



Agenda Item No. (5)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of January 23, 2025

From: Jacob Brown, Principal Analyst, Capital and Grant Programs
Jennifer H. Mennucci, 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 of Directors at its January 24, 2025, meeting for appropriate action.

Summary

Staff request that the Board authorize 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.”

In FY 2024-25, Metropolitan Transportation Commission (MTC) authorized a multi-year filing of FTA Formula Grants to support the implementation of transit projects for Federal Fiscal Years (FFYs) 2024-25 through 2025-26. The current item requests authorization for the first year of this two-year program. Staff will return to the Board to seek authorization for the second year in FFY 2025-26.

FTA Programming for FFY 2024-25

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 2024-25 authorization period (i.e., October 1, 2024 through September 30, 2025).

Projects for programming include:

- **Replacement of 17 Paratransit Cutaways:** The District plans to replace 17 paratransit cutaways that are currently in revenue service but are reaching the end of their service life and are eligible for replacement in the coming year. Revenue vehicle replacements are eligible for FTA funding at an 80% share per MTC's TCP. The amount of FTA funding programmed for this project is \$1,778,880.
- **Americans with Disabilities Act (ADA) Operating Costs:** The District receives an annual allocation of Section 5307 funding for ADA expenses. In FFY 2024-25, the amount of this allocation is \$333,668. MTC's TCP directs that this funding be used for ADA operating costs. In past years, the District has certified that its operating costs are fully covered by other sources and has thus elected to use this funding for capital projects. However, beginning in FFY 2024-25, staff recommend programming this funding to operating costs.

Table 1: FFY 2024-25 FTA Programming

Project	FTA Funds Programmed	District Local Match	Total Eligible Cost
Replacement of 17 Paratransit Cutaways	\$ 1,778,880	\$ 444,720	\$ 2,223,600
ADA Operating Costs	\$ 333,668	\$ 83,417	\$ 417,085
TOTAL	\$ 2,112,548	\$ 528,137	\$ 2,640,685

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 programs FTA formula grant allocation amounts totaling \$2,640,685 for FFY 2024-25, comprised of \$2,112,548 in FTA funding and \$528,137 in District match. These transit projects are included in the District's FY 2024-25 Operating Budget and/or the 10-Year Capital Plan. There are sufficient funds to support the local match for these projects.