

REVISED
JULY 21, 2025



Agenda Item No. (5)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of July 24, 2025

From: Jacob Brown, Principal Capital and Grant Programs Analyst
Grant Martinez, Director of Budget and Financial Analysis
Jennifer H. Mennucci, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE ACTIONS RELATED TO GRANT PROGRAMS**
(a) AUTHORIZE FILING AN APPLICATION WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR FY 25/26 TRANSPORTATION DEVELOPMENT ACT, STATE TRANSIT ASSISTANCE, REGIONAL MEASURE 2, REGIONAL MEASURE 3, AND SENATE BILL 125 OPERATING FUNDS TO SUPPORT BUS, FERRY, AND PARATRANSIT SERVICES

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize the General Manager to file an application with the Metropolitan Transportation Commission (MTC) for the following FY 25/26 funds:

- Transportation Development Act (TDA),
- State Transit Assistance (STA),
- Regional Measure 2 (RM2),
- Regional Measure 3 (RM3), and
- Senate Bill 125 (SB 125)

to support bus, ferry, and paratransit services in the amount of \$65,767,610. Approval of this action also authorizes the General Manager to file revisions to this application if projected funding amounts change during FY 25/26.

This matter will be presented to the Board of Directors at its July 25, 2025, meeting for appropriate action.

Summary

TDA funds (statewide sales tax revenues) are made available annually to the Golden Gate Bridge, Highway and Transportation District (District) for transit operating purposes through the MTC.

The District is eligible to claim \$11,565,638 in TDA funds for FY 25/26 from Marin and Sonoma apportionment areas to subsidize the District's transit services provided in these counties. The breakdown of TDA funds the District may claim in FY 25/26 are as follows:

- \$7,866,984 from Marin County (43% of Marin's TDA revenue estimate)
- \$3,698,654 from Sonoma County (12% of Sonoma's TDA revenue estimate)

STA funds (from gasoline and diesel fuel sales tax revenues) are also available annually to support transit operations. Based on current funding agreements, the District is eligible to claim Marin and Sonoma County population-based and Statewide revenue-based STA funds in the amount of \$14,047,064 to support the District's bus, ferry, and paratransit operations in FY 25/26. The total allotment of STA funds includes \$11,876,402 in revenue-based funds, \$1,247,872 in Marin County population-based funds, and \$922,790 in Sonoma County population-based funds.

In March 2004, voters passed RM2, raising the toll for all vehicles on the seven state-owned toll bridges in the San Francisco Bay Area by \$1.00. This extra dollar funds various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors. The District is eligible to claim up to \$2,307,046 to support ongoing express bus service operations in FY 25/26. The District will claim these funds for the operation of Bus Route 580, San Rafael/Richmond Bridge service. Funds will be transferable to new routes as needed.

In June 2018, Bay Area voters approved RM3, authorizing increased Bay Area bridge tolls to fund specific capital projects and operating programs outlined in the RM3 Expenditure Plan. RM3 was proposed to implement three toll increases of \$1.00 each, scheduled to take effect on January 1, 2019, January 1, 2022, and January 1, 2025. Following RM3's approval, multiple lawsuits were filed, temporarily halting access to the RM3 funds. These legal challenges were eventually heard by the California Supreme Court, which resulted in the dismissal of the lawsuits and the restoration of access to the RM3 funds in 2023.

For FY 25/26, the District is eligible to claim a total amount of \$3,292,211 for RM3 funding. The District is eligible to claim up to \$2,492,211 to support ongoing express bus service operations for Bus Route 580, San Rafael/Richmond Bridge service, and Bus Route 101, Limited Stop Express. Funds will be transferable to new routes as needed. The District is also eligible to claim an additional \$800,000 to offset District funds allocated to the first year of Sonoma-Marín Area Rail Transit's (SMART) implementation of the Marin-Sonoma Coordinated Transit Service Plan (MASCOTS).

Sonoma County Allocation Formula

For FY 25/26, the District's allocation of Sonoma County state operating support was determined using a new performance-based formula, departing from methods used in prior years.

As part of MASCOTS, transit operators and county transportation authorities in both Marin and Sonoma Counties agreed to revise the distribution formula for Sonoma County's allocations of

TDA, STA, and Low Carbon Transit Operations Program (LCTOP) population-based funds. The revised formula mirrors the performance-based approach currently used for Marin County.

Under this new formula, revenues are allocated based on recent ridership and service metrics. As a result of the new formula, approximately \$2.2 million will shift from the District to SMART and bus operators in Sonoma County.

The distribution approach for future years has not yet been determined.

SB 125 FY 25/26 Regional Funding Framework

In addition to the operating support annually allocated to the District via MTC's claim process, the FY 25/26 claim will also include one-time operating support committed to the District through the MTC's SB 125 FY 25/26 Regional Funding Framework. The District's FY 25/26 SB 125 support is comprised of four components:

- \$13,745,483 regional contribution of FY 25/26 STA population-based funds. This amount is committed by the MTC in MTC Resolution No. 4619.
- \$20,810,168 in FY 25/26 State SB 125 Transit Operations Funding. This amount was programmed by the MTC along with the FY 25/26 Fund Estimate and adopted in MTC Resolution No. 4688.
- \$2,492,211 in FY 25/26 RM3 funds. These funds are not SB 125 funds but are considered as offsetting the District's standardized shortfall because RM3 funding was not originally factored into the shortfall calculation.
- \$1,214,893 in FY 24/25 RM3 funds. These funds were received in FY 24/25 and are thus not included in the FY 25/26 claim. Like the FY 25/26 RM3 funds, this RM3 contribution is not considered as SB 125 funding but as an offset to the District's FY 25/26 standardized shortfall.

Fiscal Impact

This item authorizes an application for funds totaling \$65,767,610, of which \$64,967,610 will support District operations for intercounty transit services. An additional \$800,000 of District funding will be allocated to SMART to support the first year of implementation of MASCOTS. TDA/STA/RM2/RM3/SB 125 revenues to support the District's transit operations are included in the Adopted FY 25/26 Operating Budget.

Source	FY 25 Actual Allocation	FY 26 Claim
Annual Operating Support		
TDA – Marin	\$6,961,916	\$7,866,984
TDA – Sonoma	\$7,361,126	\$3,698,654*
STA – Revenue-Based	\$9,848,387	\$11,876,402
STA – Marin (Block Grant)	\$1,452,066	\$1,247,872
STA – Sonoma	-	\$922,790*
STA – MTC Regional Coordination	\$10,000	\$0

RM2 – Operating	\$2,307,046	\$2,307,046
RM3 – Operating	\$1,871,325	\$3,292,211**
<i>Subtotal Annual</i>	<i>\$29,811,866</i>	<i>\$31,211,959</i>
SB 125 One-Time Operating Support		
Regional Contribution – Population-Based STA Funds	-	\$13,745,483
SB 125 State Funding	-	\$20,810,168
<i>Subtotal SB 125</i>	<i>-</i>	<i>\$34,555,651</i>
Total	\$29,811,866	\$65,767,610

* FY 26 Sonoma TDA and STA amounts reflect Sonoma County distribution formula changes agreed to as part of MASCOTS.

** FY 26 RM3 amount shown includes \$800,000 to be allocated to SMART.