

**Metropolitan Transportation Commission
Programming and Allocations Committee**

March 13, 2024

Agenda Item 4a - 24-0270

**MTC Resolution Nos. 4444, Revised and 4510, Revised.
Transit Capital Priorities Policy and Program Revisions FYs 2021-22 - 2023-24**

Subject:

Update of Transit Capital Priorities (TCP) Process and Criteria and programming of \$77.6 million in FTA Formula Revenue funding for FYs 2021-22 through 2023-24, for transit operator state-of-good-repair consistent with the TCP Process and Criteria.

Background:

This item proposes several updates to the TCP Process and Criteria, both to conform with Census 2020-induced changes to the Urbanized Areas (UZAs) and to address ongoing issues with the Policy's bus/van pricelist relative to high-cost inflation in the bus market. Additionally, this item proposes updates to the FYs 2021-22 through 2023-24 programming of Federal Transit Administration (FTA) Sections 5307 Urbanized Area Formula and 5337 State of Good Repair Funds, including the distribution of remaining balances to support transit capital replacement and rehabilitation projects and maintenance and operating costs. MTC is the designated recipient of these FTA formula funds for the large UZAs in the region and has been authorized by Caltrans to select projects and recommend funding allocations for the small UZAs.

Policy Changes

The TCP Process and Criteria (the Policy) governs the TCP program of projects to fund basic capital requirements and maintain reasonable fairness to all operators, both through incorporation of federal requirements and MTC-specific rules. Several aspects of the policy are updated via this item: Fixed Guideway spend-down timeline, a new timely obligation of funds policy, UZA eligibility, Fixed Guideway caps, and an interim policy for bus and van purchases in FYs 2021-22 through 2023-24. Details on the spend-down timeline, timely obligation of funds policy, and UZA eligibility can be found in Attachment A to this memo.

Fixed Guideway Caps: In September 2022, this body approved a 20% increase to the Fixed Guideway cap, due to increased funding levels for FTA Section 5337 State of Good Repair funds from the Bipartisan Infrastructure Law and ongoing need in the region for these projects,

representing an approximately \$23 million per year increase over the existing \$121 million Fixed Guideway cap. For FYs 2021-22 and 2022-23, a flat 20% increase per operator was applied to the original Fixed Guideway caps; today, staff proposes updates to the TCP Process and Criteria (MTC Resolution No. 4444) and TCP program for FY 2023-24 (MTC Resolution No. 4510) to program the increase to the operators based on updated Fixed Guideway Cap shares. Additional programming detail can be found in Attachment A to this memo.

Interim Bus/Van Pricelist Policy: This item proposes the incorporation of a new interim policy for bus and van purchases in FYs 2021-22 through 2023-24 to address vehicle pricing that has far outpaced the TCP Process and Criteria's established bus/van pricelists. Under the TCP Process and Criteria, requests for funding for buses and vans cannot exceed the prices in the Regional Bus-Van Pricelist. Pricing for all types of buses have seen high inflation, especially on zero-emission buses, making both the region's ability to maintain transit state of good repair and to transition to an all zero-emission fleet more challenging. The pricelist was last updated in 2020 and was developed through a subcommittee of the Transit Finance Working Group based on a survey of prices paid by operators in the Bay Area. Staff recommend that a new pricelist be developed and adopted for the FYs 25-26 TCP, and in today's item, propose an interim approach for FYs 22-24 programming be incorporated into the TCP Process and Criteria (MTC Resolution No. 4444). The interim approach allows operators to increase funding by up to 20% for each vehicle. More details on the interim policy and its application can be found in Attachment A to this memo.

Programming Set-Asides

Today's item, after updating the operators' Fixed Guideway cap funding levels in MTC Resolution No. 4444, proposes specific programming recommendations for FY 2023-24 for both the Fixed Guideway cap and the ZEB Infrastructure Set-Aside (MTC Resolution No. 4510). \$20.5 million in Fixed Guideway cap programming funding includes rail replacement, train control, ferry fixed guideway connectors, and other state of good repair programming; \$16.5 million in ZEB infrastructure funds go toward charging equipment and infrastructure. Programming detail can be found in Attachment A to this memo.

Other Updates to FYs 2021-22 through 2023-24 TCP Programming

The programming updates proposed for the FYs 2021-22 through 2023-24 TCP include updates, as requested, by County Connection (CCCTA), Soltrans, VTA, and MTC Staff. These requests reprogram \$42.5 million and program \$40.6 million from unprogrammed balances, and include funds for VTA to purchase pilot light rail vehicles (via preventive maintenance fund swap) and fund several state of good repair projects, CCCTA to change their bus technology for FY 2023-24 vehicles, Soltrans to program available balances toward operating assistance, and MTC to designate \$1.4 million of the \$13.8 million Blue Ribbon Transit Transformation Plan funds specifically to Mapping and Wayfinding. Programming detail can be found in Attachment A to this memo.

Next Steps

Following continued discussion with transit operators, other amendments to the FY 2020-21 and FYs 2021-22 through 2023-24 program will be brought to the Commission for consideration as appropriate.

Following Commission approval of the TCP program, staff will include projects and funding in upcoming administrative modifications and amendments to the regional Transportation Improvement Program (TIP) as applicable.

Issues:

None.

Recommendation:

Staff recommends referral of MTC Resolutions 4444 and 4510, Revised, to the Commission for approval. Staff will return to this Committee in the coming months for any additional programming.

Attachments:

- Attachment A: TCP FYs 2021-22 through 2023-24 Programming Detail
- MTC Resolution No. 4444, Revised (TCP Process and Criteria)
- MTC Resolution No. 4510, Revised (TCP FTA Program FY22-FY24)



Andrew B. Fremier