

# Metropolitan Transportation Commission Programming and Allocations Committee

September 12, 2012

Item Number 2e

## Resolution Nos. 3908, Revised and 3916, Revised

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**Subject:** Revisions to the Federal Transit Administration (FTA) Formula Policy and Program for FY2011-12 to reflect final federal apportionments.

**Background:** MTC is the designated recipient of the region's FTA Urbanized Area Formula (Section 5307) and Fixed Guideway Modernization (Section 5309 FG) funds, which MTC programs to eligible transit operators to support transit capital replacement and rehabilitation projects, preventive maintenance and operating costs. Under the Commission's "fix it first" policy in Transportation 2035, replacement of buses, railcars and other revenue vehicles are the highest priorities for funding, followed by fixed guideway infrastructure, such as rehabilitation of track, bridges and train control systems.

The preliminary program for FY2011-12 was adopted in July 2009 and revised in November 2011 based on estimated FTA apportionments. This item reconciles the program to the actual apportionments distributed by FTA for FY 2011-12. The final apportionments were approximately \$800,000 or 0.2% below the revised estimate, resulting in relatively small shortfalls in the Antioch, Santa Rosa and Fairfield urbanized areas. The Antioch shortfall was addressed by shifting eligible project costs to the Concord urbanized area. The Santa Rosa and Fairfield shortfalls required minor reductions in programming.

This item also reprograms approximately \$27.4 million from Caltrain's Railcar Replacement project to its Advanced Signal System project. The transfer is consistent with the funding plan for Peninsula Corridor Electrification and Advanced Signal System Projects that was adopted by the Commission in March 2012 as part of the High Speed Rail Early Investment Strategy. The railcar funding is part of the Vehicle Procurement Reserve (VPR), \$150 million of FTA funds that were set aside to help meet the programming needs for upcoming major vehicle replacement projects. This item also makes a related revision to the Transit Capital Priorities Process and Criteria, the programming policy for the FTA funds, to allow VPR funds to be used for elements of Caltrain's inter-related program of projects. Finally, this item makes several other transfers between projects requested by operators that are consistent with the Commission's programming policy.

**Recommendation:** Refer MTC Resolution Nos. 3908, Revised, and 3916, Revised to the Commission for approval.

**Attachments:** MTC Resolution Nos. 3908, Revised, and 3916, Revised

Date: July 22, 2009  
W.I.: 1512  
Referred By: PAC  
Revised: 04/28/10-C 05/26/10-C  
06/22/11-C 11/16/11-C  
01/25/12-C 09/26/12-C

ABSTRACT

Resolution No. 3916, Revised

This resolution approves the FY 2009-10 through FY 2011-12 FTA Section 5307 and FTA Section 5309 Fixed Guideway (FG) programs for inclusion in the 2009 Transportation Improvement Program (TIP).

This resolution was revised on April 28, 2010 to reprogram \$17.5 million in Section 5307 funds from SFMTA to AC Transit as part of funding exchange with CMAQ funds.

This resolution was revised on May 26, 2010 to reconcile the FY 2009-10 program with the final FY 2009-10 FTA apportionments, and to program the FY 2010-11 and FY 2011-12 Vehicle Procurement Reserve to BART (\$80 million) and Caltrain (\$70 million) for their rail car replacement projects.

This resolution was revised on June 22, 2011 to reconcile the FY 2010-11 program with the final FY 2011 FTA apportionments, implement an exchange of \$17.5 million in CMAQ funds programmed to AC Transit's Bus Rapid Transit project for FTA preventive maintenance funding, and transfer \$5 million from Caltrain's Railcar Replacement project to preventive maintenance.

This resolution was amended on November 16, 2011 to reconcile the FY 2011-12 program with revised estimates of FY 2012 FTA apportionments prior to amending the program into the TIP. The revisions address a potential \$38 million revenue shortfall by withholding Flexible Set-Aside funds, deferring projects and making other program reductions; and also reprogram funds previously programmed to Vallejo in FY 2011 and FY 2012 to Solano County Transit (SolTrans) to reflect the merger of Benicia and Vallejo transit services under SolTrans.

This resolution was amended on January 25, 2012 to program an additional \$10 million of FY 2011-12 FTA Section 5307 funds for AC Transit's Preventive Maintenance. The funds had been

ABSTRACT

MTC Resolution No. 3916, Revised

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held in reserve pending AC Transit Board action responding to recommendations adopted by the Commission as part of MTC Resolution Nos. 3831 and 3880, Revised.

This resolution was revised on September 26, 2012 to reconcile the FY 2011-12 program with the final FY 2012 FTA apportionments, reprogram approximately \$27.4 million from Caltrain Railcar Replacement to Caltrain Advanced Signal System, and make other fund transfers between projects.

Further discussion of the FTA program of projects is contained in the Programming and Allocations Committee summary sheets dated July 8, 2009, April 14, 2010, May 12, 2010, June 8, 2011 November 9, 2011, January 11, 2012 and September 12, 2012.

Date: July 22, 2009  
W.I.: 1512  
Referred By: PAC

RE: San Francisco Bay Area Regional Transit Capital Priorities

METROPOLITAN TRANSPORTATION COMMISSION

RESOLUTION NO. 3916

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 Bay Area and is required to prepare and endorse a Transportation Improvement Program (TIP) which includes a list of priorities for transit capital projects; and

WHEREAS, MTC is the designated recipient of the Federal Transit Administration (FTA) Section 5307 and 5309 Fixed Guideway funds for the large urbanized areas of San Francisco-Oakland, San Jose, Concord, Antioch, and Santa Rosa and have been authorized by the California Department of Transportation (Caltrans) as the representative for the Governor of the State of California to program the FTA Section 5307 small urbanized area funds of Vallejo, Fairfield, Vacaville, Napa, Livermore, Gilroy-Morgan Hill, and Petaluma in MTC's 2009 Federal Transportation Improvement Program; and

WHEREAS, MTC has worked cooperatively with the cities, counties and transit operators and with Caltrans in the region to establish priorities for the transit capital projects to be included in the TIP; and

WHEREAS, the process and criteria used in the selection and ranking of such projects are set forth in MTC Resolution No. 3908; and

WHEREAS, the projects to be included in the TIP are set forth in the detailed project listings in Attachments A, which are incorporated herein as though set forth at length; now, therefore, be it

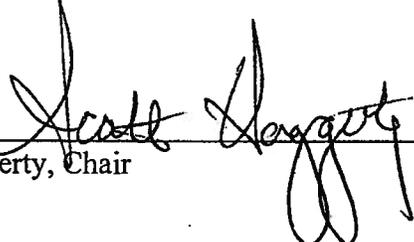
RESOLVED, that MTC adopts the FY 2009-10 through FY 2011-12 Transit Capital Priorities program of projects to be included in the TIP as set forth in Attachments A; and, be it further

RESOLVED, that MTC will use the priorities set forth in Attachments A to program sources of federal, state, regional and local funds to finance the projects; and, be it further

RESOLVED, that the Executive Director or designee is authorized to revise Attachment A as necessary to reflect the programming of projects as the projects are revised in the TIP; and be it further

RESOLVED, that the Executive Director of MTC is authorized and directed to forward a copy of this resolution to FTA, and such agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

  
\_\_\_\_\_  
Scott Haggerty, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California on July 22, 2009.

FY 2011-12 FTA Section 5307 and 5309 Fixed Guideway Program				
TIP ID	Operator	Project Description	FTA Section 5307	FTA Section 5309 FG
			<b>Actual Apportionment</b>	<b>212,023,119</b>
			<b>Previous Year Carryover</b>	<b>8,254,868</b>
			<b>Funds Available for Programming</b>	<b>220,277,987</b>
				<b>130,670,026</b>
				<b>11,419,979</b>
				<b>142,090,005</b>
<b>ADA Set-Aside</b>				
ALA990076	AC Transit	ADA Operating Assistance	3,961,150	
ALA050042	ACE	ADA Operating Assistance	506,887	
BRT99T01B	BART	ADA Paratransit Capital Accessibility Improve	2,972,888	
REG090051	Caltrain	Revenue Vehicle Rehab Program	1,045,789	
CC-99T001	CCCTA	ADA Operating Assistance	672,718	
CC-030035	ECCTA	ADA Operating Assistance	487,639	
MRN99T001	GGBHTD	ADA Operating Assistance	1,122,296	
ALA990077	LAVTA	ADA Operating Assistance	295,715	
NAP030004	Napa Vine	ADA Operating Assistance	24,070	
SF-990022	SFMTA	ADA Operating Assistance	3,758,618	
SM-990026	SamTrans	ADA Operating Assistance	999,343	
SOL990040	SoTrans	ADA Operating Assistance	593,943	
SCL050046	VTA	ADA Operating Assistance	3,638,697	
CC-990045	WestCat	ADA Operating Assistance	108,655	
<b>Economic Reserve</b>				
CC-110080	ECCTA	<u>Preventive Maintenance Capital Maintenance-Fuel</u>	278,564	
CC-030025	WestCat	Preventative Maintenance	146,362	
REG110020	WETA	Facilities Rehabilitation	64,411	
<b>Vehicle Procurement Reserve</b>				
REG090037	BART	Railcar Replacement	36,775,134	10,000,000
REG050020	BART	BART Car Exchange Preventive Maintenance	22,979,594	1,000,000
REG110030	Caltrain	<u>Railcar Replacement Advanced Signal System</u>	<u>18,589,069</u>	<u>8,844,200</u>
			<b>Total Program Set-asides and Commitments</b>	<b>19,844,200</b>
			<b>Funds Available for Programming</b>	<b>122,245,805</b>
<b>Capital Projects</b>				
ALA990052	AC Transit	Paratransit Van Leasing	1,740,381	
ALA991070	AC Transit	Preventive Maintenance	22,191,982	
ALA090060	ACE	<u>Track Improvements Rebuild Diesel Locomotives</u>	1,460,000	
BRT030004	BART	<u>Train Control</u>		8,000,000
BRT030005	BART	Traction Power	5,208,318	6,791,682
BRT97100B	BART	Track Replacement Rehabilitation	692,310	11,307,690
ALA090065	BART	Replacement of Fixed Guideway Elements and Fare Collection Equipment		20,000
SM-03006B	Caltrain	Systemwide Track Rehabilitation & Related Structures		13,270,000
REG090053	Caltrain	Preventive Maintenance	3,333,333	1,666,667
CC-110061	CCCTA	Replace (10) 40' buses - Hybrid	5,627,420	
CC-110062	CCCTA	Replace (4) LINK Vans	371,840	
CC-110063	CCCTA	Replace (4) Minivans	173,556	
CC-070092	ECCTA	Transit Bus Replacements	2,774,881	
CC-090039	ECCTA	Clipper Fareboxes	<u>136,464</u>	
CC-050029	ECCTA	Park and Ride Facility Land Purchase - Security Project	0	
SOL010006	Fairfield	Operating Assistance	<u>2,374,911</u>	
MRN110027	GGBHTD	Replace 2 - 1998 45' Over-the-Road Buses	1,048,234	
MRN110028	GGBHTD	Replace 3 - 2005 paratransit vans	195,897	
MRN030010	GGBHTD	Fixed Guideway Connectors	1,000,000	
MRN030011	GGBHTD	Ferry Major Component Replacement	400,000	
MRN090025	GGBHTD	Ferry Propulsion	4,260,000	
ALA030030	LAVTA	Preventative Maintenance	116,780	
ALA110095	LAVTA	<u>East Bay Radio Communication System Hookup</u>	<u>512,000</u>	
ALA110096	LAVTA	<u>Capital Maintenance-Fuel</u>	<u>128,132</u>	
NAP970010	Napa	Operating Assistance	1,442,265	
SON110032	Petaluma	Communication Equipment	46,371	

**FY 2011-12 FTA Section 5307 and 5309 Fixed Guideway Program**

TIP ID	Operator	Project Description	FTA Section 5307	FTA Section 5309 FG
SF-99T005	SFMTA	Historic Vehicle Rehabilitation		13,146,553
SF-970073	SFMTA	Cable Car Vehicle Renovation		1,157,625
SF-090035	SFMTA	Paratransit Van Replacement	206,824	
SF-070046	SFMTA	Rehab 170 Neoplan Motor Coaches	4,800,000	
SF-070045	SFMTA	Trolley Car Replacement	1,174,792	18,825,208
SF-950037B	SFMTA	Rail Replacement		<u>20,290,000</u>
SF-99T002	SFMTA	Cable Car System Rehabilitation		<u>3,076,000</u>
SF-970170	SFMTA	Overhead Rehabilitation		<u>2,064,000</u>
SF-050024	SFMTA	Wayside Train Control Equipment Rehab and Replacement		10,150,000
SF-030013	SFMTA	Wayside Fare Collection Equipment Rehab and Replacement		700,000
SM-110053	SamTrans	Advanced Communication System (ACS) Upgrades	2,115,216	
SM-110052	SamTrans	Replacement of 10 2005 El Dorado 22' Cutaways	1,231,388	
SM-110056	SamTrans	Capital Maintenance-Fuel	3,346,604	
SON030011	Santa Rosa CityBus	Operating Assistance	1,318,170	
SON090024	Santa Rosa CityBus	Preventive Maintenance	1,614,506	
SON030012	Santa Rosa CityBus	Bus Stop Enhancements	33,761	
SON070020	Santa Rosa CityBus	Hybrid Electric Bus Purchase (Replacement)	573,713	
SON110045	Santa Rosa	Capital Maintenance - Fuel	409,670	
SOL110026	SoITrans	Coin Counter Machine	7,200	
SOL050012	SoITrans	Stations/Curtola/Lemon Bus Transit Center	2,500,000	
SOL110033	SoITrans	Capital Maintenance - Fuel	320,606	
SON070024	Sonoma County Transit	Bus Replacement	1,565,233	
SON030005	Sonoma County	Preventive Maintenance	135,000	
SON050021	Sonoma County Transit	Bus Stop Improvement Project	11,254	
SOL010007	Vacaville	Operating Funds	983,000	
SCL050045	VTA	ADA Bus Stop Improvements	460,559	
SCL990046	VTA	Preventive Maintenance	38,286,489	
SCL050002	VTA	Rail Replacement Program		2,586,048
SCL090044	VTA	TP OCS Rehab & Replacement		2,209,701
SCL050049	VTA	Rail Substation Rehab/Replacement		978,000
SCL110099	VTA	Light Rail Bridge and Structure - SG Repair		1,360,000
SCL110100	VTA	Kinkisharyo LRV Overhaul Program		1,029,600
SCL110101	VTA	LRV Body Shop Dust Separation Wall		436,000
SCL110102	VTA	LRV Maintenance Shop Hoist		2,749,856
SCL110105	VTA	LR Signal Assessment / SCADA System Replacement		2,800,000
SCL110104	VTA	Light Rail Track Crossovers and Switches		579,578
SCL110103	VTA	Update Santa Teresa Interlock Signal House		688,000
SCL110106	VTA	Diridon Tunnel Radio Replacement		209,600
CC-110057	WestCat	Revenue Vehicle Replacement	1,857,205	
CC-110058	WestCAT	Service Vehicle Replacement	31,721	
REG090057	WETA	Ferry Major Component Rehab/Replacement		1,655,000
REG090054	WETA	Ferry Channel & Berth Dredging		200,000
REG090067	WETA	Fixed Guideway Connectors		825,000
<b>Total Capital Projects</b>			<b>111,797,669</b>	<b>120,562,208</b>
<b>Total Program</b>			<b>210,819,211</b>	<b>140,406,408</b>
<b>Fund Balance</b>			<b>9,458,776</b>	<b>1,683,597</b>

**Notes:**

- Operators in the Santa Rosa, Fairfield, and Vacaville Urbanized Areas did not wish to participate in the ADA or 10% flexible set-aside programming elements, and operators in the Napa and Petaluma UAs do not participate in the ADA set-aside.
- AC Transit deferred \$3,000,000 for preventive maintenance from FY11 to FY12 and exchanged \$19,191,982 for bus replacements for PM in FY12. \$10,000,000 in PM released to AC Transit as a result of meeting conditions specified in MTC Resolutions 3831, 3880 and 3916 revised June 2011.
- Caltrain exchanged \$37,433,269 in FY12 for Railcar Replacement for \$5,000,000 preventive maintenance in FY11, \$5,000,000 preventive maintenance in FY12, and \$27,433,269 for Advanced Signal System in FY12. The region will not replace \$10 million of the rail car funds, i.e., the share of regional participation in Car Replacement will be reduced by \$10,000,00.
- SFMTA deferred \$20,000,000 programmed in FY11 and \$4,159,333 programmed in FY12 for replacement of 45 40' NABI buses to FY13 in exchange for \$4,026,555 for Rail Replacement in FY11.
- SamTrans deferred \$24,745,874 for replacement of 62 1998 Gillig Buses from FY12 to FY13 in exchange for \$2,115,216 for Advanced Communication System (ACS) Upgrades.
- Sonoma County Transit exchanged \$135,000 in partial funding for bus replacement for an equal amount in Preventive Maintenance. The bus procurement will be completed with Prop. 1B, TDA/STA and Air District funds.
- WestCAT deferred \$380,657 for replacement of one 40' bus to FY13 in exchange for \$31,721 for replacement of one service vehicle.
- AC Transit exchanged \$17,500,000 in CMAQ programmed to its BRT project for \$17,500,000 in 5307 for preventive maintenance in FY11. CMAQ funds were reprogrammed to SFMTA's Central Subway; \$17.5M I-Bond funds were transferred from Central Subway to BART's Fixed Guideway projects, which were reduced by \$17.5M in TCP funds in FY12.
- WETA deferred \$1,000,000 of fixed guideway cap funding to FY13.
- Unobligated funds programmed to Vallejo were reprogrammed to SoITrans as part of the consolidation of Benicia and Vallejo transit services under SoITrans.

11) VTA used its FY12 fixed guideway project cap of \$9,450,000 and \$6,176,383 of its FY13 fixed guideway project cap for fixed guideway projects in FY12. VTA's fixed guideway project cap in the FY13 program will be reduced by \$6,176,383.

Date: June 24, 2009  
W.I.: 1512  
Referred By: PAC  
Revised: 05/26/10-C  
06/22/11-C  
09/26/12-C

ABSTRACT

Resolution No. 3908, Revised

This resolution approves the process and establishes the criteria for programming the FTA Section 5307 and 5309 Fixed Guideway (FG) funds in the San Francisco Bay Area for FY 2009-10 through FY 2011-12.

This resolution was revised on May 26, 2010 to establish the policy for programming the Vehicle Procurement Reserve, establish a Bus Emission Reduction Device Funding Program, revise the Flexible Set-aside formula in the Petaluma Urbanized Area, and make other minor revisions to the policy.

This resolution was revised on June 22, 2011 to make Solano County Transit eligible for future Transit Capital Priorities programming, and to specify that the Flexible Set-Aside will not be programmed in FY 2010-11 due to apportionment shortfalls.

This resolution was revised on September 26, 2012 to make Caltrain's projects that are closely related to its vehicle replacement projects eligible for the Vehicle Procurement Reserve (page 29 of Attachment A).

Further discussion of the Transit Capital Priorities Policy is contained in the Executive Director's memorandum to the Programming and Allocations committee dated May 13, 2009, and the Programming and Allocations Summary Sheets dated May 13, 2009, June 10, 2009, May 12, 2010, June 8, 2011 and September 12, 2012.

Date: June 24, 2009  
W.I.: 1512  
Referred By: PAC

RE: San Francisco Bay Area Transit Capital Priorities Process and Criteria

METROPOLITAN TRANSPORTATION COMMISSION  
RESOLUTION NO. 3908

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 Bay Area and is required to prepare and endorse a Transportation Improvement Program (TIP) which includes a list of priorities for transit capital projects; and

WHEREAS, MTC has worked cooperatively with the cities, counties and transit operators in the region to establish a process and a set of criteria for the selection of transit capital projects to be included in the TIP; and

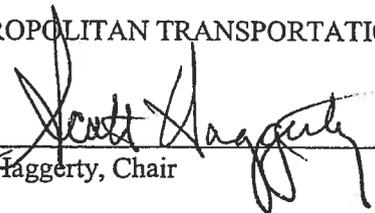
WHEREAS, the process and criteria to be used in the selection and ranking of projects are set forth in Attachment A, which is incorporated herein as though set forth at length; now, therefore, be it

RESOLVED, that MTC approves the Transit Capital Priorities Process and Criteria as set forth in Attachment A; and, be it further

RESOLVED, that MTC will use the process and criteria to program Federal Transit Administration (FTA) Sections 5307 and 5309 funds for FY 2009-10 through FY 2011-12 to finance transit capital projects in the San Francisco Bay Area region; and, be it further

RESOLVED, that the Executive Director of MTC is authorized and directed to forward a copy of this resolution to FTA, and such agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

  
\_\_\_\_\_  
Scott Haggerty, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California on June 24, 2009.

Date: June 24, 2009  
W.I.: 1512  
Referred By: PAC  
Revised: 05/26/10-C  
06/22/11-C  
09/26/12-C

Attachment A  
Resolution No. 3908  
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**FY 2009-10 through FY 2011-12  
San Francisco Bay Area  
FTA Section 5307 and FTA Section 5309 Fixed Guideway  
Transit Capital Priorities Criteria**

**For development of the  
FY 2009-10 through FY 2011-12  
Transit Capital Priorities Project Lists**

Metropolitan Transportation Commission  
Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607

The full text of Resolution 3908 can be found on our website at the link below, or will be provided upon request to MTC to [info@mtc.ca.gov](mailto:info@mtc.ca.gov) or 510.817.5700.

[http://www.mtc.ca.gov/funding/FTA/downloads/RES-3908\\_approved.pdf](http://www.mtc.ca.gov/funding/FTA/downloads/RES-3908_approved.pdf)

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## **FY 2009-10 through FY 2011-12 Transit Capital Priorities Criteria**

### **I. GOALS AND OBJECTIVES**

The FY 2009-10 through FY 2011-12 Transit Capital Priorities (TCP) Criteria are the rules, in part, for establishing a program of projects for eligible transit operators in the San Francisco Bay Area Region's large urbanized areas (UA) of San Francisco/Oakland (SF/O), San Jose (SJ), Concord, Santa Rosa (SR), and Antioch; and the small urbanized areas of Vallejo, Fairfield, Vacaville, Napa, Livermore, Gilroy-Morgan Hill (GM), and Petaluma.

The goal of the TCP Criteria is to fund transit projects that are most essential to the region and consistent with Transportation 2035, the region's 25-year plan. The TCP applies to programming of the Federal Transit Administration (FTA) Urbanized Area Formula (Section 5307) and Fixed Guideway Modernization (Section 5309 FG) funds.

FY 2009-10 will be the first year under new federal transportation authorizing legislation, following the expiration of SAFETEA-LU in FY 2008-09. The TCP Criteria assumes there will be no major shifts in FTA funding programs, eligibility or policies under the new authorization. MTC and the Partnership will revisit and update the policy should changes in federal policy require revisions.

The region's objectives for the TCP are to:

*Fund basic capital requirements:* All eligible projects are to be considered in TCP score order, with emphasis given to the most essential projects that replace and sustain the existing transit system capital plant. MTC will base the list of eligible replacement and expansion projects on operators' Short Range Transit Plans (SRTP) service objectives, and capital plans. All projects not identified as candidates for the TCP process are assumed to be funded by other fund sources and are so identified in operators' SRTPs.

*Maintain reasonable fairness to all operators:* Tests of reasonable fairness are to be based on the total funding available to each operator over a period of time, the level and type of service provided, timely obligation of prior year grants, and other relevant factors. (A proportional share distributed to each operator is specifically not an objective.)

*Complement other MTC funding programs for transit:* MTC has the lead responsibility in programming regional Surface Transportation Program (STP) and Congestion Mitigation-Air Quality (CMAQ) funds, and State Transportation Improvement Program (STIP) funds. Transit capital projects are also eligible for funding under these federal and state programs. Development of the TCP will complement the programming of STP,

CMAQ, and STIP funds to maximize the financial resources available in order to fund the most essential projects for the San Francisco Bay Area's transit properties.

## **II. TCP APPLICATION PROCESS**

The Transit Finance Working Group (TFWG) serves as the forum for discussing TCP and other transit programming issues. Each transit operator in the MTC region is responsible for appointing a representative to staff the Transit Finance Working Group (TFWG). The TFWG serves in an advisory capacity to the MTC Partnership Technical Advisory Committee (PTAC). All programming-related decisions are to be reviewed with PTAC. In general, the MTC Programming and Allocations Committee and the full Commission take action on the TCP and any other transit-related funding programs after the PTAC has reviewed them.

**Capital Program Submittal.** For the purposes of programming, project sponsors will submit requests for funding in accordance with detail instructions in MTC's call for projects. The level of detail must be sufficient to allow for MTC to screen and score the project.

### **Board Approval**

MTC requires that operators seek board approval prior to programming projects in the TIP. The board resolution for FY 2009-10 programming should be submitted by July 8, 2009, the date when the Programming and Allocations Committee will consider the proposed program. If a board resolution cannot be provided by this date due to board meeting schedule constraints, applicants should indicate in a cover memo with their application when the board resolution will be adopted. Appendix 1 is a sample resolution of board support.

### **Opinion of Counsel**

Project sponsors have the option of including specified terms and conditions within the Resolution of Local Support as included in Appendix 1. If a project sponsor elects not to include the specified language within the Resolution of Local Support, then the sponsor shall provide MTC with a current Opinion of Counsel stating that the agency is an eligible sponsor of projects for the FTA Section 5307 and 5309 FG Programs; that the agency is authorized to perform the project for which funds are requested; that there is no legal impediment to the agency applying for the funds; and that there is no pending or anticipated litigation which might adversely affect the project or the ability of the agency to carry out the project. A sample format is provided on Appendix 2.

### **Screening projects**

MTC staff will evaluate all projects for conformance with the Screening Criteria (Section III) below. Certain requirements must be met for a project to reach the scoring stage of the Transit Capital Priorities process. Operators will be informed by MTC staff if a

project has failed to meet the screening criteria, and will be given an opportunity to submit additional information for clarification.

### **Scoring projects**

MTC staff will only score those projects, which have passed the screening process. Based on the score assignment provided in Section IV below, MTC staff will inform operators of the score given to each project. Operators may be asked to provide additional information for clarification.

### **Programming Projects/Assigning projects to fund source**

Projects will be programmed in the TCP in the year proposed. Project funds sources will be assigned by MTC staff and will be based on project eligibility and the results of Multi-County Agreement model. Projects passing screening and scoring criteria will be considered for programming in the TCP in the year proposed, however, projects will only be programmed in the Transportation Improvement Program (TIP) if the following conditions are met: 1) funding is available in the year proposed, and 2) funds can be obligated by the operator in the year proposed.

### **FTA Public Involvement Process and Transportation Improvement Program (TIP)**

*FTA Public Involvement Process:* To receive a FTA grant, a grant applicant must meet certain public participation requirements in development of the FTA programs. However, as provided for in FTA Circular 9030.1C (revised October 1, 1998), FTA considers a grantee to have met the public participation requirements associated with the annual development of the POP when the grantee follows the public involvement process outlined in the FHWA/FTA planning regulations for the TIP.

*Annual Programming in the TIP:* MTC, in cooperation with the state and eligible transit operators, is required to develop a TIP for the MTC Region. The TIP is a listing of federally funded transportation projects and projects deemed regionally significant. The TIP is a four-year programming document. TCP programming in each year of the TIP will be financially constrained to the estimated apportionment level. Programming adjustments in the TIP will be done in consultation with eligible transit operators in the MTC region. In lieu of a separate public involvement process, MTC will follow the public involvement process for the TIP.

### **Changes to Transit Capital Priorities Program**

Amendments may be allowed only in certain circumstances. The following general principles govern the changes:

- Amendments are not routine. Any proposed changes will be carefully studied.
- Amendments are subject to MTC and TFWG review.

- Amendments which adversely impact another operator's project will not be included without the prior agreement of other operators to the change.
- Amendments will be acceptable only when proposed changes are within the prescribed financial constraints of the TIP.
- Emergency or urgent projects will be considered on a case-by-case basis as exceptions.

Operators proposing the change must provide relevant information to substantiate the urgency of the proposed amendment. Projects that impede delivery of other projects will be considered only if an agreement can be reached between the affected operators for deferring or eliminating the affected projects from consideration.

### **Funding Shortfalls**

If final apportionments for the FTA Section 5307 and Section 5309 FG programs come in lower than MTC has previously estimated, MTC staff will first redistribute programming to other urbanized areas with surplus apportionments in which the projects are eligible, and, second, negotiate with operators to constrain projects costs or defer projects to a future year. If sufficient resolution is not possible, MTC will consider additional information, including project readiness, prior funding (if the project is a phased multi-year project), whether the project had been previously deferred, and the amount of federal funds that each of the concerned operators received in recent years, in making reductions to programming.

### **Project Review**

Each operator is expected to complete their own Federal grant application using FTA's Transportation Electronic Award and Management (TEAM) system. MTC staff will review grant applications and perform project review when required. In addition, MTC staff will submit concurrence letters and MTC project review resolutions to FTA on behalf of project sponsors as needed.

### **Program Period**

Proposed projects will be used to develop a TCP program for FY 2010, and preliminary programs for FY 2011 and FY 2012. Initially, only the FY 2010 program will be amended into the region's Transportation Improvement Program. The preliminary programs for FY 2011 and FY 2012 will be revisited and potentially revised based on new information regarding the federal authorization and the development of project finance plans for upcoming major vehicle procurements. However, providing a preliminary three-year program is intended to help operators with multi-year capital budgeting, and to help the region take a longer-term view of capital replacement needs.

**FY 2009-10 through FY 2011-12 TCP Development Schedule**

To the extent possible, the region will adhere to the schedule proposed in the table below in developing the FY 2009-10 through FY 2011-12 TCP. If a change in the schedule is required, MTC will notify participants of the TCP development process in a timely fashion.

<b>TCP Policy / Programming</b>	<b>Start Date</b>	<b>Finish/Due Date</b>
Transit GMs/TFWG TCP Policy Discussions	June 4, 2008	June 3, 2009
Call for projects	May 18, 2009	June 1, 2009
Draft TCP Policy to PAC	May 13, 2009	
Final TCP Policy to PAC/Commission	June 10/24, 2009	
FTA/AB 664 program to TFWG	July 1, 2009	
FTA/AB 664 programs to PAC/Commission and amend TIP to add FY 2009-10 program	July 8/22, 2009	

**III. PROJECT ELIGIBILITY**

**Federal Requirements and Eligibility**

**Federal Legislation**

Projects selected will conform to the requirements of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) or its successor federal transportation authorization, Clean Air Act Amendments of 1990 (CAAA), the California Clean Air Act (CCAA), and the Americans with Disabilities Act (ADA).

**Intelligent Transportation Systems (ITS) Architecture Policy**

Project sponsors will be required to meet the Federal Transit Administration's National ITS Architecture Policy as established by FTA Federal Register Notice Number 66 FR 1455 published January 8, 2001 and as incorporated by the regional architecture policy which can be accessed at: <http://www.mtc.ca.gov/planning/ITS/index.htm>.

**1% Security Policy**

Project sponsors are also required to meet the FTA 1% security set-aside provisions as established in the FY 2004-05 Certifications and Assurances, FTA Federal Register Notice Number 69 FR 62521 published on October 26, 2004, and as it may be refined by FTA in future notifications. For project sponsors that are unable to meet the 1% security requirement, MTC will set-aside 1% of the total amount of FTA Section 5307 programmed to those sponsors for the purposes of meeting this requirement.

### **Program Eligibility**

*FTA Section 5307 Urbanized Area Federally Defined Program Eligibility (Statutory Reference: 49USC5307):* Planning, engineering design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses, overhaul of buses, rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software, and other related projects to meet unfunded mandates. All preventive maintenance and some ADA complementary paratransit service are considered capital costs.

*FTA Section 5309 Fixed Guideway Federally Defined Program Eligibility (Statutory Reference: 49USC5309):* Capital projects to modernize or improve fixed guideway systems are eligible including purchase and rehabilitation of rolling stock and ferries, track, line equipment, structures, ferry floats, ramps and other ferry fixed guideway connectors, ferry navigational equipment and related components, signals and communications, power equipment and substations, passenger stations and terminals, security equipment and systems, maintenance facilities and equipment, operational support equipment including computer hardware and software, system extensions, and preventive maintenance.

### **Regional Requirements and Eligibility**

#### **Urbanized Area Eligibility**

Transit operators are required to submit annual reports to the National Transit Database. Service factors reported in large urbanized areas determine the amounts of FTA Section 5307 and 5309 FG funds generated in the region. MTC staff will work with members of the Partnership to coordinate reporting of service factors in order to maximize the amount of funds generated in the region and to determine urbanized area eligibility. An operator is eligible to claim FTA funds only in designated urbanized areas as outlined in Table 1 below. Eligibility is based on geographical operations, NTD reporting, and agreements with operators.

**Table 1. Urbanized Area Eligibility**

Urbanized Area	Eligible Transit Operators
San Francisco-Oakland	AC Transit, ACE, BART, Caltrain, GGBHTD, SFMTA, SamTrans, Solano County Transit, Union City Transit, Vallejo Transit, Water Emergency Transportation Authority, WestCAT
San Jose	ACE, Caltrain, SCVTA
Concord	ACE, BART, CCCTA, LAVTA
Antioch	BART, Tri-Delta
Santa Rosa	GGBHTD, Santa Rosa City Bus, Sonoma County Transit
Vallejo	City of Benicia, Napa Vine on behalf of American Canyon, Solano County Transit, City of Vallejo, WestCAT
Fairfield	Fairfield-Suisun Transit
Vacaville	Vacaville Transit
Napa	Napa VINE
Livermore	ACE, LAVTA
Gilroy-Morgan Hill	Caltrain, SCVTA
Petaluma	GGBHTD, Petaluma Transit, Sonoma County Transit

- (i) Altamont Commuter Express (ACE) is eligible to claim funds in four of the San Francisco Bay Area’s urbanized areas according to Federal Transit Administration statute. ACE has entered into an agreement with other operators eligible to claim funds in the San Jose UA, which prevents ACE from claiming funds in that UA. Likewise, ACE has also determined that they will be reporting their Livermore area revenue miles in the Stockton UA and have elected not to seek funding from the Livermore UA. The project element that the Regional Priority Model would apportion to these two urbanized areas will be deducted from the total amount of their capital request. ACE operates on track privately owned by Union Pacific. Requests for track rehabilitation, maintenance, and or upgrades for funding in the San Francisco-Oakland and Concord UAs will be assessed for eligibility upon review of the ACE and Union Pacific agreement.
- (ii) Santa Rosa City Bus and Sonoma County will apportion Santa Rosa urbanized area funding in accordance with previous agreements (75% Santa Rosa City Bus and 25% Sonoma County).
- (iii) Golden Gate Bridge and Highway Transportation District (GGBHTD) is eligible to claim funds in the Santa Rosa Urbanized Areas. However, as a result of an agreement between the operators and discussion with the TFWG, GGBHTD will not claim funds from the Santa Rosa UA at this time. However, should it become advantageous to the region for GGBHTD to report revenue miles in the Santa Rosa UA and thereby claim funds in that UA, agreements between the operators will be re-evaluated. Golden Gate is an eligible claimant for funds in the Petaluma UA,

and in years where extensive capital need in other urbanized areas in the region is high; Golden Gate's projects could be funded in the Petaluma UA.

- (iv) WestCAT is an eligible claimant in the Vallejo UA but will report revenue miles in the San Francisco-Oakland UA in order to maximize funding to the region. Therefore, WestCAT will claim funds exclusively in the San Francisco-Oakland UA.
- (v) Funding agreements between operators in the San Jose and Gilroy-Morgan Hill UAs are subject to the conditions outlined in the Caltrain Joint Powers Board Agreement.
- (vi) The Water Emergency Transportation Authority (WETA) is an eligible claimant in the San Francisco-Oakland UA starting in FY 2009-10 contingent on WETA's adoption of a transition plan for the assumption of responsibility for the Alameda and Vallejo ferry services, including responsibility for replacement and rehabilitation of Alameda's and Vallejo's ferry capital assets, as required by SB 976. If WETA does not adopt the transition plan, any TCP funds programmed to WETA would be reprogrammed to other eligible operators.
- (vii) Solano County Transit (SolTrans) is an eligible claimant in the San Francisco-Oakland and Vallejo UAs starting in FY 2010-11 contingent on FTA's designation of SolTrans as an eligible grantee. Programming for SolTrans will be in lieu of new programming for the City of Benicia and the City of Vallejo bus services.

#### **Eligibility for New Operators**

New operators will be required to meet the following criteria before becoming eligible for TCP funding:

- The operator provides public transit services in the San Francisco Bay Area that are compatible with the region's Regional Transportation Plan.
- The operator is an FTA grantee.
- The operator has filed NTD reports for at least two years prior to the first year of programming, e.g., has filed an NTD report for 2008 services and intends to file a report for 2009 to be eligible for FY10 TCP funding.
- The operator has executed a Cooperative Planning Agreement with MTC.
- The operator has submitted a current SRTP to MTC.

### **Screening Criteria**

A project must conform to the following threshold requirements before the project can be scored and ranked in the TCP project list. Screening criteria envelops three basic areas. The following subheadings are used to group the screening criteria.

- Consistency Requirements;
- Financial Requirements;
- Project Specific Requirements;

*Consistency Requirements:* The proposed project must be consistent with the currently adopted Regional Transportation Plan (RTP). Smaller projects must be consistent with the policy direction of the RTP, as the RTP does not go into a sufficient level of detail to specifically list them.

Projects near or crossing county boundaries must be consistent/complementary with the facility (or proposed facility) in the adjacent county.

Projects must be included in an operator's Short Range Transit Plan, and in an adopted local or regional plan (such as Congestion Management Programs, Countywide transportation plans pursuant to AB3705, the Seaport and Airport Plans, the State Implementation Plan, the Ozone Attainment Plan, the Regional Transportation Plan, and local General Plans).

*Financial Requirements:* The proposed project has reasonable cost estimates, is supported by an adequate financial plan with all sources of funding identified and a logical cash flow, and has sensible phasing. Transit operators must demonstrate financial capacity, to be documented in the adopted TIP, as required by the FTA. All facilities that require an ongoing operating budget to be useful must demonstrate that such financial capacity exists.

*Project Specific Requirements:* All projects must be well defined. There must be clear project limits, intended scope of work, and project concept. Planning projects to further define longer range federally eligible projects are acceptable. Examples of score 16 projects include:

- Replacement/rehab of one revenue vehicle sub-fleet or ferry vessel; a sub-fleet is defined as the same bus size, manufacturer, and year; or any portion of a train set that reaches the end of its useful life at a common time.
- Train control or traction power replacement/rehab needs for a given year.

- Fixed guideway replacement/rehab needs for a given year (e.g., track replacement and related fixed guideway costs, ferry fixed guideway connectors).

All projects must be well justified, and have a clear need directly addressed by the project.

A proposed project includes an implementation plan that adequately provides for any necessary clearances and approvals.

The proposed project must be advanced to a state of readiness for implementation in the year indicated. For this requirement, a project is considered to be ready if grants for the project can be obligated within one year of the award date; or in the case of larger construction projects, obligated according to an accepted implementation schedule.

**Asset Useful Life**

To be eligible for replacement or rehabilitation, assets must meet the following age requirements in the year of programming:

**Table 2. Useful Life of Assets**

Heavy-Duty Buses, other than Over-the-Road-Coaches*	12 years
Over-the-Road-Coaches*	14 years
Medium-Duty Buses*	10 years
* (or an additional 5 years for buses rehabilitated with TCP funding)	
Van <sup>1</sup>	4, 5, or 7 years, depending on type
Light Rail Vehicle (LRV)	25 years
Trolley	15 years
Heavy Railcar <sup>2</sup>	25 years
Locomotive	25 years
(or an additional 20 years for railcars rehabilitated with TCP funding)	
Heavy/Steel Hull Ferries	30 years
(or an additional 20 years for railcars rehabilitated with TCP funding)	
Light Weight/Aluminum Hull Ferries <sup>3</sup>	25 years
Used Vehicles <sup>4</sup>	Varies by type
Tools and Equipment	10 years
Service Vehicle	7 years
Non-Revenue Vehicle	7 years
Track	Varies by track type
Trolley Overhead/3 <sup>rd</sup> Rail Facility	Varies by type of OVHD/3 <sup>rd</sup> rail
	Varies by facility and component replaced

*Notes:*

- (1) A paratransit van is a specialized van used in paratransit service only such as service for the elderly and handicapped. Three general categories of vans are acceptable in Transit Capital Priorities: Minivans, Standard Conversion Vans, and Small Medium-Duty Coaches. The age requirements for each type are 4, 5, and 7 years respectively.*
- (2) Includes Caltrain and ACE commuter rail and BART urban rail cars.*
- (3) Light weight ferries will not generally last beyond a 25-year useful life. Propulsion and major component elements of lightweight ferries can be replaced in TCP without extending the useful life beyond its anticipated useful life of 25 years.*
- (4) Used vehicles are eligible to receive a proportionate level of funding based on the type of vehicle and number of years of additional service. (See “used vehicle replacement” Section IV, Definition of Project Categories).*

Exceptions for replacement of assets prior to the end of their useful life may be considered only if an operator has secured FTA approval for early retirement, which must occur before the annual apportionment has been released.

**Compensation for Bus Replacement Beyond Minimum Useful Life**

Operators that voluntarily replace buses or vans beyond the minimum federally eligible useful life specified in the table above will be eligible for either of two financial compensations:

Option 1. Operators receive all of the savings, but need to apply the savings to capital replacement and rehab projects (Score 10-16).

Option 2. Operators receive half of the savings to the region created by later replacement of vehicles, which may be programmed to lower scoring eligible projects.

Savings to the region are calculated based on the pricelist cost and minimum useful life of the vehicle type. For example, if replacement of a bus with a 12-year useful life and a \$600,000 replacement cost (federal share) is deferred for two years, the savings to the region would be  $2/12 \times \$600,000 = \$100,000$ . Under Option 1, the operator would receive \$100,000 for eligible Score 10-16 capital projects. Under Option 2, the operator would receive \$50,000, which would be treated like flexible set-aside. The region would retain the other \$50,000 in savings to be programmed to other needs in accordance with the TCP policy. Operators may choose between Option 1 and Option 2.

For operators that are proposing to take advantage of the bus replacement compensation, the vehicles being replaced must be older than the age requirements listed above. It is the operator's responsibility to ensure that vehicle replacement requests beyond the minimum useful life maintain a state of good repair for the assets. Requests to activate this policy option should be noted when transmitting project applications to MTC.

**Project Funding Caps**

In order to prevent committing a significant portion of the programming to an operator in any one year, the following annual funding ceilings for projects are established:

Revenue vehicle replacement projects cannot exceed \$20 million for buses or \$30 million for rail car or ferry vessel replacement and rehabilitation projects, in the aggregate for both Section 5307 and Section 5309 FG programs.

Fixed guideway replacement and rehabilitation projects in the aggregate cannot exceed the amounts specified for each fixed guideway operator in Table 3.

**Table 3. Fixed Guideway Caps**

FG Operator	Project Category	Fixed Guideway Cap
ACE <sup>1</sup>	All Eligible FG Categories	1,460,000
BART	All Eligible FG Categories	41,520,000
Caltrain	All Eligible FG Categories	13,270,000
GGBHTD	All Eligible FG Categories	5,660,000
SFMTA	All Eligible FG Categories	36,280,000
Vallejo	All Eligible FG Categories	3,680,000
VTA	All Eligible FG Categories	9,450,000
WETA (for Alameda Ferries)	All Eligible FG Categories	3,680,000

- 1) Amount for ACE limited to Bay Area eligibility in SFO and Concord UA or 52.85% of regional total.
- 2) Programming for WETA will be made contingent on adoption of the transition plan for assumption of responsibility for the Alameda and Vallejo ferry services required by SB 976.

The cap amount may be programmed to any projects that are eligible for FTA Section 5309 FG funding and that fall into one of the following categories:

- Track/Guideway Replacement/Rehabilitation
- Traction Power Delivery
- Train Control/Signaling
- Dredging
- Ferry Fixed Guideway Connectors
- Ferry Major Component Replacement
- Ferry Propulsion Replacement

- Cable Car Infrastructure
- Wayside Fare Collection Equipment

Programming for all projects that fall within these categories must be within the operator's cap amount.

Other replacement projects cannot exceed \$7.5 million.

Expansion or enhancement projects cannot exceed \$3.75 million.

As part of the region's 10-year Capital Improvement Program, project caps may be increased or decreased on an annual basis in order to better match programming to available revenues, subject to negotiation and agreement among operators and MTC; however, over a multi-year period, the caps must average to the amounts indicated above in order to keep the TCP program within its fiscal constraints.

Exceptions to these annual funding ceilings will be considered by MTC and the TFWG on a case-by-case basis after evaluating programming requested through the call for projects, and the region's estimated fiscal resources. For large rehabilitation programs, MTC may conduct negotiations with the appropriate sponsor to discuss financing options and programming commitments.

### **Bus-Van Pricelist**

Requests for funding for buses and vans cannot exceed the prices in the Regional Bus-Van Pricelist for each year of the TCP program as shown in Table 4, Table 5 and Table 6. If an operator elects to replace vehicles with vehicles of a different fuel type, the price listed for the new fuel type vehicle applies, e.g., if an operator is replacing diesel buses with diesel-electric hybrid buses, the operator may request funds up to the amount listed for hybrid buses.

**Table 4: Regional Bus-Van Pricelist, FY 2009-10**

Vehicle Type	Total	Federal	Local	Federal %	Local %
Auto	27,000	22,530	4,470	83.44%	16.56%
Minivan Under 22'	49,000	40,887	8,113	83.44%	16.56%
Cut-Away/Van Under 26', 4 or 5-Year, Gas	76,000	62,034	13,966	81.62%	18.38%
Cut-Away/Van Under 26', 4 or 5-Year, Diesel	101,000	82,441	18,559	81.62%	18.38%
Cut-Away/Van Under 26', 4 or 5-Year, CNG	113,000	92,236	20,764	81.62%	18.38%
Cut-Away/Van Under 26', 7-Year, Gas	106,000	87,980	18,020	83.00%	17.00%
Cut-Away/Van Under 26', 7-Year, Diesel	142,000	117,860	24,140	83.00%	17.00%
Cut-Away/Van Under 26', 7-Year, CNG	158,000	131,139	26,861	83.00%	17.00%
Cut-Away/Van 26'+, 4 or 5-Year, Gas	80,000	65,299	14,701	81.62%	18.38%
Cut-Away/Van 26'+, 4 or 5-Year, Diesel	107,000	87,338	19,662	81.62%	18.38%
Cut-Away/Van 26'+, 4 or 5-Year, CNG	119,000	97,133	21,867	81.62%	18.38%
Cut-Away/Van 26'+, 7-Year, Gas	111,000	92,130	18,870	83.00%	17.00%
Cut-Away/Van 26'+, 7-Year, Diesel	149,000	123,669	25,331	83.00%	17.00%
Cut-Away/Van 26'+, 7-Year, CNG	166,000	137,779	28,221	83.00%	17.00%
Transit Bus 30' Diesel	460,000	371,015	88,985	80.66%	19.34%
Transit Bus 30' CNG	514,000	414,569	99,431	80.66%	19.34%
Transit Bus 30' Hybrid	621,000	500,871	120,129	80.66%	19.34%
Transit Bus 35' Diesel	473,000	381,415	91,585	80.64%	19.36%
Transit Bus 35' CNG	530,000	427,379	102,621	80.64%	19.36%
Transit Bus 35' Hybrid	639,000	515,274	123,726	80.64%	19.36%
Transit Bus 40' Diesel	487,000	392,629	94,371	80.62%	19.38%
Transit Bus 40' CNG	545,000	439,390	105,610	80.62%	19.38%
Transit Bus 40' Hybrid	658,000	530,493	127,507	80.62%	19.38%
Suburban Bus 45' Diesel	569,000	458,099	110,901	80.51%	19.49%
Over-the-Road 40' Diesel	569,000	458,099	110,901	80.51%	19.49%
Over-the-Road 40' CNG	637,000	512,846	124,154	80.51%	19.49%
Over-the-Road 40' Hybrid	768,000	618,313	149,687	80.51%	19.49%
Over-the-Road 45' Diesel	614,000	494,329	119,671	80.51%	19.49%
Over-the-Road 45' CNG	688,000	553,906	134,094	80.51%	19.49%
Over-the-Road 45' Hybrid	829,000	667,424	161,576	80.51%	19.49%
Over-the-Road 60' Diesel	810,000	651,185	158,815	80.39%	19.61%
Over-the-Road 60' CNG	907,000	729,167	177,833	80.39%	19.61%
Over-the-Road 60' Hybrid	1,093,000	878,698	214,302	80.39%	19.61%
Articulated 60' Diesel	689,000	553,909	135,091	80.39%	19.61%
Articulated 60' CNG	771,000	619,832	151,168	80.39%	19.61%
Articulated 60' Hybrid	929,000	746,853	182,147	80.39%	19.61%

Notes:

Prices escalated 3.0% annually, rounded to nearest \$1,000

Prices for buses and cut-aways include allowances for radios, fareboxes and Translink wiring and brackets.

To calculate price without fareboxes and radios multiply values by .9822

To calculate price without fareboxes multiply values by .9862

To calculate price without radios multiply values by .9960

To calculate price without Translink wiring and brackets subtract \$1,545

**Table 5: Regional Bus-Van Pricelist, FY 2010-11**

Vehicle Type	Total	Federal	Local	Federal %	Local %
Auto	28,000	23,364	4,636	83.44%	16.56%
Minivan Under 22'	50,000	41,721	8,279	83.44%	16.56%
Cut-Away/Van Under 26', 4 or 5-Year, Gas	78,000	63,667	14,333	81.62%	18.38%
Cut-Away/Van Under 26', 4 or 5-Year, Diesel	104,000	84,889	19,111	81.62%	18.38%
Cut-Away/Van Under 26', 4 or 5-Year, CNG	116,000	94,684	21,316	81.62%	18.38%
Cut-Away/Van Under 26', 7-Year, Gas	109,000	90,470	18,530	83.00%	17.00%
Cut-Away/Van Under 26', 7-Year, Diesel	146,000	121,179	24,821	83.00%	17.00%
Cut-Away/Van Under 26', 7-Year, CNG	163,000	135,289	27,711	83.00%	17.00%
Cut-Away/Van 26'+, 4 or 5-Year, Gas	82,000	66,932	15,068	81.62%	18.38%
Cut-Away/Van 26'+, 4 or 5-Year, Diesel	110,000	89,787	20,213	81.62%	18.38%
Cut-Away/Van 26'+, 4 or 5-Year, CNG	123,000	100,398	22,602	81.62%	18.38%
Cut-Away/Van 26'+, 7-Year, Gas	114,000	94,620	19,380	83.00%	17.00%
Cut-Away/Van 26'+, 7-Year, Diesel	153,000	126,989	26,011	83.00%	17.00%
Cut-Away/Van 26'+, 7-Year, CNG	171,000	141,929	29,071	83.00%	17.00%
Transit Bus 30' Diesel	474,000	382,307	91,693	80.66%	19.34%
Transit Bus 30' CNG	529,000	426,668	102,332	80.66%	19.34%
Transit Bus 30' Hybrid	640,000	516,195	123,805	80.66%	19.34%
Transit Bus 35' Diesel	487,000	392,705	94,295	80.64%	19.36%
Transit Bus 35' CNG	546,000	440,281	105,719	80.64%	19.36%
Transit Bus 35' Hybrid	658,000	530,595	127,405	80.64%	19.36%
Transit Bus 40' Diesel	502,000	404,723	97,277	80.62%	19.38%
Transit Bus 40' CNG	561,000	452,290	108,710	80.62%	19.38%
Transit Bus 40' Hybrid	678,000	546,617	131,383	80.62%	19.38%
Suburban Bus 45' Diesel	586,000	471,786	114,214	80.51%	19.49%
Over-the-Road 40' Diesel	586,000	471,786	114,214	80.51%	19.49%
Over-the-Road 40' CNG	656,000	528,143	127,857	80.51%	19.49%
Over-the-Road 40' Hybrid	791,000	636,830	154,170	80.51%	19.49%
Over-the-Road 45' Diesel	632,000	508,820	123,180	80.51%	19.49%
Over-the-Road 45' CNG	709,000	570,813	138,187	80.51%	19.49%
Over-the-Road 45' Hybrid	854,000	687,551	166,449	80.51%	19.49%
Over-the-Road 60' Diesel	834,000	670,480	163,520	80.39%	19.61%
Over-the-Road 60' CNG	934,000	750,873	183,127	80.39%	19.61%
Over-the-Road 60' Hybrid	1,126,000	905,228	220,772	80.39%	19.61%
Articulated 60' Diesel	710,000	570,792	139,208	80.39%	19.61%
Articulated 60' CNG	794,000	638,322	155,678	80.39%	19.61%
Articulated 60' Hybrid	957,000	769,363	187,637	80.39%	19.61%

Notes:

- Prices escalated 3.0% annually, rounded to nearest \$1,000
- Prices for buses and cut-aways include allowances for radios, fareboxes and Translink wiring and brackets.
- To calculate price without fareboxes and radios multiply values by .9822
- To calculate price without fareboxes multiply values by .9862
- To calculate price without radios multiply values by .9960
- To calculate price without Translink wiring and brackets subtract \$1,590

**Table 6: Regional Bus-Van Pricelist, FY 2011-12**

Vehicle Type	Total	Federal	Local	Federal %	Local %
Auto	29,000	24,198	4,802	83.44%	16.56%
Minivan Under 22'	52,000	43,390	8,610	83.44%	16.56%
Cut-Away/Van Under 26', 4 or 5-Year, Gas	80,000	65,299	14,701	81.62%	18.38%
Cut-Away/Van Under 26', 4 or 5-Year, Diesel	107,000	87,338	19,662	81.62%	18.38%
Cut-Away/Van Under 26', 4 or 5-Year, CNG	119,000	97,133	21,867	81.62%	18.38%
Cut-Away/Van Under 26', 7-Year, Gas	112,000	92,960	19,040	83.00%	17.00%
Cut-Away/Van Under 26', 7-Year, Diesel	150,000	124,499	25,501	83.00%	17.00%
Cut-Away/Van Under 26', 7-Year, CNG	168,000	139,439	28,561	83.00%	17.00%
Cut-Away/Van 26'+, 4 or 5-Year, Gas	84,000	68,564	15,436	81.62%	18.38%
Cut-Away/Van 26'+, 4 or 5-Year, Diesel	113,000	92,236	20,764	81.62%	18.38%
Cut-Away/Van 26'+, 4 or 5-Year, CNG	127,000	103,663	23,337	81.62%	18.38%
Cut-Away/Van 26'+, 7-Year, Gas	117,000	97,110	19,890	83.00%	17.00%
Cut-Away/Van 26'+, 7-Year, Diesel	158,000	131,139	26,861	83.00%	17.00%
Cut-Away/Van 26'+, 7-Year, CNG	176,000	146,079	29,921	83.00%	17.00%
Transit Bus 30' Diesel	488,000	393,599	94,401	80.66%	19.34%
Transit Bus 30' CNG	545,000	439,573	105,427	80.66%	19.34%
Transit Bus 30' Hybrid	659,000	531,520	127,480	80.66%	19.34%
Transit Bus 35' Diesel	502,000	404,800	97,200	80.64%	19.36%
Transit Bus 35' CNG	562,000	453,183	108,817	80.64%	19.36%
Transit Bus 35' Hybrid	678,000	546,722	131,278	80.64%	19.36%
Transit Bus 40' Diesel	517,000	416,816	100,184	80.62%	19.38%
Transit Bus 40' CNG	578,000	465,995	112,005	80.62%	19.38%
Transit Bus 40' Hybrid	698,000	562,742	135,258	80.62%	19.38%
Suburban Bus 45' Diesel	604,000	486,278	117,722	80.51%	19.49%
Over-the-Road 40' Diesel	604,000	486,278	117,722	80.51%	19.49%
Over-the-Road 40' CNG	676,000	544,244	131,756	80.51%	19.49%
Over-the-Road 40' Hybrid	815,000	656,153	158,847	80.51%	19.49%
Over-the-Road 45' Diesel	651,000	524,117	126,883	80.51%	19.49%
Over-the-Road 45' CNG	730,000	587,720	142,280	80.51%	19.49%
Over-the-Road 45' Hybrid	880,000	708,484	171,516	80.51%	19.49%
Over-the-Road 60' Diesel	859,000	690,578	168,422	80.39%	19.61%
Over-the-Road 60' CNG	962,000	773,383	188,617	80.39%	19.61%
Over-the-Road 60' Hybrid	1,160,000	932,561	227,439	80.39%	19.61%
Articulated 60' Diesel	731,000	587,674	143,326	80.39%	19.61%
Articulated 60' CNG	818,000	657,617	160,383	80.39%	19.61%
Articulated 60' Hybrid	986,000	792,677	193,323	80.39%	19.61%

Notes:

- Prices escalated 3.0% annually, rounded to nearest \$1,000
- Prices for buses and cut-aways include allowances for radios, fareboxes and Translink wiring and brackets.
- To calculate price without fareboxes and radios multiply values by .9822
- To calculate price without fareboxes multiply values by .9862
- To calculate price without radios multiply values by .9960
- To calculate price without Translink wiring and brackets subtract \$1,640

Note that bus prices include allowances for radios, fareboxes and Translink wiring and brackets. It should be noted in the project description if buses will be procured without these items, and programmed amounts will be adjusted as specified in the pricelist. Operators are encouraged to include Translink wiring and brackets in all new buses, so the buses are Translink-ready without

requiring additional expenses.

#### IV. PROJECT DEFINITION AND SCORING

##### Project Scoring

All FTA Section 5307 and FTA Section 5309 FG projects submitted to MTC for TCP programming consideration that have passed the screening process will be assigned scores by project category as indicated in Table 7.

**Table 7. Project Scores**

<b>Project Category/Description</b>	<b>Project Score</b>
<b>Revenue Vehicle Replacement</b>	<b>16</b>
Vehicle Replacement - replacement of a revenue vehicle at the end of its useful life (see Section III, Table 2). Vehicles previously purchased with revenue sources other than federal funds are eligible for FTA formula funding as long as vehicles meet the replacement age. Vehicles are to be replaced with vehicles of similar size (up to 5' size differential) and seating capacity, e.g. a 40-foot coach replaced with a 40-foot coach and not an articulated vehicle. If an operator is electing to purchase smaller buses, or do a sub-fleet reconfiguration, the replacement sub-fleet will have a comparable number of seats as the vehicles being replaced. Paratransit vehicles can be replaced with the next larger vehicle providing the existing vehicle is operated for the useful life period of the vehicle that is being upgraded to. Any other significant upgrade in size will be considered as vehicle expansion and not vehicle replacement. For urgent replacements not the result of deferred maintenance and replacement of assets 20% older than the usual replacement cycle (e.g. 12 or 16 years for buses depending on type of bus), a project may receive an additional point.	
<b>Revenue Vehicle Rehabilitation</b>	<b>16</b>
Vehicle Rehabilitation - major maintenance, designed to extend the useful life of a revenue vehicle (+5 years for buses, +20 years for railcars, +20 years for heavy hull ferries)	
<b>Used Vehicle Replacement</b>	<b>16</b>
Used Vehicle Replacement - replacement of a vehicle purchased used (applicable to buses, ferries, and rail cars) is eligible for federal, state, and local funding that MTC administers. Funds in this category include FTA Section 5307, STP, CMAQ, STIP, and Net Toll Revenues. However, funding for replacement of the used vehicle will be limited to a proportionate share of the total project cost, equal to the number of years the used vehicle is operated beyond its standard useful life divided by its standard useful life (e.g. if a transit property retained and operated a used transit bus for 5 years, it is eligible to receive 5/12 <sup>th</sup> of the allowable programming for the project).	

<b>Fixed Guideway Replacement / Rehabilitation</b>	<b>16</b>
Rehabilitation/Replacement Fixed Guideway - projects replacing or rehabilitating fixed guideway equipment at the end of its useful life, including rail, guideway, bridges, traction power systems, wayside train control systems, overhead wires, cable car infrastructure, and computer/communications systems with a primary purpose of communicating with or controlling fixed guideway equipment. Projects in this category are subject to fixed guideway project caps.	
<b>Ferry Propulsion Systems</b>	<b>16</b>
Ferry Propulsion Replacement—projects defined as the mid-life replacement and rehabilitation of ferry propulsion systems in order that vessels are able to reach their 25-year useful life. Projects in this category are subject to fixed guideway project caps.	
<b>Ferry Major Component</b>	<b>16</b>
Ferry Major Components—projects associated with propulsion system, inspection, and navigational equipment required to reach the full economic life of a ferry vessel. Projects in this category are subject to fixed guideway project caps.	
<b>Ferry Fixed Guideway Connectors</b>	<b>16</b>
Ferry Fixed Guideway Connectors—floats, gangways, and ramps associated with the safe moorage and boarding of passengers to/from ferry vessels. Projects in this category are subject to fixed guideway project caps.	
<b>Revenue Vehicle Communication Equipment</b>	<b>16</b>
Communication Equipment - Includes computer/communications systems with a primary purpose of communicating with and/or location/navigation of revenue vehicles, such as GPS/AVL systems. For operators who replace radios and base stations when the revenue vehicle/vessel is replaced, no additional system wide replacement will be funded through the regional capital priorities. For bus operators who elect the system wide replacement option, the regional participation in the project will be constrained by the radio allowance in the standard bus price (provided that the radio/base station is not replaced prior to the applicable replacement cycle).	
<b>Non-TransLink® Fare Collection/Fareboxes</b>	<b>16</b>
Revenue vehicle and wayside fare equipment are eligible for replacement as score 16. The maximum programming allowance for revenue vehicle fare equipment purchased separately from revenue vehicles is outlined in Section III, Project Funding Caps, providing the fare equipment is not replaced prior to the 12-year replacement cycle for buses. Fare equipment must be compatible with the TransLink® fare collection system.	
<b>TransLink®</b>	<b>16</b>
TransLink® - replacement of TransLink® fare collection equipment related to revenue vehicles and faregates.	

<b>Bus Diesel Emission Reduction Devices</b>	<b>16</b>
<p>Bus diesel emission reduction devices or device components required to meet or exceed California Air Resources Board requirements, including first-time retrofits, upgrades, replacements and spares. Devices or components must be installed on buses that will remain in service until at least 2014 in order to be treated as Score 16. Only spares up to 10% of the operator's current device inventory will be treated as Score 16. Bus diesel emission device projects treated as Score 16 require a 50% local match. Devices or components installed on buses scheduled to be replaced prior to 2014, and spares in excess of 10% of the operator's inventory, will be treated as Preventive Maintenance (Score 9). See Section V. Programming Policies, Bus Diesel Emission Reduction Device Funding Program.</p>	
<b>Safety</b>	<b>15</b>
<p>Safety/Security - projects addressing potential threats to life and/or property. The project may be maintenance of existing equipment or new safety capital investments. Includes computer/communications systems with a primary purpose of communicating with/controlling safety systems, including ventilation fans, fire suppression, fire alarm, intruder detection, CCTV cameras, and emergency "blue light" phones. Adequate justification that the proposed project will address safety and/or security issues must be provided. The TFWG will be provided an opportunity to review proposed projects before a project is programmed funds in a final program.</p>	
<b>ADA/Non Vehicle Access Improvement</b>	<b>14</b>
<p>ADA - capital projects needed for ADA <i>compliance</i>. Does not cover routine replacement of ADA-related capital items. Project sponsor must provide detailed justification that the project is proposed to comply with ADA. Subject to TFWG review.</p>	
<b>Fixed/Heavy Equipment, Maintenance/Operating Facilities</b>	<b>13</b>
<p>Fixed/Heavy equipment and Operations/Maintenance facility - replacement/rehabilitation of major maintenance equipment, generally with a unit value over \$10,000; replacement/rehabilitation of facilities on a schedule based upon the useful life of the components.</p>	
<b>Station/Intermodal Stations/Parking Rehabilitation</b>	<b>12</b>
<p>Stations/Intermodal Centers/Patron Parking Replacement/Rehab - replacement/rehabilitation of passenger facilities. Includes computer/communications systems with a primary purpose of communicating with/controlling escalators or elevators, and public address or platform display systems at stations or platforms.</p>	
<b>Service Vehicles</b>	<b>11</b>
<p>Service Vehicles - replacement/rehabilitation of non-revenue and service vehicles based on useful life schedules.</p>	

<b>Tools and Equipment</b>	<b>10</b>
Tools and Equipment - maintenance tools and equipment, generally with a unit value below \$10,000.	
<b>Office Equipment</b>	<b>9</b>
Office Equipment - computers, copiers, fax machines, etc. Includes administrative - MIS, financial, HR, scheduling, and maintenance management systems.	
<b>Preventive Maintenance</b>	<b>9</b>
Preventive Maintenance - ongoing maintenance expenses (including labor and capital costs) of revenue and non-revenue vehicles that do not extend the life of the vehicle. This includes mid-life change-out of tires, tubes, engines and transmissions that do not extend the life of the vehicle beyond the twelve years life cycle. <i>Note: Requests for preventive maintenance to meet budgetary shortfalls will be guided by the provisions outlined in Section V. Operators who wish to exchange a capital project for preventive maintenance funding in order to use their local funds to ease federal constraints or strictly as a financing mechanism may do so providing that the replacement asset funded with local funds is comparable to the asset being replaced and is maintained in service by the purchasing operator for its full useful life as outlined in Section V.</i>	
<b>Operational Improvements/Enhancements</b>	<b>8</b>
Operational Improvement/Enhancements - any project proposed to improve and/or enhance the efficiency of a transit facility.	
<b>Operations</b>	<b>8</b>
Operations—costs associated with transit operations such as the ongoing maintenance of transit vehicles including the cost of salaries. See Section V, Limited Use of FTA Funds for Operating Purposes.	
<b>Expansion</b>	<b>8</b>
Expansion - any project needed to support expanded service levels.	

## V. PROGRAMMING POLICIES

### **Project Apportionment Model for Eligible Urbanized Areas**

There are four elements that need to be considered to determine operators' urbanized area apportionment: multi-county agreements, high scoring capital needs, the 10% flexible set-aside amounts, and the 10% ADA set-aside amounts. The Regional Priority Model, as explained in paragraph (a), establishes funding priority for apportioning high scoring capital projects to eligible urbanized areas. Funding may be limited by multi-county agreements as explained in Paragraph (b) below.

Eligible programming revenues are net of the 10% flexible set-aside as outlined in paragraph (c) below, the 10% ADA set-aside shown in paragraph (d) below, and the Vehicle Procurement Reserve and Preventive Maintenance Reserve described at the end of this section.

- a) *Regional Priority Programming Model* - The 2000 census changes to the region's urbanized areas made numerous operators eligible to claim funds in more than one urbanized area. This has necessitated a procedure for apportioning projects to eligible urbanized areas. The *Regional Priority Model*, as described below, was fashioned to prioritize funds for the replacement of the region's transit capital plant, while minimizing the impact of the 2000 census boundary changes.

The model assumes a regional programming perspective and constrains regional capital demand to the amount of funds available to the region, prior to apportioning projects to urbanized areas. It then apportions projects to urbanized areas in the following order:

- i. Funds are apportioned first for operators that are the exclusive claimant in a single UA (e.g. LAVTA, Fairfield, etc.)
- ii. Fund projects for operators that are restricted to receiving funds in one urbanized area (e.g. SFMTA, AC, WestCAT, CCCTA, etc.)
- iii. Fund balance of operator projects among multiple urbanized areas, as eligibility allows, with the objective of fully funding as many high scoring projects as possible.
- iv. Reduce capital projects proportionately in urbanized areas where need exceeds funds available.
- v. Fund lower scoring projects (additional programming flexibility) to operators in urbanized areas where apportionments exceed project need.

- b) *Multi-County Agreements*: For some operators, urbanized area (UA) apportionments are guided by multi-county agreements. Aside from the acknowledged agreements, funds are apportioned based on the regional priority model.

There are three specific agreements that are being honored under the negotiated multi-county agreement model: the Caltrain Joint Powers Board Agreement, the Altamont Commuter Express (ACE) Cooperative Services Agreement and the Sonoma County-Santa Rosa City Bus Agreement.

Consideration for future agreements will include representation from each interested county, interested transit property, or an appointed designee, and be approved by all operators in the affected UA and MTC.

- c) *10% Flexible Set-Aside*: Prior to running the apportionment model, 10% of the FTA Section 5307 funds from each of the urbanized areas is redistributed based on apportioned ridership and FTA revenue factors, weighted equally. Table 8 shows the percentages by operator and urbanized area for this programming period. Urbanized areas not shown are either urbanized areas with only one operator or urbanized areas that have opted to not participate in the set-aside. Descriptions of these formulas are outlined below.

Apportioned Ridership: Ridership is apportioned based on how an operator reports their revenue miles to FTA. As an example, BART reports their revenue miles 71.28% in the San Francisco-Oakland UA, 26.14% in the Concord UA, and 2.58% in the Antioch UA. Instead of counting their total ridership, or 97.1 million, in each UA, ridership is apportioned to each UA based on the reporting factors.

FTA Revenue Factors: The set-aside is distributed on FTA revenue factors - bus tier and fixed guideway tier. Factors included in the analysis are revenue vehicle miles, passenger miles, and operating cost. Small-urbanized area set-asides are distributed to eligible operators based on a rough estimation of population and population density.

**Table 8: 10% Flexible Set-aside Shares by Urbanized Area and Operator**

Operator	SFO	SJ	Concord	Antioch	Vallejo	Napa	Livermore	Gilroy-MH	Petaluma
AC Transit	15.7%								
ACE	1.5%		1.6%						
BART	25.4%		76.9%	47.9%					
Caltrain	3.3%	9.6%							
CCCTA			16.5%						
ECCTA				52.1%					
GGBHTD	5.1%								58.4%
LAVTA			5.0%				100.0%		
Napa					13.5%	100.0%			
Petaluma									13.8%
SamTrans	4.8%								
SFMTA	40.9%								
Sonoma County									27.8%
Union City	0.2%								
Vallejo/Benicia	2.0%				86.5%				
VTA		90.4%						100.0%	
WestCat	0.5%								
WETA (Alameda Ferry)	0.6%								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

- 1) Urbanized Areas not shown are not participating in 10% flexible set-aside policy.
- 2) Formula based on hybrid of apportioned ridership and revenue factors (equally weighted).
- 3) Ridership based on MTC's 2004 Statistical Summary of Bay Area Operators (FY 2002-03 data).
- 4) Revenue factors based on FY 2001-2002 NTD data received from operators.
- 5) Shares for Petaluma Transit and WETA based on 2007 data.
- 6) Distribution in Petaluma UA revised by agreement of eligible operators.
- 7) To calculate funding amounts, multiply 10% of related urbanized area revenue estimate against percentages shown for operators in that urbanized area.

Flexible Set-Aside funds will not be programmed for the FY 2010-11 program year due to lower federal apportionments and projected shortfalls in FY 2011-12. The region's ability to program Flexible Set-Aside funds in FY 2011-12 will be evaluated based on projected apportionments and high-scoring capital project needs.

- d) *10% ADA Paratransit Service Set-Aside:* SAFETEA establishes a cap on the use of large urbanized area capital funds for ADA paratransit services not to exceed 10% of the region's apportionment of FTA Section 5307 funds. An amount equal to 10% of each participating urbanized area's FTA Section 5307 apportionment will be set-aside to assist operators in defraying ADA paratransit operating expenses. The purpose of this set-aside is to ensure that in any one year, a transit operator can use these funds to provide ADA service levels necessary to maintain compliance with the federal law, without impacting existing levels of fixed route service. ADA set-aside programmed to small UA operators will not impact eligible programming amounts in large UAs. Table 9 shows the percentages by operator and urbanized area for this programming period.

**Table 9: ADA Set-aside Amounts by Urbanized Area and Operator**

Operator	San Francisco-Oakland	San Jose	Concord	Antioch	Vallejo	Livermore	Gilroy-MH
AC Transit	31.1%						
ACE	1.7%		14.1%				
BART	14.7%		46.0%	22.2%			
Caltrain	3.3%	15.0%					
CCCTA			32.3%				
Fairfield-Suisun Transit	Not Applicable						
GGBHTD	8.8%						
LAVTA			7.6%			100.0%	
Napa VINE					7.0%		
SFMTA	29.5%						
SamTrans	7.8%						
SCVTA		85.0%					100.0%
SR City Bus	Not Applicable						
Sonoma Cty Transit	Not Applicable						
Tri-Delta				77.8%			
Union City							
Vacaville	Not Applicable						
Vallejo Transit	2.1%				93.0%		
WestCat	0.9%						
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Notes:

- 1) Urbanized Areas not shown are not participating in 10% ADA set-aside policy.
- 2) Formula roughly based on generations with an element of the rail operator portion allotted to bus operators because bus operators generally shoulder a greater share of the ADA operations.
- 3) To calculate funding amounts, multiply 10% of related urbanized area revenue estimate against percentages shown for operators in that urbanized area.

An operator may use its share of the FTA Section 5307 set-aside for capital purposes or preventive maintenance if the operator can certify that:

- Their ADA paratransit operating costs are fully funded in its proposed annual budget;
- For jointly funded paratransit services, operators' FTA Section 5307 ADA set-aside shares have been jointly considered in making decisions on ADA service levels and revenues.

If MTC is satisfied with the operator's certification, the operator may re-program its set-aside for any unfunded transit capital projects or preventive maintenance. To ensure that the Section 5307 10% set-aside funding is duly considered for annual ADA paratransit needs, there will be no multi-year programming of the 10% ADA set-aside to capital-only purposes.

**Limited Use of FTA Funds for Operating Purposes**

FTA permits the use of FTA Section 5307 small urbanized funds to be used for operating purposes. For operators eligible to claim in both large and small urbanized areas, the amount of funds used for operating will be deducted from the amount of capital claimed in the large UA.

### **Specified Urbanized Area Flexibility**

In urbanized areas with only one transit operator (Fairfield, Vacaville, Napa) greater flexibility for funding lower scoring projects will be allowed, providing that other operators in the region are not impacted. These operators will also be allowed to use funds for operating, without reduction of funding for capital projects, providing that capital is adequately maintained and replaced on a reasonable schedule as outlined in each operator's SRTPs and in accordance with goals outlined in the RTP for maintaining the region's capital plant (maintenance of effort).

### **Transit Enhancements**

TEA-21 requires that 1% of the FTA section 5307 apportionment be set aside for transit enhancements. Eligible projects include: historic preservation, rehabilitation, and operation of historic mass transportation buildings, structures, and facilities, bus shelters, landscaping and other scenic beautification, public art, pedestrian access and walkways, bicycle access, including bicycle storage facilities, transit connections to parks, signage, and enhanced access for persons with disabilities to mass transportation.

Due to the overwhelming needs to sustain the current transit capital plant, funded score 16 projects which can be identified as eligible transit enhancement project candidates would count against the 1% set-aside for transit enhancements, including, but not limited to, rehabilitation of cable cars and historic cars, and bike racks to be procured as part of a bus purchase. Any remaining balance will be put into a reserve for funding eligible projects in subsequent years.

### **Preventive Maintenance Funding for Operating Purposes (non-Reserve or Flexible Set-Aside Funds)**

Preventive maintenance will be considered a score 9 funding priority in Transit Capital Priorities, unless a fiscal need exists and can be demonstrated accordingly by the requesting operator based on the guidelines outlined below. MTC must declare that a fiscal need exists to fund preventive maintenance where such action would displace higher scoring capital projects ready to move forward in a given fiscal year. A fiscal need can be declared if the following conditions exist:

- An operator can demonstrate in a board-approved budget or budget assumption that a shortfall exists; this budget or budget assumption must consider MTC's latest adopted fund estimate and/or Short-Range Transit Plan forecasts for transit-specific revenues.
- An operator must demonstrate that all reasonable cost control and revenue generation strategies have been implemented and that a residual shortfall remains.
- An operator can demonstrate that the shortfall, if not addressed, would result in a significant service reduction.

The Commission will consider the severity of the shortfall and the scope and impact of the service cuts in determining whether fiscal need exists. Operators establishing a fiscal need must also adhere to the following four requirements in order to be eligible to receive funding for preventive maintenance:

- i. Operators must successfully show a board approved bridging strategy that will sustain financial recovery beyond the year for which preventive maintenance is requested.
- ii. The bridging strategy should not rely on future preventive maintenance funding to achieve a balanced budget. In other words, should a service adjustment be required to balance the budget over the long run, preventive maintenance should not be invoked as a stopgap to inevitable service reductions.
- iii. Funds programmed to preventive maintenance should not be considered as a mechanism to sustain or replenish operating reserves.
- iv. Operators requesting FTA formula funds to meet operating shortfalls will be limited to two years preventive maintenance funding within a 12-year period.

Concepts for Preventive Maintenance Allowance – For an individual operator to make use of preventive maintenance funding, other operators in the region must be able to move forward with planned capital replacement. The following two mechanisms will ensure both protection of capital replacement and flexibility for preventive maintenance:

- Capital Exchange – In this option, an operator could elect to remove an eligible capital project from TCP funding consideration for the useful life of the asset in exchange for preventive maintenance funding. The funding is limited to the amount of capital funding an operator would have received under the current TCP policy in a normal economic climate. If an operator elects to replace the asset - removed from regional competition for funding under these provisions – earlier than the timeline established for its useful life, the replacement will be considered an expansion project.
- Negotiated Agreement within an Urbanized Area – In the second option, an operator may negotiate with the other operators in the affected urbanized areas to receive an amount of preventive maintenance funding, providing that a firewall is established between the affected urbanized area(s) and all other urbanized areas. This will ensure that other operators' high-scoring capital replacement projects are not jeopardized.

The requesting operator will enter into an MOU with MTC and, if applicable, other transit properties affected by the preventive maintenance agreement. The agreement will embody the four eligibility requirements outlined above as well as any other terms and

conditions of the agreement. It is the intent of this policy that funding for preventive maintenance will not increase the region's transit capital shortfall.

### **Reserve for Major Vehicle Procurements**

The proposed TCP programs for FY 2009-10, FY 2010-11 and FY 2011-12 will include a vehicle procurement reserve which will direct approximately \$150 million of revenues (total over the three-year program) to help meet the future peak expenditures for major vehicle procurement projects and closely related projects, including BART's and Caltrain's railcar replacements, and SFMTA's trolley car replacement. Caltrain's railcar replacement project is part of a program of closely related projects, including an Advanced Signal System, required to electrify the Caltrain corridor. For purposes of the vehicle procurement reserve, the Caltrain railcar replacement and the Advanced Signal System project are eligible. Most of the costs for the major procurements will be incurred in the FY 2015 to FY 2018 period, causing total Score 16 needs in those years to far exceed projected revenues. Conversely, revenues during the FY 2010 to FY 2012 period are expected to exceed capped Score 16 needs by approximately \$200 million.

MTC staff has been working with BART to develop a financing plan for the BART project, and the regional Capital Improvement Program projections used to inform the development of the TCP policy assume that the region will dedicate approximately \$730 million in FTA funds to the first phase of the project over the next ten years. The Phase 1 Funding Plan provides for approximately \$1 billion of the total project, and includes all project development work, prototypes and testing, and an initial order of 200 vehicles. This element of the TCP policy is based on a commitment to this project funding plan; the BART Board approved their commitment on April 22, 2010. MTC staff is also working with Caltrain and SFMTA to develop detailed approaches to funding their projects.

The Vehicle Procurement Reserve (VPR) will be programmed based on the following criteria:

- Cost of the project relative to annual TCP funding;
- Other funding available for the project, including TCP funds aside from the VPR;
- Timing of funding needs based on vehicle eligibility for replacement and the project's procurement schedule.

MTC staff will provide an assessment of the projected costs and schedules of the major upcoming vehicle procurements against these criteria in conjunction with the proposed VPR program. Programming of the VPR will not be subject to the Project Funding Caps for vehicle procurements specified in Section III Project Eligibility. The VPR program will not be added to the regional Transportation Improvement Program (TIP) until the rest of the FY 2011 and FY2012 TCP program is added to the TIP, after review of updated revenue and cost projections, and potential revisions to the program. This timing will allow for potential revisions to the proposed VPR program if the schedules or projected expenditure plans for the vehicle procurement projects change. MTC staff will continue to work with the staff of BART, Caltrain

and SFMTA to refine the funding plans for the vehicle replacement projects, including appropriate levels of local match.

**Preventive Maintenance Reserve**

In order to help address operating shortfalls, the proposed TCP programs for FY 2009-10, FY 2010-11 and FY 2011-12 will dedicate approximately \$50 million over the three-year program as flexible funding that can be used for any eligible project, including preventive maintenance. The funds are proposed to be distributed using the flexible set-aside formula detailed in Table 8. The funds will not be subject to the current TCP preventive maintenance policy requiring that assets exchanged for PM be removed from the program for the life cycle of the asset. Operators will have flexibility in terms of which year to request the flexible funds, and may request all or a portion of their share in any of the three years, FY10 – FY12. Operators must provide a narrative or excerpts from their adopted budget or SRTP explaining how the use of preventive maintenance fits within a strategy to stabilize their operating budget. The amounts of each operator’s allocation of the Preventive Maintenance Reserve is shown in Table 10.

**Table 10. Preventive Maintenance Reserve FY 2010-2012**

Operator	Total
AC Transit	4,948,876
ACE	565,869
BART	12,599,452
Caltrain	1,977,128
CCCTA	827,797
ECCTA	775,548
GGBHTD	1,781,012
LAVTA	580,921
Napa VINE	540,712
Petaluma	16,404
SamTrans	1,514,718
SFMTA	12,929,243
Sonoma Transit	74,255
Union City	57,114
Vallejo	1,499,545
VTA	8,971,810
WCCTA	146,362
WETA (Alameda Ferry)	193,233
Total	50,000,000

Notes:

Programming for WETA will be made contingent on adoption of the transition plan for assumption of responsibility for the Alameda and Vallejo ferry services required by SB 976.

### **Bus Diesel Emission Reduction Device Funding Program**

MTC provided approximately \$14 million in CMAQ funds in FY 2003-04 and FY 2004-05 to assist with the procurement of approximately 1,600 bus emission reduction devices to help operators meet California Air Resources Board (CARB) requirements. The devices have reached or are approaching the end of their five-year warranty period, and some of the devices or their components may need to be replaced. New upgraded devices also provide greater NOx reduction benefits than the original devices. In addition, first-time retrofits are required for some of the region's older buses in order to meet CARB requirements.

In response to the need to install or replace bus diesel emission reduction devices to comply with CARB requirements at a time when operator's preventive maintenance budgets are under severe stress due to state budget cuts and the economy, the Transit Capital Priorities policy includes a bus emission reduction device funding program. The elements of this policy attempt to strike a balance between facilitating operators' ability to remain in compliance with CARB requirements and to exceed those requirements by achieving greater NOx reductions on the one hand, and making the most effective use of the region's limited capital funds on the other. The elements of bus emission reduction device replacement program are:

- Requests to replace bus emission reduction devices or device components in order to maintain compliance with or exceed CARB requirements, including first-time retrofits, upgrades, replacements and spares, will be treated as Score 16 projects, subject to the following requirements.
- In order to be treated as Score 16, devices or components must be installed on buses that are scheduled to remain in service until at least 2014. Devices or components to be installed on buses that are scheduled to be replaced prior to 2014 will be treated as Preventive Maintenance (Score 9).
- Requests to procure spare devices or components up to 10% of the operators current device inventory will be treated as Score 16. Spare devices or components in excess of 10% of the inventory will be treated as Preventive Maintenance (Score 9)
- Projects treated as Score 16 under the bus emission reduction device funding program require a 50% local match, rather than the standard 20%. The intent of this element is to encourage cost-effective use of the region's limited capital funding, and to align with the original policy for procuring the devices, which had the regional contribution to NOx reduction and the local contribution for PM reduction.
- Participation in the program is entirely voluntary. It is the responsibility of each operator to determine the best approach to achieving and maintaining compliance with CARB requirements.

**APPENDIX 1 – BOARD RESOLUTION**

*Sample Resolution of Board Support  
FTA Section 5307 and 5309 Fixed Guideway (FG) Project and Surface Transportation  
Program Application*

Resolution No. \_\_\_\_\_

**AUTHORIZING THE FILING OF AN APPLICATION FOR FTA SECTION 5307 AND  
5309 FIXED GUIDEWAY(FG) AND SURFACE TRANSPORTATION PROGRAMS  
FUNDING FOR (project name) AND COMMITTING THE NECESSARY LOCAL  
MATCH FOR THE PROJECT(S) AND STATING THE ASSURANCE OF (name of  
jurisdiction) TO COMPLETE THE PROJECT**

**WHEREAS**, the successor to the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (Public Law Public Law 109-59, August 10, 2005) is anticipated to continue the Federal Transit Administration Formula Programs (23 U.S.C. §53) and Surface Transportation Program (23 U.S.C. § 133); and

**WHEREAS**, pursuant to SAFETEA-LU, and the regulations promulgated there under, eligible project sponsors wishing to receive Federal Transit Administration (FTA) Section 5307 and Section 5309 Fixed Guideway (FG) Formula or Surface Transportation Program grants for a project shall submit an application first with the appropriate metropolitan transportation planning organization (MPO), for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

**WHEREAS**, the Metropolitan Transportation Commission is the MPO for the San Francisco Bay region; and

**WHEREAS**, (applicant) is an eligible project sponsor for FTA Section 5307, FTA 5309 FG, or Surface Transportation Program funds; and

**WHEREAS**, (applicant) wishes to submit a grant application to MTC for funds from the FY 2008-09 FTA Section 5307 and FTA 5309 FG, or Surface Transportation Program funds for the following project:

(project description) .

**WHEREAS**, MTC requires, as part of the application, a resolution stating the following:

- 1) the commitment of necessary local matching funds of at least of 20% for FTA Section 5307 and FTA Section 5309 FG and 11.47% for Surface Transportation Program funds; and
- 2) that the sponsor understands that the FTA Section 5307, FTA Section 5309 FG and Surface Transportation Programs funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded FTA Section 5307, FTA Section 5309 FG and Surface Transportation Programs funds; and
- 3) the assurance of the sponsor to complete the project as described in the application, and if approved, as programmed in MTC's TIP; and
- 4) that the sponsor understands that FTA funds must be obligated within three years of programming and the Surface Transportation Program funds must be obligated by September 30 of the year that the project is programmed for in the TIP, or the project may be removed from the program.

***Resolved, that (agency name) is an eligible sponsor of projects in the FTA Sections 5307 and 5309 FG and STP Programs; and be it further***

***Resolved, that (agency name) is authorized to submit an application for FTA Sections 5307 and 5309 FG and STP funds for (project name); and be it further***

***Resolved, that there is no legal impediment to (agency name) making applications for FTA Sections 5307 and 5309 FG and STP funds; and be it further***

***Resolved, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of (agency name) to deliver such project; and be it further***

**NOW, THEREFORE, BE IT RESOLVED** by (governing board name) that (applicant) is authorized to execute and file an application for funding under the FTA Section 5307, FTA Section 5309 FG, and/or Surface Transportation Program in the amount of (\$request) for (project description); and

**BE IT FURTHER RESOLVED** that (governing board) by adopting this resolution does hereby state that:

- 1) (applicant) will provide (\$ match amount) in local matching funds; and
- 2) (applicant) understands that the FTA Sections 5307 and 5309 FG and STP funding for the project is fixed at ( \$ actual amount), and that any cost increases must be funded by the (applicant) from local matching funds, and that (applicant) does not expect any cost

increases to be funded with FTA Sections 5307 and 5309 FG and Surface Transportation Program funds; and

- 3) (project name) will be built as described in this resolution and, if approved, for the amount shown in the Metropolitan Transportation Commission (MTC) Transportation Improvement Program (TIP) with obligation occurring within the timeframe established below; and
- 4) The program funds are expected to be obligated by September 30 of the year the project is programmed for in the TIP; and

**BE IT FURTHER RESOLVED**, that (agency name) agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866; and

**BE IT FURTHER RESOLVED** that a copy of this resolution will be transmitted to the MTC in prior to MTC programming the FTA Section 5307 and 5309 FG or Surface Transportation Program funded project in the Transportation Improvement Program (TIP); and

**BE IT FURTHER RESOLVED** that the MTC is requested to support the application for the project described in the resolution and to program the project, if approved, in MTC's TIP.

**APPENDIX 2 – OPINION OF COUNSEL**

***Sample Opinion of Legal Counsel  
FTA Section 5307, FTA Section 5309 FG, and STP Project Application***

(Date)

To: Metropolitan Transportation Commission  
Fr: (Applicant)  
Re: Eligibility for FTA Section 5307 Program, FTA 5309 Fixed Guideway (FG) Program, and Surface Transportation Program (STP)

This communication will serve as the requisite opinion of counsel in connection with the application of (Applicant) \_\_\_\_\_ for funding from the FTA Section 5307 and 5309 FG, and STP Programs made available pursuant to the Reauthorization of SAFETEA Legislation.

1. (Applicant) \_\_\_\_\_ is an eligible sponsor of projects for the FTA Section 5307, FTA Section 5309 FG, and STP Programs.
2. (Applicant) \_\_\_\_\_ is authorized to submit an application for FTA Section 5307, FTA Section 5309 FG, and STP funding for (project) \_\_\_\_\_.
3. I have reviewed the pertinent state laws and I am of the opinion that there is no legal impediment to (Applicant) \_\_\_\_\_ making applications FTA Section 5307, FTA Section 5309 FG, and STP Program funds. Furthermore, as a result of my examinations, I find that there is no pending or threatened litigation which might in any way adversely affect the proposed projects, or the ability of (Applicant) \_\_\_\_\_ to carry out such projects.

Sincerely,

\_\_\_\_\_  
Legal Counsel

\_\_\_\_\_  
Print name

***Optional Language to add to the Resolution for Local Support***

Project sponsors have the option of consolidating the ‘Opinion of Legal Counsel’ within the Resolution of Local Support, by incorporating the following statements into the Resolution of Local Support:

***Resolved, that (agency name) is an eligible sponsor of projects in the FTA Sections 5307 and 5309 FG and STP Programs; and be it further***

***Resolved, that (agency name) is authorized to submit an application for FTA Sections 5307 and 5309 FG and STP funds for (project name); and be it further***

***Resolved, that there is no legal impediment to (agency name) making applications for FTA Sections 5307 and 5309 FG and STP funds; and be it further***

***Resolved, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of (agency name) to deliver such project; and be it further***

If the above language is not provided within the Resolution of Local Support, an Opinion of Legal Counsel is required as provided (Attachment 9, page 1).