



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

Agenda Item 6a

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**Memorandum**

TO: Legislation Committee

DATE: June 4, 2010

FR: Executive Director

W.I. 1131

RE: Summary of Available Discretionary Federal Funds and Proposed Regional Process

As you may know, there has been a significant influx of new discretionary federal funding opportunities in the past few months. There is roughly \$1.7 billion in six new discretionary program categories with application deadlines ranging from as early as mid-June to approximately mid-August 2010. This memorandum recommends a regional process for prioritizing and coordinating the submittal of applications for some of the key programs.

**Background**

The discretionary programs are listed below and are described in more detail in Attachment A.

| <b>Program</b>                    | <b>Nationwide<br/>Funding Amount<br/>In Million \$s</b> | <b>Application Due Date</b>  |
|-----------------------------------|---|--|
| <i>Multimodal</i>                 |   |  |
| TIGER II                          | 600   | July 16, 2010 - pre-applications<br>August 23, 2010 - Final Applications |
| <i>Transit</i>                    |   |  |
| FTA State of Good Repair          | 775   | June 18, 2010  |
| TIGGER II                         | 75  | August 11, 2010  |
| Clean Fuels                       | 81  | June 14, 2010  |
| <i>Planning</i>                   |   |  |
| HUD Sustainable Communities Grant | 100   | NOFA to be released June 2010  |
| HUD Community Planning Challenge  | 40  | NOFA to be released June 2010  |
| <b>Total</b>                      | <b>1,671</b>  |  |

For most of the programs, the eligible project applicant is broadly defined and does not require a regional submittal. That said, given the stiff competition for funding, there may be a benefit from

a more coordinated regional approach. In the recent past, we have taken a multi-faceted approach with mixed success. The degree to which the region developed or endorsed a program was also a function of how much time was provided to respond to the solicitation. During the American Recovery and Reinvestment Act period, the region did prioritize projects for submittal for the Transportation Investment Generating Economic Recovery (TIGER) program, but did not for the smaller Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) program. Similarly, the region supported but did not prioritize project submittals for the FTA Livability and Urban Circulator programs.

As a reminder, the first competitive TIGER program generated a very large number of project proposals for the relatively small amount of money that was distributed nationally — there were submittals totaling \$60 billion for the \$1.5 billion pot of funding. In the Bay Area, the Commission endorsed a list of projects totaling roughly \$130 million. The region did receive funding for two of these projects — the Doyle Drive Replacement project and the California Green Trade Corridor project for a total of \$76 million, or roughly 5% of the nationwide pot.

For the first TIGGER program, there was \$100 million in funding available nationwide. Similar to TIGER, there was a significant oversubscription with over \$2 billion in requests nationally. The Bay Area received \$6.4 million for AC Transit's Central Maintenance Facility solar power project — again, a little over 5% of the national pot.

### ***Proposed Regional Approach***

For this next round of available funding, staff proposes to take a coordinated regional submittal for the following programs:

- TIGER II
- FTA State of Good Repair
- Clean Fuels
- HUD Sustainable Communities Grant

The proposal would take advantage of past and on-going efforts to select strong regional project/program candidates.

- **TIGER II**: Staff proposes to submit a targeted set of projects, based on the list of projects that was previously submitted and the results of a proposed streamlined solicitation for a livable community project. This approach is explained below.

As a reminder, the Commission adopted a set of principles as guidance for project selection under TIGER I, included as Attachment B. The list of Commission-endorsed projects for TIGER I, approved July 22, 2009, is included in Attachment C. Many of the goals of these principles were either achieved in TIGER I (Doyle Drive and freight project funding), or are not applicable today (TIFIA applications which are no longer in the process). For the remaining transit and priority development area goals, we are proposing to meet them with a combination of projects based on the previously-endorsed list and projects selected from a new, targeted solicitation that would round out the list to include a regionally-significant livable community project.

This would be consistent with Commission principles as well as with the heightened focus at the federal level on “sustainable” transportation investments. The results of these efforts including the solicitation would be brought back to the Commission for consideration in July.

This approach will take advantage of the significant effort by agencies to complete applications for TIGER I and the recent screening of these submittals against Commission as well as statewide priorities. This approach also acknowledges the limited agency staff resources throughout the Bay Area to prepare new submittals and the even smaller amount of funding available in TIGER II as compared to previously identified national needs in TIGER I.

Note that other project candidates in the region can submit applications directly per the Notice of Available Funding.

- **FTA State of Good Repair (SGR):** For the FTA State of Good Repair Program, we propose to coordinate with the transit operators to select strong bus and bus facilities candidates from the current Transit Capital Priorities process and other ready-to-go projects in the Region’s Transit Capital Inventory that have been unfunded due to lack of available capital funding. Staff issued a call for projects and transit operators were invited to submit projects for a regional application package. Fifteen operators responded, with proposals for 22 projects seeking approximately \$173 million in federal funds. The projects were focused on vehicle replacement, facilities rehabilitation/upgrades, asset management systems, and other maintenance projects (mostly communication/systems replacements/upgrades). A summary of submitted projects is included as Attachment D.

FTA will evaluate projects based on planning/prioritization at the local or regional level; project readiness; and technical, legal, and financial capacity of the applicant to implement the project. The solicitation generally covers bus replacement, bus facility rehabilitation/upgrades, and the development of capital asset management systems. For each project type, FTA will be looking at certain age/usage, technology, and fiscal factors, and will consider whether the project addresses a demonstrated backlog of deferred maintenance.

An additional overriding consideration in reviewing projects is that although there are many necessary and important rehabilitation projects throughout the region, staff believes that the limited resources offered by this funding opportunity should in general be focused on those projects that serve the most transit riders and are of a scale to attract discretionary federal funding. Furthermore, in the FTA 5307 annual formula program, which funds transit maintenance and rehabilitation projects, the MTC region typically garners about 5% of the national total funding. For this SGR opportunity, staff is considering that a regional request for about \$100 million, or a bit over 10% of the funding available, would be the upper range of a reasonable submittal.

With the evaluation criteria in mind, staff is reviewing the project submittals and plans to bring a list of regional priority project recommendations to your meeting on June 11<sup>th</sup>.

- **FTA Clean Fuels:** For the Clean Fuels program, given that MTC is the eligible applicant in the region (rather than the transit operators) and that the amount of funding is relatively small nationwide, MTC staff recommends that the region submit a single regional application focused on the Zero Emission Bus (ZEB) demonstration cooperative project managed by AC Transit. This project already enjoys support from several Bay Area transit operators and MTC, and additional federal funds would be used to complement the regional, CARB, and Air District funds already available to the project.
  
- **HUD Planning Grants:** For the HUD Planning Grants, we are still awaiting final guidelines, but will likely coordinate with our regional partners in the Bay Area and perhaps in adjacent regions to apply for a grant to support the Sustainable Communities Strategy development required under SB375.

For the remaining two programs — the TIGGER and the HUD Community Planning Challenge Grants — staff is recommending that MTC support projects, as requested, that are eligible and consistent with Transportation 2035. We would not, however, engage in a regional prioritization of these projects.

***Recommendation***

Staff is asking that the Legislation Committee approve the approach identified above for the various federal discretionary funding opportunities.

- Staff will bring a recommended list of FTA State of Good Repair projects for endorsement to your meeting on June 11<sup>th</sup>.
- If the Committee agrees with the proposed approach for Clean Fuels, staff will submit the Clean Fuels grant before the June 14<sup>th</sup> deadline.
- If the Committee agrees with the proposed approach for TIGER II, staff will conduct a streamlined call for projects and return in July with a list of proposed projects for endorsement.



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Steve Heminger

**Attachments**

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## ATTACHMENT A

| Program                                 | Nationwide Funding Amount<br>In Million \$s | Program Focus   | Eligible Applicants  | Due Date   |
|---|---|---|--|--|
| <i>Multimodal</i>                       |   |   |  |  |
| TIGER II                                | 600   | Highway/Bridge; Public Transportation; Passenger/Freight Rail; and Port Infrastructure<br><ul style="list-style-type: none"> <li>• Individual award range: \$10-200 million</li> <li>• Per-state maximum: \$150 million (25% of program)</li> <li>• Federal share: up to 80% allowed, subject to waiver for rural projects</li> <li>• TIFIA loans: up to \$150 million</li> <li>• Rural projects share: \$140 million</li> <li>• Individual rural project minimum: \$1 million</li> <li>• Transportation planning/design grants: up to \$35 million (may be reviewed in connection with the HUD Community Challenge Grants)</li> </ul> NOFA available at: <a href="http://edocket.access.gpo.gov/2010/2010-9591.htm">http://edocket.access.gpo.gov/2010/2010-9591.htm</a> | State, tribal and local governments, transit agencies, port authorities, MPOs and multi-jurisdictional entities  | July 16, 2010 - pre-applications<br>August 23, 2010 - Final Applications |
| HUD Sustainable Communities Grant       | 100   | Applications may be made for one of three categories:<br>a. Visioning and new regional plans<br>b. Detailed Execution Plans & Programs<br>c. Implementation funding (catalytic project/program)   | Eligibility from Draft Notice: a multi-jurisdictional and multi-sector partnership consisting of a consortium of units of general local government and all government, civic, philanthropic and business entities with a responsibility for implementing a Regional Plan for Sustainable Development | NOFA to be released in June  |
| HUD Community Planning Challenge Grants | 40  | Projects may include corridor or station-area plans, revisions to zoning or building codes and creating or preserving affordable housing for low-income families near transit.<br>Expect to be part of the Sustainable Communities NOFA.  | Eligibility may match TIGER II (above) and include nonprofit organizations   | NOFA to be released in June  |
| <i>Transit</i>                          |   |   |  |  |
| State of Good Repair                    | 775   | State of Good Repair and Emerging Technologies in the areas of:<br>-Bus and Bus Facilities<br>-Asset Management<br>NOFA available at: <a href="http://edocket.access.gpo.gov/2010/pdf/2010-10430.pdf">http://edocket.access.gpo.gov/2010/pdf/2010-10430.pdf</a>   | Direct Recipients under the Section 5307 Urbanized Area Formula program, States, and Indian Tribes.  | June 18, 2010  |
| TIGGER                                  | 75  | Projects that assist in reducing a transit system's energy consumption and/or greenhouse gas emissions<br>NOFA available at: <a href="http://edocket.access.gpo.gov/2010/pdf/2010-8398.pdf">http://edocket.access.gpo.gov/2010/pdf/2010-8398.pdf</a>  | Public transportation agencies and States may apply.   | August 11, 2010  |
| Clean Fuels                             | 81  | Purchasing or leasing clean fuel buses;<br><br>Constructing or leasing clean fuel bus facilities or electrical recharging facilities and related equipment;<br><br>Projects relating to clean fuel, biodiesel, hybrid electric, or zero emissions technology buses<br><br>NOFA available at: <a href="http://edocket.access.gpo.gov/2010/pdf/2010-8398.pdf">http://edocket.access.gpo.gov/2010/pdf/2010-8398.pdf</a>  | Designated recipients of FTA 5307 funds. Funds are only available to projects located in areas that are nonattainment or maintenance for ozone or CO, which includes the Bay Area.   | June 14, 2010  |
| <b>Total</b>                            | <b>1,631</b>                                |   |  |  |

## ATTACHMENT B

### **Transportation Investment Generating Economic Recovery (TIGER) Principles for Bay Area Project Priorities** *As Adopted in June, 2009*

1. Prioritize a list of projects valued at no more than \$125 million and focus on a list of specific realistic projects that we can achieve — not a wish list of projects that cannot hope to be funded given this very small program.
2. Include \$50 million for Doyle Drive. As the southern approach to the Golden Gate Bridge, this seismically deficient structure is the weak link in the entire U.S. 101 North Bay highway corridor. It has a \$1 billion funding plan nearing completion, and is a top priority for both the Governor and the Speaker of the House.
3. Seek to include a goods movement project of significance. While the Port of Oakland has been hurt financially in the economic downturn, leaving it with limited options to bring funding to bear for needed projects, federal guidelines are clearly focused on goods movement as a national priority. If possible, we will try to include a major goods movement project for the Bay Area.
4. Seek to include a transit project of regional significance. The recently completed Transportation 2035 Plan prioritizes transit as the future for Bay Area travel options.
5. Support projects seeking TIFIA commitments. At this point the most likely candidate is the BART-Oakland Airport Connector. A second project in the Bay Area that is seeking TIFIA funding is a proposal by the San Francisco Transbay Terminal project, but at this point, its TIFIA application is being considered outside the TIGER program.
6. If after the priorities in points 1-5 above are met, and additional funding capacity is available, consider a second highway or roadway project of regional significance that will compete well given the TIGER guidelines.
7. Prioritize projects that support Priority Development Areas and focused growth. PDAs serve areas within an existing community, near existing or planned fixed transit or served by comparable bus service, where more housing is planned.

## Attachment C

### ARRA Transportation Investment Generating Economic Recovery (TIGER) MTC Priority Projects For Submittal to Caltrans

| Project Name   | Sponsor         | TIGER Request | Total Project Cost |
|--|-----------------|---------------|--------------------|
| Doyle Drive Replacement                                      | SFCTA/Caltrans  | 50,000,000    | 1,045,000,000      |
| California's Green Trade Corridor                            | Port of Oakland | 28,000,000    | 35,000,000         |
| BART SVRT Extension: Revenue Vehicle Storage at Hayward Yard | BART/MTA        | 50,000,000    | 62,282,209         |
| BART Oakland Airport Connector TIFIA                         | BART            | 5,000,000     | 529,000,000        |
|  | Total           | 133,000,000   | 1,671,282,209      |

**ATTACHMENT D**  
**FTA State of Good Repair Requests**  
**- DRAFT -**

| #  | Project Sponsor:                               | Project Name:   | Total Project Cost:  | Federal Request:           |
|----|--|---|----------------------|----------------------------|
| 1  | AC Transit                                     | Implement Comprehensive State of Good Repair Program – Revenue Vehicles         | \$6,778,000          | \$5,422,400                |
| 2  | AC Transit                                     | Bus Lift Equipment Replacement Program  | \$19,090,000         | \$18,326,400               |
| 3  | City of Benicia                                | Replacement of (1) Cutaway bus  | \$73,000             | \$15,000                   |
| 4  | City of Benicia                                | Benicia Breeze Maintenance Facility   | \$550,000            | \$110,000                  |
| 5  | GGBHTD for Sub Recipient Marin Transit         | Local Bus Stop Revitalization in Marin County                                   | \$2,000,000          | \$1,600,000                |
| 6  | GGBHTD   | Purchase thirty-two 45 ft Over-the-Road Commuter Buses for Replacement Purposes | \$20,294,000         | \$16,844,020               |
| 7  | LAVTA  | Operations Maintenance Facility   | \$20,000,000         | \$4,491,130 - \$15,491,130 |
| 8  | Napa County Transportation and Planning Agency | Intermodal Transit Facility   | \$8,020,000          | \$2,645,832                |
| 9  | Napa County Transportation and Planning Agency | Capital Vehicle Replacement   | \$4,235,000          | \$3,388,000                |
| 10 | Petaluma Transit – City of Petaluma            | Transit Maintenance Facility Rehabilitation and Modernization                   | \$750,000            | \$600,000                  |
| 11 | City of Rio Vista                              | Two Vehicle Replacement   | \$200,000            | \$160,000                  |
| 12 | San Francisco Municipal Transportation Agency  | Islais Creek Motor Coach Operations & Maintenance Facility                      | \$89,318,526         | \$35,000,000               |
| 13 | San Francisco Municipal Transportation Agency  | Neoplan Bus Rehabilitation Project  | \$25,000,000         | \$20,750,000               |
| 14 | San Francisco Municipal Transportation Agency  | Transportation Asset Management System  | \$16,000,000         | \$12,800,000               |
| 15 | San Mateo County Transit District              | In-ground Lift Overhaul; Cylinder and Valve Replacement                         | \$3,662,500          | \$2,930,000                |
| 16 | San Mateo County Transit District              | Radio Backbone  | \$6,575,000          | \$5,260,000                |
| 17 | San Mateo County Transit District              | Communication/Automatic Vehicle Location System (AVL)                           | \$8,921,000          | \$7,136,800                |
| 18 | Santa Rosa CityBus                             | Santa Rosa CityBus State of Good Repair Project (Bus Replacement & Upgrade)     | \$6,453,173          | \$3,804,269                |
| 19 | Sonoma County Transit                          | SCT Bus Yard & Parking Lot Rehabilitation                                       | \$750,000            | \$600,000                  |
| 20 | City of Union City – Union City Transit        | Bus Rehabilitation and Repowering   | \$750,000            | \$600,000                  |
| 21 | City of Vallejo                                | Bus Maintenance Facility Rehabilitation/Renovation                              | \$1,500,000          | \$422,400                  |
| 22 | VTA  | Procurement of Hybrid Diesel/Electric Buses                                     | \$24,500,000         | \$19,600,000               |
|    |  | <b>TOTAL</b>  | <b>\$265,420,199</b> | <b>\$173,506,251</b>       |