



August 11, 2022

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Federal Transit Administration Program of Projects for Federal Fiscal Year 2021-22

Overview

The Orange County Transportation Authority annually prepares a program of projects to secure Federal Transit Administration formula grants for bus and rail capital projects as well as the related operating costs. The federal fiscal year 2022 program is presented for the Board of Directors' review and approval.

Recommendations

- A. Approve the federal fiscal year 2022 program of projects for Federal Transit Administration Section 5307 Urbanized Area Formula, Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities, Section 5337 State of Good Repair, and Section 5339 Bus and Bus Facilities programs including other federal and local funds, and the use of match credit for projects included in this report.
- B. Approve the five-year programming plans for Federal Transit Administration Sections 5307, 5310, 5337, and 5339.
- C. Approve the use of \$3.661 million in federal Congestion Mitigation and Air Quality Improvement Program funds for the following projects:
 - Southern California Regional Rail Authority Operating Subsidy Suballocation for Reinstatement (\$2.510 million), and
 - Southern California Regional Rail Authority New Capital for Replacement Locomotives (\$1.151 million).
- D. Authorize staff to adjust individual project funding consistent with final apportionments and eligibility determinations through the Infrastructure Investment and Jobs Act, and direct staff to include updated numbers in grant and programming status reports.

- E. Authorize the Chief Executive Officer or his designee to submit the Federal Transit Administration grant applications required for the recommendations above to the Federal Transit Administration.
- F. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all necessary agreements to facilitate the above actions.

Background

The Infrastructure Investment and Jobs Act (IIJA) was passed by Congress and signed into law by President Biden on November 15, 2021. The IIJA provides new funding levels for surface transportation programs, including financial assistance for public transportation services for the federal fiscal year (FFY) 2022 through FFY 2026. The Federal Transit Administration (FTA) distributes the IIJA federal formula transit funds to designated recipients through four major funding programs:

- 1) FTA Section 5307 Urbanized Area Formula Program (FTA 5307),
- 2) FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program (FTA 5310),
- 3) FTA Section 5337 State of Good Repair Program (FTA 5337), and
- 4) FTA Section 5339 Bus and Bus Facilities Program (FTA 5339).

The FTA publishes annual apportionments for each program. The Southern California Association of Governments (SCAG) then confirms the apportionments for each recipient in the SCAG region. Following that confirmation, the Orange County Transportation Authority (OCTA), as a recipient transit agency, is able to submit grant applications consistent with the authorized apportionment. The full apportionment for FFY 2022 was released by FTA in April 2022.

OCTA also receives annual apportionments from the Federal Highway Administration (FHWA) of federal Congestion Mitigation and Air Quality Improvement (CMAQ) Program funds. When these funds are applied to transit or rail projects, the funds are transferred from FHWA to the FTA and are included in FTA grants as FTA 5307 transfer funds.

The FTA requires agencies to have a formal public participation process for the adoption of the transit program of projects (POP). OCTA satisfies this requirement through the SCAG Federal Transportation Improvement Program approval process, which includes a public hearing and meets the FTA requirement.

Discussion

The proposed selection of projects for FTA funding by OCTA is based on the current Board of Directors (Board)-adopted policies outlined in the Capital Programming Policies (CPP) (Attachment A), federal funding rules and regulations, and OCTA's adopted Comprehensive Business Plan (CBP). Project descriptions for the proposed FFY 2022 FTA POP are provided in Attachment B.

The proposed FFY 2022 FTA POP, organized by the FTA program, is provided in Attachment C. In addition, the proposed FTA POP for FFY 2022, organized by project and type of transit service, is provided in Attachment D.

The FFY 2022 FTA POP directs the funds attributable to the Anaheim Transportation Network (ATN) service to ATN through a subrecipient process. In prior years, OCTA provided an equivalent amount of local funds to ATN and utilized the federal funds for OCTA projects. However, passing the funds through to ATN will allow OCTA to expedite the drawdown of federal funds as the ATN and OCTA expenditures will occur simultaneously.

FTA 5307

OCTA expects to receive \$77.155 million in FTA 5307 funds for FFY 2022. The use of funds for the projects listed below allows for the most immediate use of grant funds, thereby improving OCTA's transit program cash flow. The funds generated by ATN are recommended to be suballocated to ATN through a subrecipient process.

- Fixed-route bus preventive maintenance (\$18.249 million),
- Southern California Regional Rail Authority (SCCRA) preventive maintenance (\$17.032 million),
- Non-fixed-route paratransit operating assistance (\$15.404 million),
- Capital cost of contracted transit services (\$13.835 million),
- SCCRA rehabilitation and renovation (\$9.321 million),
- SCRRRA new capital (\$2.297 million), and
- ATN suballocation primarily for preventive maintenance (\$1.018 million).

The FFY 2022 FTA 5307 project list includes an increase in funding for SCRRA over prior years. This is consistent with SCRRA's fiscal year (FY) 2022-23 budget request, which included increases in both operations and rehabilitation expenses over prior years. The influx of federal stimulus dollars allows OCTA to fully support bus program needs and address the greater funding need for rail program per the SCRRA FY 2022-23 budget.

FTA 5310

OCTA expects to receive \$3.309 million in FTA 5310 Enhanced Mobility of Seniors and Individuals with Disabilities funds for FFY 2022. These funds are proposed to be used for the capital cost of contracting for OC ACCESS services, consistent with the CPP assumptions. OC ACCESS service provides curb-to-curb paratransit service for seniors and the disabled in Orange County. Staff relied on the OCTA Human Services Transportation Coordination Plan, which was developed by OCTA as the Consolidated Transportation Service Agency and approved by the Board on November 23, 2020, to develop the recommended uses consistent with federal guidance. The proposed use of funds also allows for the most immediate use of grant funds, thereby improving OCTA's cash flow.

As background, FTA 5310 funds are intended to support non-profit organizations and local public agencies to help meet the special transportation needs of seniors and individuals with disabilities. However, to relieve these organizations from the burden of administration of federal funds, OCTA provides local funds to these agencies to streamline project implementation and retains the federal apportionment to support OC ACCESS. Most recently, OCTA awarded \$2.750 million in local funding to 14 capital projects and operating services.

FTA 5337

OCTA expects to receive \$27.558 million in FTA 5337 State of Good Repair funds for FFY 2022. The following projects are proposed for these funds (Attachments C and D).

- SCRRA rehabilitation and renovation (\$18.686 million),
- SCRRA rehabilitation – emergency track stabilization (\$4 million),
- OCTA bus preventive maintenance (\$3.906 million), and
- San Juan Creek bridge replacement (\$0.966 million).

Each year, OCTA, as a member agency of SCRRA, is asked to fund rehabilitation projects that are required to maintain the system in a state of good repair. FTA 5337 can only be used for this type of work. Consistent with the CPP, funds are split between rail and bus based on the formula used to calculate the revenues.

FTA 5339

OCTA expects to receive \$5.951 million in FTA 5339 bus and bus facilities funds for FFY 2022. The use of these funds is proposed primarily for the Paratransit Vehicle Replacement Project. The funds generated by ATN are recommended to be suballocated to ATN through a subrecipient process. ATN will use the suballocated funds to purchase new bus lifts and bus ladders.

There are currently up to 131 paratransit vehicles that are due to be replaced, consistent with the useful life of vehicles defined by OCTA's Transit Asset Management Plan. The FFY 2022 funds will support the replacement of up to 41 vehicles. The remaining vehicles will be replaced using future FTA 5339 funds.

- Paratransit Vehicle Replacement Project (\$5.827 million), and
- ATN suballocation for bus lifts and ladders (\$0.125 million).

FFY 2021-22 FTA POP

The following table summarizes the recommended formula programming by system for the FFY 2022 FTA POP.

Formula Programs	Bus	Rail	ATN	Total
FTA 5307	\$ 47,487,642	\$ 28,650,021	\$ 1,017,690	\$ 77,155,353
FTA 5310	\$ 3,308,661			\$ 3,308,661
FTA 5337	\$ 3,906,000	\$ 23,651,861		\$ 27,557,861
FTA 5339	\$ 5,826,512		\$ 124,959	\$ 5,951,471
Total	\$ 60,528,815	\$ 52,301,882	\$ 1,142,649	\$ 113,973,346

Overall, the proposed FFY 2022 FTA POP includes \$113.973 million of FTA formula funding for transit projects, which is an increase of 31 percent over the FFY 2021 FTA POP, which only provided \$86.951 million. Also included in the FFY 2022 FTA POP is \$4.851 million of local match funds for non-fixed route paratransit operating assistance and SCRRRA rehabilitation for emergency track stabilization. Of the total formula funding recommended, approximately 46 percent will be used for investments in rail programs, approximately 53 percent will be utilized for bus transit programs, and one percent for ATN projects. The funding for OCTA bus also breaks down to approximately 90 percent directed towards capitalized operating expenses and approximately ten percent for capital projects. Directing the majority of the federal funds towards capitalized operating expenses allows for timely use of grant funds, thereby reducing pressure on local transit funds, which tend to be more flexible and can also contribute to OCTA's reserve for future needs.

Five-Year Programming Plans

To complete the FY2022 POP, OCTA also develops five-year programming plans for each FTA funding program. These funding plans reflect OCTA's future transit project and service needs. In addition, these plans allow OCTA to expedite transit projects or service delivery and have the ability to seek federal reimbursement once federal grants are in place. The five-year programming plan for projects and services funded with FTA 5307, FTA 5310, FTA 5337, and FTA 5339 programs are provided in Attachments E-H.

These programming plans are consistent with the typical use of FTA funds as expected in the CBP and conform to the CPP. The plans can also be updated as better information on needs and funding levels become available. The funding plans include use of FTA funds to support bus and rail preventive maintenance, capitalized cost of contracting, OC Access costs, commuter rail rehabilitation, and continued paratransit vehicle replacements.

CMAQ

In June 2022, the Board approved the SCRRA's request for an operations budget of \$46.167 million for the FY 2022-23 SCRRA Budget. In order to support this budget, while maximizing external funds, staff is proposing a combination of the FTA 5307 (\$9.321 million), noted above, \$22.274 million in previously approved American Rescue Plan Act funds, \$4.351 million in previously approved Coronavirus Response and Relief Supplemental Appropriations Act funding, and \$2.510 million in CMAQ funds. CMAQ funds can be used for the reinstatement of service as that is considered service expansion. While SCRRA has decided to delay planned reinstatement of service in FY 2022-23, Metrolink service increased by seven percent from 57 trains to 61 trains effective April 2022. This expanded/reinstated service is eligible to use the CMAQ funding proposed.

Additionally, OCTA is recommending utilizing \$1.151 million in CMAQ funds for the OCTA match for the Tier 4 Replacement Locomotives project. This use is consistent with the CPP, as the CMAQ funds will be used towards the purchase of Tier 4 locomotives. The Tier 4 locomotives reduce emissions by 85 percent compared with SCRRA's oldest locomotives, thus contributing to improved air quality.

Next Steps

With Board approval, staff will initiate the programming and grant process for the projects included in this report. The changes that are requested in this report have been added to the OCTA Capital Funding Program Report in Attachment I.

Summary

Board approval is requested to program \$113.973 million in FTA formula funding for the FFY 2021-22 FTA POP, the five-year programming plan for FTA 5307, 5310, 5337, and 5339, and \$3.661 million in federal CMAQ funds.

Attachments


- A. Capital Programming Policies by Fund Source, December 2021
- B. Orange County Transportation Authority, Federal Transit Administration Program of Projects Description
- C. Proposed Program of Projects for Federal Fiscal Year 2022 by Fund Source
- D. Proposed Program of Projects (POP) for Federal Fiscal Year (FFY) 2022 by Project
- E. Proposed Five-Year Programming Plan for FTA Section 5307 Funds, Urbanized Area Formula Program (FFY 2022 through FFY 2026)
- F. Proposed Five-Year Programming Plan for FTA Section 5310 Funds, Enhanced Mobility of Seniors and Individuals with Disabilities Program (FFY 2022 through FFY 2026)
- G. Proposed Five-Year Programming Plan for FTA Section 5337 Funds, State of Good Repair Program (FFY 2022 through FFY 2026)
- H. Proposed Five-Year Programming Plan for FTA Section 5339 Funds, Bus and Bus Facilities Program (FFY 2022 through FFY 2026)
- I. Capital Funding Program Report

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