

# APPENDIX A – 35

## *Regional Policies: Project Funding and Specific Funding Programs*

**FTA Nonurbanized Area Formula (Section 5311)  
Program Funding Objectives and Criteria  
for the San Francisco Bay Area  
MTC Resolution No. 4036**



Date: November 16, 2011  
W.I.: 1512  
Referred By: PAC  
Revised: 10/23/13-C

ABSTRACT

Resolution No. 4036, Revised

This resolution adopts the Federal Transit Administration (FTA) Section 5311 Nonurbanized Area Formula Program Funding Objectives and Criteria for the San Francisco Bay Area.

The resolution includes the following attachment:

Attachment A - FTA Section 5311 Nonurbanized Area Formula Program Funding  
Objectives and Criteria for the San Francisco Bay Area

This resolution was revised on October 23, 2013 to update the Section 5311 formula with new population data from the 2010 Census and new transit route data from the 2012 Regional Transit Database (RTD), and to remove provisions related to the two-year transition period policy, which is no longer applicable now that the first two years of the formula-based policy are complete.

Further discussion of this action is contained in the MTC Programming and Allocations Committee Summary sheets dated November 9, 2011 and October 9, 2013.

Date: November 16, 2011  
W.I.: 1512  
Referred By: PAC

Re: Federal Transit Administration (FTA) Section 5311 Nonurbanized Area Formula Program Funding Objectives and Criteria for the San Francisco Bay Area

METROPOLITAN TRANSPORTATION COMMISSION  
RESOLUTION NO. 4036

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code sections 66500 et. seq.; and

WHEREAS, MTC is the designated metropolitan planning organization (MPO) for the nine-county San Francisco Bay Area; and

WHEREAS, the U.S. Department of Transportation (DOT) has adopted rules and regulations (23 CFR 450 and CFR 613) which require that the MPO, in cooperation with the state and publicly-owned operators of mass transportation services, carry on a continuing, cooperative and comprehensive transportation planning process that results in plans and programs consistent with the comprehensively planned development of the urbanized area, as a condition to the receipt of federal capital or operating assistance; and

WHEREAS, Section 5311 Title 49 of the United States Code (formerly Section 18 of the Federal Transit Act (FTA) provides a formula grant program for public transportation projects in areas other than urbanized areas (49 U.S.C. Section 5311); and

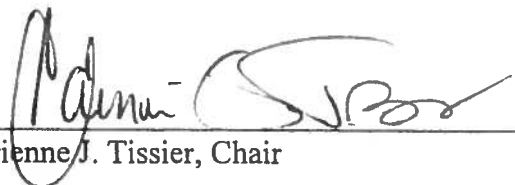
WHEREAS, MTC has developed, in consultation with interested transportation providers, the FTA Section 5311 Nonurbanized Area Formula Program Funding Objectives and Criteria for the San Francisco Bay Area, attached hereto as Attachment A, and incorporated herein as though set forth at length; now, therefore, be it

RESOLVED, that MTC adopts the FTA Section 5311 Nonurbanized Area Formula Program Funding Objectives and Criteria for the San Francisco Bay Area as provided in Attachment A; and be it further

RESOLVED, that MTC will use these funding objectives and criteria to program MTC's regional apportionment of FTA Section 5311 Nonurbanized Area Formula Program funds; and be it further

RESOLVED, that the Executive Director of MTC shall forward a copy of this Resolution, and such other information as may be required, to such other agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

  
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Adrienne J. Tissier, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on November 16, 2011.

Date: November 16, 2011  
W.I.: 1512  
Referred By: PAC  
Revised: 10/23/13-C

Attachment A  
Resolution No. 4036  
Page 1 of 5

**FTA Section 5311 Nonurbanized Area Formula Program  
Funding Objectives and Criteria  
for the San Francisco Bay Area  
Metropolitan Transportation Commission**

**I. Funding Principles for the Section 5311 Program**

The funding principles are intended to guide our funding decisions and establish the basis for developing the programming process. The funding principles for the Section 5311 program are as follows:

1. *Maintain existing needed transit services:* MTC dedicates capital and operating funds for essential projects and programs in an effort to maintain needed existing transit services.
2. *Provide a reliable, equitable and flexible program:* MTC will use a formula distribution system in an effort to provide a reliable and equitable level of funding to transit operators each year. Policy guidelines will accompany the formula in order to give operators flexibility in selecting projects that are consistent with regional priorities.
3. *Fund basic capital requirements:* MTC will require recipients to prioritize the replacement of capital equipment. If recipients request funds for operations, they will be required to submit documentation explaining why the funds are not needed for basic capital.
4. *Maintain a multi-year program of projects:* In order to foster planning it is important that MTC continue to program projects on a multi-year basis, within the constraints of available federal funding programs and subject to changes within those programs. Whenever possible, MTC will adopt a two-year program, with annual adjustments to constrain the program to the available revenues. Each year's program will only be added to the TIP when actual revenues are apportioned by Caltrans.
5. *Maintain Timely Use of Funds Policy:* The Caltrans policy requires that all FTA Section 5311 funds be obligated within two years of programming or the funds will be lost to the region. In order to avoid lost funds to the region, MTC reserves the right to only program funds to those agencies that have submitted their prior year's 5311 application and quarterly reports to Caltrans satisfactorily and in a timely manner.

## II. Funding Formula, Policy Guidelines and Screening Criteria

### A. Funding Formula

Funds will be distributed to transit operators according to each operator's nonurbanized area population and nonurbanized area route miles. The formula will distribute half of the funds according to the nonurbanized area population served (i.e., according to the number of nonurbanized area residents that live within three-quarters of a mile of the operators' transit stops) and the other half of the funds according to the number of route miles provided in the nonurbanized area. The table below shows the formula distribution. Population data for the proposed formula is based on the 2010 Census, and transit route data is taken from the 2012 Regional Transit Database (RTD).

Transit Operator	Non UA Population (2010) within 3/4-mile of transit stops		Non UA Route Miles <sup>2</sup>		Combined Population and Route Miles Percentage
	Population	Percentage	Miles	Percentage	
AC Transit	8,272	4%	33	2%	3%
CCCTA	11,311	5%	8	0%	3%
LAVTA	6,845	3%	29	2%	2%
Marin Transit <sup>1</sup>	16,993	8%	283	17%	12%
NCTPA	26,713	12%	199	12%	12%
SamTrans	21,741	10%	130	8%	9%
Santa Clara VTA	8,061	4%	94	6%	5%
Solano Transportation Authority <sup>2</sup>	41,935	19%	437	26%	23%
Sonoma County Transit	63,645	29%	435	26%	28%
TriDelta Transit	13,298	6%	29	2%	4%
<b>Total</b>	<b>218,814</b>	<b>100%</b>	<b>1,678</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> The Marin Transit amount is the sum of the Marin Transit (Local Service) and West Marin Stagecoach amounts. Marin Transit will determine which service will use the 5311 funds.

<sup>2</sup> The Solano Transportation Authority (STA) amount is the sum of the Dixon, Fairfield and Suisun Transit, Rio Vista Delta Breeze, SolTrans, and Vacaville amounts. STA will work with these operators to determine individual shares.

### B. Policy Guidelines

The following policies will accompany the formula system:

1. *Capital Priority.* Recipients will be required to prioritize the replacement of capital equipment, with top priority for capital assets needed to maintain needed existing transit services. If recipients request funds for operations, they will be required to submit documentation explaining why the funds are not needed to maintain or replace capital equipment. Furthermore, if recipients request funds for operations expansions, they will be required to submit documentation explaining why the funds are not needed to maintain existing transit operations.

2. *Project Justification Sheets.* MTC will program funds only to those operators who submit Section 5311 project justification sheets during the Call for Projects. The Section 5311 project justification sheets will contain basic project information, including project title, brief project description, project type, contact information, total project cost, local match amount and funding source, prior programming information (if the project is already included in the TIP), screening criteria, and, for operations requests, an explanation of why the funds are not needed for basic capital. If an operator does not want to participate in the 5311 program (e.g., if the operator's 5311 share is so small that the administrative effort required to apply for and report on the funds outweighs the benefits to the operator), then they will not submit Section 5311 project justification sheets, and MTC will not program any funds to that operator.

### C. Project Screening Criteria

The project screening criteria are intended to eliminate projects that do not meet minimum program standards. MTC will review each applicant's Project Justification Sheets to ensure that each project proposed for the Section 5311 program of projects meets the following criteria:

1. *Availability to the general public.* Section 5311- funded services may be designed to maximize use by members of the general public who are transportation disadvantaged persons, including elderly and disabled persons, however such services should be open to the general public, or part of an array of public transit services, such as ADA complementary services.
2. *Identified local match.* The applicant must identify a funding source for the minimum required local match. The minimum local match is 44.67% for operations projects, and 11.47% for capital projects.
3. *Identified and documented need for a project.* The need for a particular project must be adequately documented and justified on the Section 5311 project justification sheets (e.g., if an operator is requesting funds to replace a vehicle, the existing vehicle to be replaced must meet the asset replacement age). If the applicant prepares a Short Range Transit Plan (SRTP), the project should be identified and justified in the plan.
4. *Project readiness.* The applicant must be prepared to submit an application for the project and be ready to implement/construct the project in the year indicated in the program of projects. If funds for a project are not applied for in the year they are programmed, future programming of federal funds for that project and applicant could be jeopardized.

5. *Consistency with Regional Transportation Plan (RTP)*. The applicant must confirm that the project is consistent with the region's Long Range Plan in effect at the time of the application.

### **III. Fund Programming and Project Review Process**

The steps in developing the region's Section 5311 program of projects are outlined as follows.

MTC will issue a Call for Projects every two years, and will adopt a two-year program. MTC will make annual adjustments to constrain the program to the available revenues. Each year's program will only be added to the TIP when actual revenues are apportioned by Caltrans.

#### **A. Call for Projects Year (first year of two-year program)**

- MTC receives estimate of available Section 5311 funding for the first program year from Caltrans. MTC will estimate the amount of Section 5311 funding available for the second program year.
- MTC uses the funding formula to estimate the amount of Section 5311 funds available to each transit operator, based on the assumption that all eligible operators will submit proposed projects.
- MTC notifies all potential Section 5311 applicants of the amount of Section 5311 funds available, including fund estimates by transit operator, and requests that projects be proposed (in project justification sheets) for the program of projects.
- For each proposed project, applicants complete and submit Section 5311 Project Justification Sheets to MTC.
- MTC staff reviews proposed projects and develops a preliminary program of projects. If there are remaining Section 5311 funds (i.e., if some eligible operators did not submit Project Justification Sheets), MTC will use the funding formula to distribute the remaining balance to the operators that proposed projects. MTC will confer with applicants to finalize the program of projects.
- The program of projects is presented to and considered by MTC's Programming and Allocations Committee.
- If approved by the Committee, the program of projects is presented to and considered by MTC's full Commission and upon approval is forwarded to Caltrans.
- When actual revenues are apportioned by Caltrans, MTC will make adjustments (if needed) to constrain the program to the available revenues and add the first year projects to the Transportation Improvement Program (TIP)



**B. Adjustment year (second year of two-year program)**

- MTC receives estimate of available Section 5311 funding for the second program year from Caltrans.
- MTC will make adjustments (if needed) to constrain the program to the available revenues. Staff will confer with operators if adjustments are needed.
- If there are changes to a project in the current program (e.g., scope of project, costs, etc.), a revised project justification sheet should be completed and sent to MTC.
- The revised program of projects is presented to and considered by MTC's Programming and Allocations Committee.
- The revised program of projects is presented to and considered by MTC's full Commission and upon approval is forwarded to Caltrans.
- MTC will add the second year projects to the Transportation Improvement Program (TIP).

In any year, operators are responsible for submitting their own applications to Caltrans. MTC will assist with the Regional Agency/Transportation Planning Agency (TPA) Certifications and Assurances as needed.