



Agenda Item No. (5)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of May 23, 2024

From: Terri Wright, Principal Analyst, Capital and Grant Programs
Amy Frye, Director, Capital and Grant Programs
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE ACTIONS RELATED TO GRANT PROGRAMS**
(a) **AUTHORIZE THE FILING OF APPLICATIONS FOR FEDERAL TRANSIT ADMINISTRATION FORMULA PROGRAM AND SURFACE TRANSPORTATION PROGRAM FUNDING FOR TRANSIT CAPITAL PROJECTS, COMMIT THE NECESSARY LOCAL MATCH FOR THE PROJECTS, AND ASSURE THE COMPLETION OF THE PROJECTS**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors (Board) authorize the General Manager, or his designee, to submit and execute grant applications, cooperative agreements, and certifications and assurances as required by the Federal Transit Administration (FTA) for federal funding assistance for Sections 5307, 5309, 5337, and 5339 formula programs, and by the Federal Highway Administration (FHWA) for Surface Transportation Program (STP) funding to support transit projects, commit the necessary local match funds for the projects, and assure completion of the projects.

This matter will be presented to the Board at its May 24, 2024, meeting for appropriate action.

Summary

In the past, the Board has annually authorized the General Manager to submit and execute grant applications and related materials to FTA. These applications enable the Golden Gate Bridge, Highway, and Transportation District (District) to seek funding assistance through various programs, including the FTA Urbanized Area Formula Program (Section 5307), State of Good Repair (Section 5337), Bus and Bus Facilities (Section 5339), and FHWA STP funds. For the purposes of this item, these programs will collectively be referred to as “FTA Formula Grants.”

Beginning in FY 2021-22, Metropolitan Transportation Commission (MTC) authorized a multi-year filing of FTA Formula Grants to support the implementation of transit projects for FFYs 2021-22 through 2023-24. On April 22, 2022, the Board approved Resolution 2022-027

authorizing the filing of FTA Formula Grants to support the implementation of transit projects for FFYs 2021-22 through 2023-24. On May 19, 2023, the Board approved Resolution 2023-039, amending the original Resolution to reflect programming changes.

Since this multi-year authorization has been in place, it has been necessary to annually request amendments from the Board to ensure that allocation amounts and project programming are properly updated. The staff report accompanying Resolution 2022-027 noted that MTC would be programming additional funding for this three-year period, therefore amendments were anticipated. Staff will reevaluate the value of seeking authorization for a multi-year period before returning with recommendations for next year's authorizations.

Amendment to FTA Programming for FFY22-FF24

Staff requests authorization to submit and execute grant applications and certifications for the projects and the funding amounts as shown in Table 1 below. The projects are based on the amount of federal funds programmed through MTC's Transit Capital Priorities (TCP) Program for the FFY 24 authorization period (i.e., October 1, 2023 through September 30, 2024). Table 1 includes the previously programmed FTA funds and District local match, and it also includes the amendments programmed through the TCP for FFY 24.

Amendments to the previous programming include:

- The District's FTA formula grant allocation for bus replacement funds was reduced by \$8,688,000 resulting in a \$2,172,000 reduction of District match funding. Based on current District service levels, the District plans to replace five of the 23 buses eligible for replacement in the coming year. The five buses will be zero emission battery-electric buses. The District may be eligible for replacement funding through the TCP for the remaining 18 buses in future years, depending on need and funding availability.
- The District's FTA formula grant allocation for Ferry Vessel Major Component Rehabilitation was increased by \$698,175 and offset by a \$43,715 reduction in ADA set-aside funds, resulting in a total increase of \$654,460 in FTA funds and corresponding District match of \$163,615.

Table 1: FFY22-FFY24 FTA Programming

Project	FTA Funds Previously Programmed	District Local Match	Amended FTA Funds	Amended District Local Match	New Three-Year Program
Replacement Ferry - CARB Compliance	\$ 16,000,000	\$ 4,000,000	\$ 0	\$ 0	\$20,000,000
Ferry Channel and Berth Dredging	\$ 11,716,500	\$ 2,929,125	\$ 0	\$ 0	\$14,645,625
Ferry Vessels Major Components Rehabilitation	\$ 7,468,639	\$ 1,867,184	\$ 654,460	\$ 163,615	\$10,153,898
Replace Conventional Over-the-Road Coaches with Zero-Emission Buses (ZEBs)	\$ 13,292,000	\$ 3,323,000	(\$8,688,000)	(\$2,172,000)	\$ 5,755,000
Collision Avoidance System	\$ 840,000	\$ 210,000	\$ 0	\$ 0	\$ 1,050,000
ZEB Infrastructure Design	\$ 1,012,172	\$ 253,043	\$ 0	\$ 0	\$ 1,265,215
TOTAL	\$ 50,329,407	\$12,582,352	(\$8,033,540)	(\$2,008,385)	\$52,869,738
Total FTA					\$42,295,771
Total District Match					\$10,573,967

The following is included to keep the Finance Committee informed of programming changes requiring MTC action but does not require Board action. District staff have received preliminary concurrence from FTA to reprogram existing, unspent funds to the San Rafael Transit Center (SRTC) and the D1 Resurface Employee Parking Lot and Solar Panels Projects.

Reprogramming these funds to the SRTC project will allow the District to streamline Federal environmental review for this important project. The funds being transferred are currently programmed to the *Security Improvements for the South Approach and Arch Access Systems Project*, which is a project that is on hold until the construction of the Suspension Bridge Seismic Retrofit Project is complete. The *Security Improvements for the South Approach and Arch Access Systems Project* will be funded with District funds.

While reprogramming the FTA funds between projects is an administrative action that does not require Board approval, the action does require MTC to reprogram these funds in the Transportation Improvement Plan (TIP). MTC approved the most recent TIP amendment on April 24, 2024 (MTC Resolution No. 4272, Revised). District staff will reprogram approximately \$9.6 million in FTA formula grant funds and the corresponding District match of \$2.4 million to support the projects.

Overview of FTA Formula Funds

The FTA Section 5307 funds are authorized to support public transit activities. Section 5337 funds are authorized for existing rail and ferry systems. Section 5339 funds are authorized for the replacement, rehabilitation, and purchase of buses and related equipment and to construct bus-related facilities. FHWA STP funds are authorized to support various transportation activities.

In the San Francisco Bay Area Region, MTC is responsible for programming these federal funds. In partnership with County Congestion Management Agencies and local transit agencies, MTC has developed a multi-modal approach to program these funds to high-priority transit, bicycle, pedestrian, and roadway projects. After MTC programs the funds, individual project sponsors secure these funds through grant applications and grant funding agreements.

Fiscal Impact

This item updates FTA formula grant allocation amounts totaling \$52,869,738 for FFYs 2021-22 through 2023-24, comprised of \$42,295,771 in FTA funding and \$10,573,967 in District match. This update reduces the total project programming amount by \$10,041,925 as compared to last year's programming request. The federal amount of this decrease is \$8,033,540, and the District match decrease is \$2,008,385. These decreases are due to the reduction in the number of buses the District plans to purchase as previously discussed. These transit projects are included in the District's FY 2023-24 Capital Budget and/or the 10-year Capital Plan. There are sufficient funds in the District reserves to support the local match for these projects.