



Agenda Item No. (5)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 25, 2026

From: Philip Kamhi, 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 June 26, 2026, 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 for funding through the Transit Capital Priorities (TCP) Program for FTA Formula Grants to support the implementation of transit projects for Federal Fiscal Years (FFY) 2024-25 through

2025-26. The current item requests authorization for FFY 2025-26, which is the second year of this two-year program.

FTA Programming for FFY 2025-26

Staff request 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 TCP Program for the FFY 2025-26 authorization period (i.e., October 1, 2025 through September 30, 2026).

Projects for programming include:

- **Replacement of High-Speed Catamaran with CARB-Compliant Vessel:** The District plans to replace its ferry fleet, as vessels reach the end of their useful service lives, with new CARB-compliant vessels. These capital projects are eligible for FTA Section 5307 and Section 5337 funding. The FFY 2025-26 funding allocation is programmed to support the second replacement vessel in the sequence. The total amount of FFY 2025-26 FTA funding programmed for this project is \$30,326,400 (\$22,732,800 in Section 5307 funds and \$7,593,600 in Section 5337 funds), at an 80% federal share per MTC’s TCP. The required local match is \$7,581,600.
- **Americans with Disabilities Act (ADA) Operating Costs:** The District receives an annual allocation of Section 5307 funding for ADA expenses. In FFY 2025-26, the amount of this allocation is \$358,759. MTC’s TCP directs that this funding be used for ADA operating costs. The required local match is \$89,690.

Table 1: FFY 2025-26 FTA Programming

Project	FTA Funds Programmed	District Local Match	Total Eligible Cost
Replacement of High-Speed Catamaran with CARB-Compliant Vessel	\$ 30,326,400	\$ 7,581,600	\$ 37,908,000
ADA Operating Costs	\$ 358,759	\$ 89,690	\$ 448,449
TOTAL	\$ 30,685,159	\$ 7,671,290	\$ 38,356,449

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 \$38,356,449 for FFY 2025-26, comprised of \$30,685,159 in FTA funding and \$7,671,290 in District match. These transit projects are included in the District's FY 2026-27 Capital and Operating Budget. There are sufficient funds to support the local match for these projects.

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