



October 10, 2024

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" line.

Subject: Federal Transit Administration Program of Projects for Federal Fiscal Year 2023-24

Overview

The Orange County Transportation Authority annually prepares a program of projects to secure Federal Transit Administration formula grants for transit capital projects, capitalized cost of contracting, and preventive maintenance. The federal fiscal year 2023-24 program, including amendments to prior programs, is presented for Board of Directors' review and approval.

Recommendations

- A. Approve the federal fiscal year 2023-24 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 Program of Projects, including federal and local funds, and the use of match credit for projects included in this report.
- B. Approve changes to funding for Preventive Maintenance and Capital Cost of Contracting in prior federal fiscal years for Federal Transit Administration, Section 5307 Urbanized Area Formula Program of Projects, including federal and local funds, and the use of match credit for projects to comply with guidelines for use of the funding.
- C. Approve the five-year programming plan for Federal Transit Administration Section 5307 Urbanized Area Formula, Federal Transit Administration Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities, Federal Transit Administration Section 5337 State of Good Repair, and Federal Transit Administration Section 5339 Bus and Bus Facilities.

- 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 that are 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 enacted by Congress and signed into law by President Biden on November 15, 2021. The IIJA provides funding for public transportation programs for federal fiscal year (FFY) 2021-22 through FFY 2025-26 as well as advance appropriations for certain programs. The IIJA provides funding of up to \$108 billion for federal public transportation programs with \$91 billion in guaranteed funding. Under the IIJA, the Federal Transit Administration (FTA) makes federal formula funds available through annual apportionments for four major funding programs:

- FTA Section 5307 Urbanized Area Formula Program (FTA 5307)
- FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program (FTA 5310)
- FTA Section 5337 State of Good Repair (SGR) Program (FTA 5337)
- FTA Section 5339 Bus and Bus Facilities Program (FTA 5339)

The Orange County Transportation Authority (OCTA) is an eligible recipient for each of these four programs. The Southern California Association of Governments (SCAG) confirms the apportionments of FTA 5307, FTA 5337, and FTA 5339 for each recipient in the SCAG region, and the Los Angeles County Metropolitan Transportation Authority (LA Metro) confirms the apportionments of FTA 5310. Following those confirmations, the transit agencies develop a Program of Projects (POP) and submit grant applications consistent with the confirmed apportionment. FTA published the apportionment levels for FFY 2023-24 on April 4, 2024, and OCTA's shares were confirmed by LA Metro on June 5, 2024, and SCAG on August 13, 2024.

The FTA requires agencies to develop, publish, and afford an opportunity for a public hearing on the transit POP for grant-funded projects. OCTA satisfies this requirement through the public participation carried out by SCAG with every amendment or modification of the Federal Transportation Improvement Program.

SCAG's process meets the FTA requirement. Once the FFY 2023-24 POP is approved, staff will begin the application process for the grant programs mentioned in the preceding paragraph.

Discussion

Project recommendations for FTA funding are based on the current policies outlined in the Capital Programming Policies (CPP) (Attachment A), federal funding requirements, and the Orange County Transportation Authority's (OCTA) adopted Comprehensive Business Plan (CBP). Descriptions of the recommended projects for the FFY 2023-24 FTA POP are provided in Attachment B.

The proposed FFY 2023-24 FTA POP, organized by the FTA program, is provided in Attachment C. In addition, the proposed FFY 2023-24 FTA POP, organized by project and type of transit service, is provided in Attachment D.

FTA 5307

OCTA is anticipated to receive \$74,322,939 in FTA 5307 funds for FFY 2023-24. This is a decrease of 5.5 percent from FFY 2022-23 due to several factors, including the recent redistricting of federal urbanized areas (UZA), prior year pandemic level service and ridership reductions, population changes, and the addition of other transit operations throughout the nation. The projects recommended for funding are consistent with prior year FTA POPs and with the projects or project types listed or described in the CPP and CBP. FTA 5307 funds, which were generated based on services provided through the Southern California Regional Rail Authority (SCRRRA [Metrolink]) and the Anaheim Transportation Network (ATN), are recommended to be provided to projects or activities that support those services, consistent with both the CPP and CBP. The funding for Metrolink is consistent with the budget assumptions for the approved fiscal year (FY) 2024-25 Metrolink budget and OCTA budget.

- OC Bus Preventive Maintenance (PM) (\$40,667,309)
- Capitalized Cost of Contracted Services for OC Bus (\$22,634,582)
- Metrolink Preventive Maintenance – Operating Subsidy (\$8,668,065)
- Metrolink New Capital (\$1,173,150)
- ATN Suballocation (\$1,179,833)

Adjustments to the FFY 2022-23 POP for FTA 5307 were necessary due to the period of use requirement for 5307 funds programmed to OC Bus PM. Period of use is the eligible timeframe to use FTA funds. FTA clarified the period of use of fund provisions for maintenance costs. FTA guidance states that the use of FTA formula funds for PM can only be used for just the grant year and the prior year. The period for use of PM as approved in the FFY 2022-23 POP was beyond the

period of use that is currently allowed and must be adjusted to meet FTA guidance. This adjustment is reflected in Attachment E along with a multi-year plan for the use of FTA 5307 funds through FFY 2027-28. This multi-year plan is necessary for OCTA to program and ultimately access funds to projects in the Federal Transportation Improvement Program (FTIP). This multi-year plan includes an assumption that the IIJA or reauthorization of a future transportation funding bill occurs, as the IIJA expires in late 2026.

FTA 5310

OCTA is anticipated to receive \$3,425,366 in FTA 5310 funds for FFY 2023-24. These funds are proposed to be used for capital costs of contracting for OC ACCESS service (Attachment E), consistent with the CPP.

Like the FTA 5307 multi-year plan, a multi-year plan for the use of FTA 5310 funds through FFY 2027-28 is provided in Attachment F.

FTA 5337

OCTA is anticipated to receive \$24,086,462 in FTA 5337 SGR funds for FFY 2023-24. This amount represents a decrease of 13.8 percent over FFY 2022-23 due to the factors noted earlier in the report. The following projects are proposed for these funds:

- Metrolink Rehabilitation and Renovation (\$21,630,387)
- Metrolink PM (\$1,173,150)
- OC Bus PM (\$1,282,925)

Each year, Metrolink submits a budget request to OCTA to fund rehabilitation projects that are required to maintain the Metrolink system. FTA 5337 funds can only be used for this type of work. Consistent with the CPP, funds are split between rail and bus projects based on the formula used to calculate the overall revenues for the program. The proposed funding for Metrolink is consistent with the FY 2024-25 Metrolink budget, approved on June 24, 2024.

Staff also recommends using an additional \$3,861,598 in prior year funds for the FY 2024-25 Metrolink budget. These funds were previously approved for Metrolink track rehabilitation and renovation projects but are still available as the projects have been delayed due to National Environmental Protection Act requirements. In prior years, the funds have primarily been used for projects that have taken more time for their Categorical Exclusions, such as bridge and culvert work.

Like the FTA 5307 and FTA 5310 multi-year plans, a multi-year plan for the use of FTA 5337 through FFY 2027-28 is provided in Attachment G.

FTA 5339

OCTA is anticipated to receive \$5,803,345 in FTA 5339 funds for FFY 2023-24, including \$147,791 generated by services provided by ATN. The 5339 funds are recommended to support the replacement of paratransit vehicles that have met their useful life. Funds generated by services provided by ATN are also recommended to be directed to ATN.

The FFY 2023-24 FTA 5339 funds will support the replacement of 30 paratransit vehicles.

- Replacement Paratransit Vehicles (\$5,655,554)
- ATN Suballocation (\$147,791)

Like the FTA 5307, 5310, and 5337 multi-year plans above, a multi-year plan for the use of FTA 5339 through FFY 2027-28 is provided in Attachment H.

FFY 2023-24 FTA POP

The following table summarizes the recommended formula programming for the FFY 2023-24 FTA POP.

| Formula Programs | Bus | Rail | ATN Suballocation | Total |
|-----------------------------------|---------------------|----------------------|--------------------|-----------------------|
| FTA 5307 | \$ 63,301,891 | \$ 9,841,215 | \$1,179,833 | \$ 74,322,939 |
| FTA 5310 | \$ 3,425,366 | | | \$ 3,425,366 |
| FTA 5337 | \$ 1,282,925 | \$ 22,803,537 | | \$ 24,086,462 |
| FTA 5339 | \$ 5,655,554 | | \$147,791 | \$ 5,803,345 |
| Total | \$73,665,736 | \$ 32,644,752 | \$1,327,624 | \$ 107,638,112 |
| Percentage of FTA Formula Funding | 68.5% | 30.3% | 1.2% | 100% |

Overall, the recommended FY 2023-24 FTA POP includes \$107.638 million in FTA formula funding for transit projects. For the \$73.666 million in OC Bus funding, 92.3 percent of the funding is directed towards capitalized operating expenses and only the FTA 5339 at approximately 7.7 percent is directed towards capital projects. Using most of the federal funds for operating expenses ensures the timely use of grant funds and preserves local transit funds. All these federal funds are matched with statewide transportation development credits and require no local OCTA funding.

Next Steps

With Board approval, staff will initiate the programming and grant submittal and execution 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 \$107.638 million in FTA formula funding for the FFY 2023-24 FTA POP, adjustments to the FFY 2022-23 FTA POP for FTA 5307, and the five-year programming plans for FTA 5307, 5310, 5337, and 5339.

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 2023-24 by Fund Source
- D. Proposed Program of Projects for Federal Fiscal Year 2023-24 by Project
- E. Adjustments to FFY 2022-23 Program of Projects for FTA Section 5307 Funds and Proposed Five-Year Programming Plan for FTA Section 5307 Funds
- F. Proposed Five-Year Programming Plan for FTA Section 5310 Funds
- G. Proposed Five-Year Programming Plan for FTA Section 5337 Funds
- H. Proposed Five-Year Programming Plan for FTA Section 5339 Funds
- I. Capital Funding Program Report

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