



**October 10, 2019**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Federal Transit Administration Sections 5307, 5310, 5337, and 5339 Program of Projects for Federal Fiscal Year 2019-20

**Overview**

The Orange County Transportation Authority annually prepares a program of projects to secure formula Federal Transit Administration grants for capital projects, capital cost of contracting, and preventive maintenance. The federal fiscal year 2019-20 program, including amendments to prior programs, is presented for review and approval. The federal fiscal year 2019-20 program directs \$89.980 million in federal funds to transit projects, of which \$64.558 million is for bus projects and \$25.422 million is for rail projects.

**Recommendations**

- A. Approve the federal fiscal year 2019-20 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.
- B. Approve the five-year programming plans for Federal Transit Administration Section 5307, Federal Transit Administration Section 5310, Federal Transit Administration Section 5337, and Federal Transit Administration Section 5339.
- C. Authorize the use of \$1.275 million in federal proceeds from the sale of the Santa Ana Transit Terminal for the Anaheim Canyon Station Project.
- D. Authorize the use of up to \$1.191 million in federal Congestion Mitigation and Air Quality Improvement Program funds from cost savings on the Orange Transportation Center Parking Structure Project for the following projects: \$0.719 million for the Anaheim Canyon Station; and up to \$0.472 million for the San Juan Creek Bridge replacement.

- E. Authorize the use of \$1.689 million in Federal Transit Administration Section 5337 for the San Juan Creek Bridge Replacement Project to provide a full funding plan for the project based upon current estimates.
- F. Authorize staff to adjust individual project funding consistent with final apportionments and eligibility determinations through the Fixing America's Surface Transportation Act, and direct staff to include updated numbers in grant and programming status reports.
- G. Authorize the Chief Executive Officer to submit the federal fiscal year 2019-20 Federal Transit Administration grant applications to the Federal Transit Administration.
- H. 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 Fixing America's Surface Transportation (FAST) Act provides transportation funding for federal fiscal year (FFY) 2015-16 through FFY 2019-20. Under the FAST Act, the Federal Transit Administration (FTA) makes federal formula funds available 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).

FTA publishes annual apportionments for these programs, and transit agencies submit grant applications for their respective funds. The Orange County Transportation Authority (OCTA) develops the funding levels for future apportionments based on prior year actual FTA apportionments. The full apportionment for FFY 2019-20 will be released at a later date, and OCTA's funding levels will be adjusted. The selection of projects for FTA funding is based on the current policies outlined in the Capital Programming Policies (CPP) (Attachment A), federal funding rules and regulations, and OCTA's adopted Comprehensive Business Plan. Project descriptions for the FTA program of projects (POP) are provided in Attachment B.

The FTA requires agencies to have a public participation process for transit POP. OCTA satisfies this requirement through the Southern California Association of Governments' Federal Transportation Improvement Program approval process, which includes a public hearing and meets the FTA requirement.

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 provided for transit or rail projects, the funds are transferred from FHWA to the FTA and are included in FTA grants as FTA Section 5307 transfer funds.

The Santa Ana Transit Terminal (SATT) property was originally acquired using FTA funds. After OCTA bus service to the facility was discontinued in December 2008, the property was sold per FTA policy. OCTA is required to use the proceeds for a project that is or would be federally eligible. On May 23, 2016, the OCTA Board of Directors (Board) authorized SATT proceeds to go towards the Orange Transportation Center Parking Structure Project.

### ***Discussion***

#### **FTA 5307**

OCTA expects to receive approximately \$60.280 million in FTA 5307 funds for FFY 2019-20. The proposed projects are consistent with the prioritization of projects listed in the CPP and allow for the most immediate use of grant funds, thereby improving OCTA's cash flow. The proposed projects/programs for these funds are listed below (Attachment C):

- Preventive maintenance (\$20.768 million),
- Capital cost of contracting (\$18.956 million),
- Non-fixed-route paratransit operating assistance (\$12.056 million), and
- Southern California Regional Rail Authority (SCRRA) preventive maintenance (\$8.500 million).

Changes to prior year grants are also reflected in Attachment C.

The five-year programming plan for FTA 5307 projects is provided in Attachment D.

FTA 5310

OCTA expects to receive approximately \$2.224 million in FTA 5310 Enhanced Mobility of Seniors and People with Disabilities funds for FFY 2019-20. These funds are proposed to be used for the capital cost of contracting for ACCESS services (Attachment E), consistent with the CPP assumptions. Use of this funding for paratransit service operating costs helps OCTA support the federal mandate to provide complementary Americans with Disabilities Act service. The proposed use of funds also allows for the most immediate use of grant funds, thereby improving OCTA cash flow. In addition, changes to prior year grants and the five-year programming plan for FTA 5310 funds are provided in Attachment E. The plan continues the use for ACCESS services over the five-year period.

FTA 5337

OCTA expects to receive approximately \$20.736 million in FTA 5337 State of Good Repair funds for FFY 2019-20. The following projects are proposed for these funds (Attachment F):

- SCRRRA rehabilitation (\$16.922 million), and
- OCTA bus preventive maintenance (\$3.814 million).

Each year, OCTA, as a member agency of SCRRRA, 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.

A five-year programming plan for FTA 5337 projects, focusing on OCTA bus preventive maintenance and commuter rail rehabilitation projects, is provided in Attachment G. The five-year plan (Attachment E) includes \$1.689 million in FTA Section 5337 for the San Juan Creek Bridge Replacement Project to fully fund the project based upon current estimates. In addition, changes to prior year grants are reflected in Attachment F.

FTA 5339

OCTA expects to receive approximately \$6.740 million in FTA 5339 Bus and Bus Facilities funds for FFY 2019-20. The use of these funds is proposed for the Paratransit Vehicle Replacement Project (Attachment H). There are 116 paratransit vehicles that are due to be replaced in FY 2020-21.

These funds will support the replacement of aging vehicles that are nearing the end of their service life. The FFY 2019-20 funds will support the replacement of 50 vehicles, and a combination of local funds and future grants will fund the remaining vehicles.

- Paratransit Vehicle Replacement Project (\$6.740 million)

Changes to prior year grants are reflected in Attachment H. A five-year programming plan for FTA 5339 projects, focusing on completing the replacement of paratransit vehicles consistent with the bus replacement schedule in the Transit Asset Management Plan, and capital cost of contracting in FFY 2020-21 is provided in Attachment I.

#### FFY 2019-20 FTA POP

The following table summarizes the recommended programming for the FFY 2019-20 FTA POP.

Formula Programs	Bus	Rail	Total
FTA 5307	51,780,087	8,500,000	60,280,087
FTA 5310	2,223,572	0	2,223,572
FTA 5337	3,814,170	16,922,245	20,736,415
FTA 5339	6,739,788	0	6,739,788
Total	\$64,557,617	\$25,422,245	\$89,979,862

Approximately \$6.740 million, or 10.4 percent, of the \$64.558 million in FTA formula funds that is programmed to bus will be used for capital expenses, and \$57.818 million or 89.6 percent will be used for operating expenses. Operating expenses allow for most immediate use of grant funds, thereby improving OCTA's cash flow.

#### Orange Transportation Center Parking Structure Cost Savings

The Orange Transportation Center Parking Structure Project was completed with a cost savings of up to \$2.875 million. The funding plan included \$1.275 million in SATT proceeds that were not needed, leaving a balance of up to \$1.600 million in CMAQ funds. On January 14, 2019, the Board approved the use of approximately \$0.409 million in CMAQ funds to meet the funding need for the Laguna Niguel to San Juan Capistrano Passing Siding Project.

Staff is proposing the remaining \$1.191 million in CMAQ funds be used for the following two rail projects that have funding need:

- \$0.719 million for the Anaheim Canyon Station, and
- up to \$0.472 million for the San Juan Creek Bridge Replacement Project.

Staff is also proposing the \$1.275 million in SATT proceeds be used for the Anaheim Canyon Station.

The changes to the funding plans for these projects are provided in Attachment B.

#### 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 J.

#### **Summary**

Board approval is necessary to program FTA formula funding for the FFY 2019-20 FTA POP, the five-year programming plan for FTA 5307, 5310, 5337, and 5339, and to make adjustments to prior year programming based on actual apportionments.

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***Attachments***

- A. Excerpt from Capital Programming Policies by Fund Source, February 2019
- B. Orange County Transportation Authority, Federal Transit Administration Program of Projects Description
- C. Program of Projects for FTA Section 5307 Funds (FFY 2018-19 through FFY 2019-20)
- D. Proposed Five-Year Programming Plan for FTA Section 5307 Funds, Urbanized Area Formula Program (FFY 2019-20 through FFY 2023-24)
- E. Program of Projects for FTA Section 5310 Funds (FFY 2018-19 through FFY 2019-24)
- F. Program of Projects for FTA Section 5337 Funds (FFY 2016-17 through FFY 2019-20)
- G. Proposed Five-Year Programming Plan for FTA Section 5337 Funds, State of Good Repair Program (FFY 2019-20 through FFY 2023-24)
- H. Program of Projects for FTA Section 5339 Funds (FFY 2018-19 through FFY 2019-20)
- I. Proposed Five-Year Programming Plan for FTA Section 5339 Funds, Bus and Bus Facilities Program (FFY 2019-20 through FFY 2023-24)
- J. Capital Funding Program Report

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