



Legislation Text

File #: 12-068, **Version:** 1

Staff Report for Authorizing 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

RECOMMENDATIONS

Staff recommends that the City Council approve and authorize the City Manager to enter the City into a 10-year Master Programs Funding Agreement (MPFA) with the Alameda County Transportation Commission (Alameda CTC) to replace the existing agreement between the Alameda County Transportation Improvement Authority (ACTIA) and the City that expires this year (2012). The new agreement will serve as the contract for distribution and receipt of current Measure B transportation sales tax revenues and new Vehicle Registration Fee (VRF) 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. Voters also approved new 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.

The adoption of a new MPFA with the Alameda CTC for Measure B Programmatic Pass-through funds and upcoming VRF funds will integrate funding requirements of the two revenue sources and streamline monitoring and reporting. This effort aims to improve efficiencies for the City's reporting requirements and for Alameda CTC's oversight of the funds.

Alameda CTC staff developed a 10-year MPFA and Implementation Guidelines that address each fund source and specify definitions, eligibility, and fund uses. The Alameda CTC may update the Implementation Guidelines on a more frequent basis than the MPFA to respond to changing transportation needs over the next 10-year period.

On December 16, 2011 the Alameda CTC adopted the final MPFA and Implementation Guidelines. The new MPFA must be fully executed by the City prior to March 31, 2012 to ensure that current Measure B funds continue to flow to the City and the new VRF funds can be allocated. There are two additional deadlines associated with the MPFA: 1) City's adoption of a Complete Streets Policy by June 30, 2013; and 2) City's update of its Bicycle and Pedestrian Plan by December 31, 2015. The City met this second deadline by updating the Bicycle and Pedestrian Master Plan in 2011.

The following provides details concerning Measure B funds and VRF funds:

Measure B Funds: The Measure B Sales & Use Tax generates approximately \$104 million per year for Alameda County. The City receives Measure B “pass-through funds” for three types of programs:

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

The City’s original Master Agreement with ACTIA for these funds expires in 2012.

Vehicle Registration Fee: Voters approved the Measure F Alameda County Vehicle Registration Fee (VRF) Program on November 2, 2010, with 63% of the vote. The fee will generate about \$11 million per year for the county through a \$10 per year vehicle registration fee. The City will receive “pass-through” funds from four main types of programs:

- Local Streets and Roads
- Transit
- Local Transportation Technology
- Bicycle and Pedestrian Projects

Under the VRF legislation, fund usage must demonstrate a relationship or benefit to the people paying the fee.

Analysis

Master Programs Funding Agreement (MPFA)

The MPFA specifies the types of funds that the City can receive from the Alameda CTC, including Measure B and VRF pass-through and grant funds. The Alameda CTC expects to allocate funds pursuant to the MPFA from April 1, 2012 through June 30, 2022. The MPFA oversees the following types of distributions:

- Bicycle and Pedestrian Safety: Measure B pass-through funds, grants, and VRF funds
- Local Streets and Roads: Measure B pass-through funds and VRF funds
- Paratransit: Measure B pass-through funds, grants, stabilization funds, including base program and minimal service level funds, and VRF funds
- Transportation Technology Funds: VRF funds
- Transit Center Development Funds: Measure B funds

Implementation Guidelines (Guidelines)

The Guidelines for each program specify the requirements that the City must follow to use Measure B and VRF funds. The Guidelines are incorporated by reference into the MPFA and were developed in this manner to allow the Alameda CTC to update them more frequently than the MPFA to address policy, legislative, or other issues as they arise. The intent of the Guidelines is to provide guidance on eligible uses and expenditures of each fund type, define terms in the MPFA, and guide specific fund implementation. A copy of the guidelines are attached for your review.

The Guidelines include the following:

- Purpose
- Definition of terms
- Fund allocation methods and eligibility, including eligible and non-eligible costs

- Specific policies related to specific fund sources
- Advancement of funds opportunities
- Implementation Guidelines adoption

The new MPFA includes new Alameda CTC policies that govern the use of funds. The new policies of MPFA along with a brief summary of the purpose of each follows:

- Timely Use of Funds/Reserve Fund Policy: Increase the accountability of each jurisdiction in planning for and expending funds
- Rescission of Fund Policy: Fund redistribution mechanism for enforcement of the Timely Use of Funds Policy
- Transportation Purposes Only Policy: Improved definition of authorized fund use
- Non-Substitution of Fund Policy: Requires the City to supplement existing revenues used for transportation rather than replace these funds
- Fund Exchange Policy: Specifies that fund exchanges must be made for transportation purposes
- Staff Cost Limitations Policy: Eliminates the ability to charge indirect costs
- Bicycle/Pedestrian Plan and Complete Streets policy: Requires the City to keep its Bicycle and Pedestrian Plan up to date and adopt a Complete Streets Policy
- Pavement Condition Index (PCI) Reporting: Requires the City to report its PCI and the plan to improve it

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

Committee Review and Actions

The Facilities and Transportation Committee previewed this item at its February 14, 2012 committee meeting.

Applicable General Plan Policies

20.01 Coordination with Regional Agencies.

Legal Analysis

The City Attorney's Office has reviewed the MPFA and has approved it as to Legal Form.

Fiscal Impacts

Execution of the MPFA prior to March 31, 2012 will maintain an uninterrupted flow of Measure B transportation funds to the City and increase funding as a result of voter approval of the VRF.

ATTACHMENTS

- Alameda CTC Bicycle and Pedestrian Safety Program Implementation Guidelines
- Alameda CTC Local Streets and Roads Program Implementation Guidelines
- Alameda CTC Mass Transit Program Implementation Guidelines
- Alameda CTC Paratransit Program Implementation Guidelines
- Alameda CTC Local Transportation Technology Program Implementation Guidelines
- Alameda CTC Transit Center Development Program Implementation Guidelines

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