

Attachment 1a – Summary of Recent TCP Policy Updates

Since the last call for projects, there have been a number of changes to the TCP Process & Criteria (MTC Resolution No. 4444). Those changes include:

1. Increased Fixed Guideway Caps and Fixed Guideway Cap Formula Update – Attachment 1, Section III B, Project Funding Caps (September 2022; March 2024)

Fixed guideway caps were increased by approximately 20% in September 2022 to reflect the increased 5337 formula funds under the BIL. In March 2024, MTC staff utilized Plan Bay Area 2050 data to update the FG caps for incorporation into the FY 24 program (and as a policy update). The caps are determined by identifying each operator’s share of the region’s fixed guideway need projections. This analysis incorporated just the current operators. The addition of SMART to the FG operators will be required for the FY 25 program.

Operator	Fixed Guideway Cap
ACE	1,802,017
BART	66,847,732
Caltrain	15,457,327
GGBHTD	6,048,175
SFMTA	37,672,782
VTA	9,160,442
WETA	7,133,455
TOTAL	144,121,929

2. UZA Eligibility – Attachment 1, Section III B, Regional Requirements and Eligibility (March 2024)

Due to the transition of the Concord UZA (large) and Livermore UZAs (small) to the new Concord-Walnut Creek UZA (large) and the Livermore-Pleasanton-Dublin UZA (large) based on 2020 Census data, the TCP’s UZA eligibility chart was updated in March 2024. While the UZAs are largely similar, some lines have been redrawn such that eligible operators have changed – BART will be eligible to draw from a fourth UZA, Livermore-Pleasanton-Dublin (LIV). Altamont Corridor Express (ACE) will only draw from the new Livermore-Pleasanton Dublin UZA and the SF-O UZA, and will no longer be eligible for CON funds. County Connection (CCCTA) and Livermore-Amador Valley Transit (LAVTA) will remain drawing from Concord-Walnut Creek and Livermore-Pleasanton-Dublin, respectively.

Table 1. Urbanized Area Eligibility

Urbanized Area	Eligible Transit Operators
San Francisco-Oakland	AC Transit, ACE, BART, Caltrain, GGBHTD, Marin County Transit District, SFMTA, SamTrans, SMART, Union City Transit, Water Emergency Transportation Authority, WestCAT
San Jose	ACE, Caltrain, VTA
Concord-Walnut Creek	BART, CCCTA, LAVTA
Antioch	BART, ECCTA
Livermore-Pleasanton-Dublin	ACE, BART, LAVTA

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Santa Rosa	GGBHTD, Santa Rosa City Bus, SMART, Sonoma County Transit
Vallejo	Napa Vine on behalf of American Canyon, Solano County Transit
Fairfield	FAST (formerly Fairfield-Suisun Transit)
Vacaville	Vacaville Transit
Napa	Napa VINE
Gilroy-Morgan Hill	Caltrain, VTA
Petaluma	GGBHTD, Petaluma Transit, Sonoma County Transit

3. ADA Paratransit Service Set-Aside – Attachment 1, Section III C, Project Apportionment Model for Eligible Urbanized Areas (April 2024)

Due to the UZA transition taking place in FY 2024, as well as the availability of more recent NTD data, the ADA set-aside formulas were updated in April 2024. GIS analysis was performed utilizing 511 data on transit stops to update the percentages of operation within each UZA for operators across multiple UZAs to reflect new UZA boundaries and updated routes. The formula did not change in the Policy – it is based on 2022 NTD data for Annual Demand Response (DR) Operating Expenses (45%), Annual Demand Response (DR) Ridership (45%), and Annual Overall Ridership (10%).

10% ADA Operating Set-Aside Formula - FYs 24 and Later

Operator	Large UZAs						Small UZAs					
	San Francisco-Oakland	San Jose	Concord-Walnut Creek	Antioch	Santa Rosa	Livermore-Pleasanton-Dublin	Vallejo	Fairfield	Vacaville	Napa	Gilroy-Morgan Hill	Petaluma
AC Transit	37.8%											
BART	5.9%		23.3%	14.0%		19.5%						
CCCTA			76.7%									
FAST							100.0%					
GGBHTD	1.7%											
LAVTA						80.5%						
Marin County Transit	5.3%											
Napa VINE							26.6%		100.0%			
Petaluma Transit												61.7%
SFMTA	26.8%											
SamTrans	19.1%											
VTA		100.0%									100.0%	
SolTrans							73.4%					
SR City Bus					43.7%							
Sonoma Cty Transit					56.3%							38.3%
Tri-Delta				86.0%								
Union City	1.5%											
Vacaville								100.0%				
WestCat	1.9%											
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

4. Zero Emission Bus (ZEB) Infrastructure Set-Aside – Attachment 1, Section III B, Project Funding Caps (September 2022)

The \$20 million annual ZEB Infrastructure Set-Aside was added to the Policy in September 2022, as CARB Innovative Clean Transit rule creates an extraordinary new funding demand to deliver transit service, with the need for new infrastructure in addition to typical vehicle replacement

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needs. The policy states that initially a formula distribution system based on relative fleet size, according to the Regional Transit Capital Inventory, would be in use for the first call for projects. While bus infrastructure needs exceed FTA formula funding throughout the region, this set-aside is focused on the SF-O, Concord, and Antioch UZAs*, as the only UZAs in which bus operators compete for funding with each other or with fixed guideway operators with large Score-16 needs. Eligible operators are listed in the table below.

UZA	Eligible Bus Operators
San Francisco-Oakland (SF-O)	SFMTA, AC Transit, SamTrans, GGBHTD, Marin Transit, Union City, WestCAT
Concord (CON)	LAVTA, CCCTA
Antioch (ANT)	ECCTA

**Note: for FY 2025 and beyond, the policy will be updated to reflect the Concord-Walnut Creek UZA and add the Livermore-Pleasanton-Dublin UZA for LAVTA eligibility.*

Eligible Projects: The ZEB Infrastructure Set-Aside Program prioritizes the non-vehicle needs that will be required to transition the region to a zero-emission fleet. This includes additional infrastructure for battery charging, hydrogen fueling, and associated elements. Requests for operating assistance or vehicle purchases should remain part of the main TCP and not the set-aside. The following are the major project categories the ZEB Infrastructure Program will fund:

1. Purchase and installation or construction of electric charging or hydrogen fueling equipment and infrastructure
 2. Rehabilitation of existing zero-emission charging or fueling infrastructure
 3. Any 5307-eligible capital project phase, including planning, environmental clearance, design, and construction
 4. Workforce training and development related to maintenance and operation of zero-emission charging and fueling systems.
- 5. Interim Bus/Van Pricelist Policy – Attachment 1, Section III B, Interim Bus/Van Pricelist Policy (March 2024)**

Given the rising cost of vehicles, the existing bus/van pricelist in the Policy for FYs 2021 through 2025 is not sufficient. Until the Commission removes them, the following special protocols were added to the Policy in March 2024 with regard to the bus/van pricelist. Operators may, as needed, fund vehicles above the pricelist amount in two different ways:

Option 1*: Operators may add up to 20% additional TCP funding to each bus, more closely reflecting an 80% FTA funding level for the true cost of buses today.

Option 2: Operators may work within their existing programming to have an up to 20% higher TCP contribution per bus, and defer up to 20% of their planned bus purchases. Deferral of buses will be voluntary, and deferred replacements will be treated equally with all other score-16 project requests in the desired year of programming (e.g., replace 80 of 100 planned replacements now at the increased cost, and program remaining 20 buses in a later programming year subject to policies in place at that time, including that year's pricelist amount). The compensation for deferred replacement policy will not apply.

*If sufficient funding is available in unprogrammed balances.

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For this call for projects, operators should use the draft FYs 2025 through 2029 bus/van pricelist as outlined in Attachment 6 (pricelist escalated 20% over FY 2024-25 original pricelist). Any operator who deferred 20% of their bus purchases in an FY 2022 through 2024 program year must request those buses as their own vehicle replacement. For example, if an operator programmed a replacement of 10 buses in 2022, but deferred 2 under the interim policy, those 2 buses should be requested on a separate line as an FY 2025 through 2029 vehicle replacement request, noting that the 2 vehicles are part of an FY 2022 deferral.

6. Financing and Score 17 – Attachment 1, Section III C, Financing (September 2023)

The policy was updated in September 2023 to clarify score 17 debt service projects moving forward. The policy states: “Debt service, including principal and interest payments, will have the highest priority among programming needs and will receive a Score 17 in developing the program. Debt service will be paid from apportionments in the same urbanized area(s) in which the operator whose project(s) are being financed is eligible.” This policy update was necessary to add clarification that debt service is the highest-priority commitment and will not be affected by proportional reductions. The policy now emphasizes that proportional reductions will affect projects of score-16 and below. Financing was executed in Fall 2023 and debt service is programming is expected to be part of the FYs 25-29 program(s).