPFA template. The primary changes include:

- Removal of timely use of funds and reserve policies. These policies are replaced in the Measure B/BB/VRF MPFA policy provisions with reference to the Alameda CTC approved Timely Use of Funds Policies for DLD funds.
- Incorporation of Measure BB references and policies specific to the Measure such as 15% of local streets and roads funds must be expended on bicycle/pedestrian related improvements.
- Incorporation of performance measures and reporting requirements.

The MPFA references program implementation guidelines for each of the four DLD programs which serve as a guide for eligible project and program investments to be funded with the Measure B/BB/VRF funds. These guidelines were last adopted by the Alameda CTC in 2012 and included in the agreement with the City. As part of the new MPFA, the implementation guidelines have been refreshed to include Measure BB references, but no substantive changes have been made to the local transportation and bicycle/pedestrian guidelines.

Staff recommends that the City Council approve the MPFA along with the associated implementation

guidelines and performances measures and authorize the City Manager or his designee to enter into the MPFA with Alameda CTC. Once executed, the MPFA will supersede and replace all preceding agreements affecting such funds, accounts and monies and will enable the uninterrupted disbursement of Measure B/BB and VRF DLD funds starting July 1, 2016 through June 30, 2026 unless amended or a new MPFA is established.

### **Previous Actions**

- On March 18, 2002, by Resolution No. 2002-035, the City Council authorized the City Manager to enter into a Master Program Funding Agreement with the Alameda County Transportation Improvement Authority (ACTIA) for Measure B 2000 Programmatic Pass-Through Funds
- On July 1, 2002, by Resolution No. 2002-096, the City Council authorized the City Manager to Enter into a Master Project Funding Agreement with Three Subsequent Specific Project Funding Agreements with the Alameda County Transportation Improvement Authority (ACTIA) for Measure B 2000 Capital Project Funds
- On March 5, 2012, by Resolution No. 2012-021, the City Council authorized the City Manager to Enter the City into a Master Programs Funding Agreement with the Alameda County Transportation Commission (Alameda CTC) for the Distribution and Receipt of Measure B Transportation Sales Tax Revenue and Vehicle Registration Fee Revenue
- On June 15, 2015, by Resolution No. 2015-105, the City Council authorized the City Manager to Enter the City into a Master Programs Funding Agreement with the Alameda County Transportation Commission for the Distribution and Receipt of Measure BB Transportation Sales Tax Revenue

### **Applicable General Plan Policies**

14.02 Funding - Aggressively pursue state and federal funding for bicycle and pedestrian improvements, while also including funding for bicycle and pedestrian improvements in the City's Capital Improvement Program.

15.07 Allocation Of Regional Funds - Ensure that the City receives its fair share of the public funds allocated for transit services within the region.

20.01 Coordination With Regional Agencies - Work closely with the Metropolitan Transportation Commission, the Alameda County Congestion Management Agency and other agencies to address regional transportation issues affecting San Leandro.

### **Legal Analysis**

The City Attorney's Office reviewed the MPFA, and it is approved as to form.

### **Fiscal Impacts**

Execution of the MPFA will permit transfer of Measure B, Measure BB and VRF transportation funds to provide the City additional funding for paratransit, street maintenance and bicycle and pedestrian improvements.

### **ATTACHMENT**

- Alameda CTC Master Programs Funding Agreement (Draft)

**PREPARED BY:** Kirsten Foley, Administrative Manager, Engineering and Transportation Department