

**Metro**Los Angeles County  
Metropolitan Transportation AuthorityOne Gateway Plaza  
Los Angeles, CA 90012-2952213.922.2000 tel  
metro.net**PLANNING AND PROGRAMMING COMMITTEE  
JULY 17, 2013**

**SUBJECT: FEDERAL TRANSIT FUNDING PROGRAMS UNDER MOVING AHEAD FOR PROGRESS IN THE 21<sup>ST</sup> CENTURY ACT (MAP-21) AND FUTURE FEDERAL FUNDING AUTHORIZATIONS AND APPROPRIATIONS**

**ACTION: APPROVE RECOMMENDATION REGARDING MAP-21 FEDERAL TRANSIT FORMULA PROGRAM CHANGES**

**RECOMMENDATION**

Approve the following Los Angeles County actions regarding changes to the federal transit formula programs in FY13 and FY14 for MAP-21, and as may be continued in future federal funding authorizations and appropriations:

- A. Provide sub-allocation amounts for Section 5307 Urbanized Area Formula Grants Program funding, which now may be used to fund eligible Job Access and Reverse Commute (JARC) projects, and which is sub-allocated to the Los Angeles County transit operators and Metro Operations to the Southern California Association of Governments (SCAG);
- B. Authorize Section 5307 funding recipients to establish their own processes for funding JARC-eligible projects at their individual discretion;
- C. Pursue Designated Recipient status for the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program, which now may be used to fund New Freedom-eligible projects, and sub-allocate Program funding through a Call for Projects process;
- D. Provide sub-allocation amounts for Section 5337 State of Good Repair Grants Program (High Intensity Motorbus) funding which is sub-allocated to the Los Angeles County transit operators and Metro Operations by using Federal Transit Administration (FTA) formulas to SCAG;
- E. Provide sub-allocation amounts for Section 5339 Bus and Bus Facilities Formula Program funding that uses the existing capital allocation formula for the Los Angeles County transit operators and Metro Operations to SCAG; and

- F. Authorize the Chief Executive Officer to negotiate and execute Memoranda of Understanding (MOUs) or agreements with the Southern California Association of Governments (SCAG), and other agencies, as necessary, to implement the recommended actions above.

## **ISSUE**

In June 2012, Congress passed MAP-21, which authorized federal funding for public transportation programs that the Federal Transit Administration (FTA) administers for fiscal years (FYs) 2013 and 2014. This legislation restructured the existing transit funding by consolidating several grant programs, revising project eligibility and amending funding allocation requirements for one program from a discretionary to a formula-based process. While overall the changes that MAP-21 enacted were not significant, the manner in which this funding is administered requires revisions to the funding allocation processes that are currently used. The recommendations, if approved, will help implement adjusted funding sub-allocations ensuring compliance with MAP-21 requirements.

## **DISCUSSION**

MAP-21 enacted many changes to the FTA's funding programs. As Los Angeles County's Regional Transportation Planning Agency, LACMTA is responsible for allocating this funding to sub-recipients within Los Angeles County based on county-level funding amounts that SCAG provides. The following discusses the transit funding programs impacted by MAP-21, provides a rationale for the recommended changes to methods for sub-allocating funding to sub-recipients while conforming to existing processes as much as possible.

### **Section 5307 Urbanized Area Formula Grants Program**

This program funds capital projects, planning, JARC projects, and operating costs of equipment and facilities for use in public transportation systems with a peak period fixed route fleet size of 100 or less vehicles in urbanized areas with a population of at least 200,000 individuals. JARC projects are generally transportation services designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment. The funding formula also now considers the number of low-income individuals in the urbanized area in determining the amount apportioned. No additional Section 5307 funding was provided to cover the new JARC project eligibility.

Historically, this funding has been sub-allocated to the sixteen Los Angeles County transit agencies designated as the Included and Eligible Operators. The funding is distributed using a hybrid process where the majority of funds are distributed through the capital allocation formula, and the remaining portion is allocated through a

discretionary process. Staff met several times with members of the Bus Operations Subcommittee (BOS) to discuss the changes to Section 5307. Given that overall funding was not increased to accommodate JARC projects, BOS members unanimously agreed that the existing allocation process be used and each operator could implement JARC projects at their discretion. The staff recommendation is consistent with the outcome of the BOS discussions. Attachment A presents the estimated FY13 funding marks for Section 5307 funding that was approved by Board in June 2012. Consistent with past year allocations, these amounts will be adjusted to reflect final FY13 apportionments working with BOS.

#### Section 5310 Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities

This program funds “projects that are planned and carried out to meet the needs of seniors and people with disabilities when public transportation is insufficient, inappropriate or unavailable.” The previously authorized New Freedom Program (Section 5317) has been subsumed under Section 5310 and funding also has been added to meet the new project eligibility. New Freedom projects are public transportation projects that: 1) exceed the Americans with Disabilities Act (ADA) requirements (i.e. New Freedom projects), 2) improve access to fixed route and decrease reliance on complimentary paratransit service, and 3) provide transportation alternatives to public transit that assist seniors and individuals with disabilities. Non-profit organizations are eligible recipients of funding in addition to transit operators and other public agencies.

In prior years, Caltrans allocated Section 5310 funding through a discretionary process, but limited the amount that could be awarded to any individual agency. We assisted Caltrans with selecting the projects that were awarded funding. LACMTA allocated Section 5317 (New Freedom) funding through a separate Call for Projects process, and there was no maximum award amount stipulated per agency. MAP-21 requires that the Designated Recipient for this program be re-designated.

To ensure that the maximum amount of funding is applied to the greatest need, we are proposing to pursue Designated Recipient status for LACMTA and implement a Call for Projects process by building from the existing New Freedom discretionary allocation process. If approved by the Board, we will continue to work with SCAG, Caltrans and public transit operators to pursue Designated Recipient status for the Section 5310 Program.

#### Section 5337 State of Good Repair Grants - High Intensity Motorbus

MAP-21 established a new formula grant program to provide funding to public transportation that is provided on a facility with access for other high-occupancy vehicles. Funding is generated based on operating statistics reported to the National Transit Database for transit services that use, on a non-exclusive basis, high occupancy vehicle (HOV) lanes. Only those transit operators that report service operated (for at

least 7 years) on such facilities are eligible for this funding. MAP-21 established a formula to apportion the funding to eligible operators. Attachment B presents the estimated FY13 amounts approved by the Board in June 2013 for the eligible operators that can be awarded Section 5337 funding for High Intensity Motorbus services. We met with the BOS, and the transit operators that were designated to receive this funding requested that LACMTA consider exchanging its Section 5307 funding for their shares of Section 5337 funding. The transit fund allocations that the Board of Directors approved in June reflect this requested exchange of funding. These amounts will be adjusted to reflect final FY13 apportionment amounts working with BOS.

### Section 5339 Bus and Bus Facilities Formula Grants

MAP-21 established a new formula program to provide grants to fund capital projects to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities. Projects funded under this program must meet the requirements of Section 5307. The funds from this program were previously allocated through a discretionary process where agencies applied for grants directly to the FTA. Funding is now apportioned based on a formula. We met with the BOS members several times, and it was requested that this funding be allocated using the capital allocation formula used to distribute Section 5307 funds. Attachment C presents the estimated FY13 amounts approved by the Board in June 2013 for the eligible operators that can be awarded Section 5339 funding. Similar to Section 5337 funding, BOS members requested that LACMTA consider exchanging its Section 5307 funding for their shares of Section 5339 funding. The transit fund allocations that the Board approved in June reflect this requested exchange of funding. These amounts will be adjusted to reflect final FY13 apportionment amounts working with BOS.

### Implementing Agreements

Memoranda of Understanding (MOUs) are being developed between LACMTA and SCAG so that grant applications may be submitted for Section 5337 and Section 5339 funding. We will assist agencies that are Section 5337 and/or Section 5339 funding sub-recipients and that must execute related certifications. An MOU with SCAG already exists for the Section 5307 Program funding. If successful in securing Designated Recipient status for the Section 5310 program, agreements will be necessary between LACMTA and agencies that are selected for funding through the proposed discretionary process. MOU boiler plate has been developed for the New Freedom program and would be the basis of the new Section 5310 Call for Projects process.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this recommendation will ensure that the Los Angeles County Eligible and Included transit operators will be able to submit applications for federal grant funding. This funding will be used for transit capital improvements across the county that will help prevent safety incidents related to equipment break-downs and other unanticipated

problems. In fact, a key emphasis of MAP-21 is to restore and replace aging transportation infrastructure, and the new Section 5337 State of Good Repair formula program was established to support these types of efforts.

## **FINANCIAL IMPACT**

The fund sources included in this action are included in the FY14 budget in various cost centers and under various projects. Pursuant to the Board approval of the FY14 Transit Fund Allocations in June, minor adjustments will be made to these budgeted amounts now that final FTA apportionments for these funding programs have been received.

### **Impact to Budget**

The source of federal funds related to this action include Section 5307 Urbanized Area Formula Grants Program funding, Section 5310 Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities, Section 5337 State of Good Repair Grants - High Intensity Motorbus, and Section 5339 Bus and Bus Facilities Formula Grants funding. Depending upon the federal program, bus and rail operating and capital projects may be eligible for these funding sources. The related federal program formula funding is included in the Long Range Transportation Plan financial forecast.

## **ALTERNATIVES CONSIDERED**

Alternatives were considered for each federal funding program as noted below:

### **Section 5307 Urbanized Area Formula Grants Program**

A main challenge with the changes under MAP-21 for the Section 5307 Program was that less funding was projected to be apportioned to Los Angeles County under this program mainly due to population shifts reflected in the last Census. In addition, while eligibility was broadened to include JARC-type projects, no additional funding was added. An alternative considered was to continue the existing separate countywide JARC Call for Projects process by funding it through a reserved portion of the total Los Angeles County share of Section 5307 funds. However, this option would reduce the total amount of Section 5307 funds allocated to the Eligible and Included Operators well below the funding amounts provided in FY10, FY11 and FY12. In addition, the BOS expressed their strong opposition to conducting a separate countywide discretionary process for JARC and instead recommended that each operator be allowed to implement JARC projects at their discretion.

### Section 5310 Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities

As noted above, Caltrans has been administering Section 5310 funding. An alternative to the staff recommendation considered was to support Caltrans' continued role as the Designated Recipient of this funding. However, Caltrans limits the maximum amount of funding that is awarded to a single agency, which may not reflect demonstrated project need or benefits compared to other applicants.

### Section 5337 State of Good Repair Grants - High Intensity Motorbus

An alternative considered to using the FTA formula for this program was to allocate the funding using another formula such as the capital allocation formula. However, given that this funding program was established specifically to support transit services operated on non-exclusive HOV lanes, it was determined that using the FTA formula for the fund sub-allocations would best meet program requirements. The BOS supported this approach.

### Section 5339 Bus and Bus Facilities Formula Grants

An alternative considered to using the capital allocation formula for Section 5339 was to provide a portion of the funding to Access Services, given that this is a new program and operating data reported by Access Services helped generate the total funding available from this program. Of the estimated \$22.9 million available through this program, it was estimated that Access Services generated approximately \$2.5 million. Given that the demand for ADA-type paratransit services continues to climb and Access Services has indicated an unfunded capital need, we proposed to the BOS that Access Services receive a portion of the Section 5339 funding commensurate with the amount they generate. However, the BOS did not agree with this proposal and recommended that only the Eligible and Included Operators be allowed to receive Section 5339 funding. The BOS recommended that Access Services continue to pursue the Section 5310 program funding instead, as it supports transportation for elderly and individuals with disabilities.

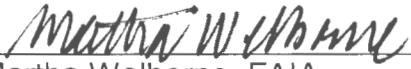
### **NEXT STEPS**

With approval of our recommendation, we will review the final apportionments with BOS, receive concurrence, and work with SCAG and the impacted transit agencies to execute the appropriate agreements. We also will work with the impacted transit operators and SCAG to ensure that the final funding amounts are reflected correctly in grant applications.

## ATTACHMENTS

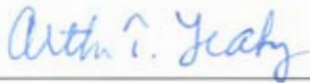
- A. Estimated FY13 Section 5307 Urbanized Area Formula Grants Program Funding Sub-Allocations
- B. Estimated FY13 Section 5337 State of Good Repair Grants – High Intensity Motorbus Funding Sub-allocations
- C. Estimated FY13 Section 5339 Bus and Bus Facilities Formula Grants Sub-allocations

Prepared by: Cosette Stark, Deputy Executive Officer, Regional Grants Management, (213) 922-2822  
Ashad Hamideh, Transportation Planning Manager, Regional Grants Management, (213) 922- 4299



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Martha Welborne, FAIA  
Executive Director, Countywide Planning



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Arthur T. Leahy  
Chief Executive Officer



ATTACHMENT A

Los Angeles County Metropolitan Transportation Authority  
 Federal Section 5307 Capital Allocation  
 FISCAL YEAR 2013  
 (Estimated - to be Adjusted to Actual apportionment)

OPERATOR	FORMULA SHARE	85% FORMULA ALLOCATION	1% ENHANCEMENT ALLOCATION		15% DISCRETIONARY ALLOCATION		LEASE PAYMENT (COP)	Fund Exchange	TOTAL
			Project Title	Amount	Project Title	Amount			
ANTELOPE VALLEY	1.5343%	\$ 302,357						\$ 302,357	
ARCADIA	0.1288%	\$ 260,476						260,476	
CLAREMONT	0.0656%	\$ 132,740						132,740	
COMMERCE	0.2155%	\$ 435,739						435,739	
CULVER CITY	1.1895%	\$ 2,405,648	Bus Stop furniture	234,430	Replace CNG Compressors	540,000	810,000	3,950,048	
FOOTHILL	8.5543%	\$ 13,457,630						13,457,630	
GARDENA	1.1650%	\$ 2,345,878						2,345,878	
LADOT	3.0554%	\$ 6,181,306			Bus Maintenance for DASH	4,590,475		10,771,781	
LA MIRADA	0.0743%	\$ 150,204						150,204	
LONG BEACH	5.7580%	\$ 11,644,639	20 Bus Stop Improvements	360,000	Purchase 19 A.T. Fuel Buses	5,704,856		17,709,695	
MONTEBELLO	1.9214%	\$ 3,865,879			Purchase 7 43' CNG Buses	2,101,789		5,987,668	
METRO OPERATIONS	68.2916%	\$ 140,134,049	Signage Revitalization at Bus/Rail Interface Stations & Motormanette Inbule	755,600	Division I Bus Maint. Facility	17,388,300	9,546,229	167,623,977	
NORWALK	0.7292%	\$ 1,474,798			CNG Fueling Station	1,263,160		2,734,948	
REDONDO BEACH	0.2513%	\$ 505,591						505,591	
SANTA CLARITA	1.7873%	\$ 3,240,278						3,240,278	
SANTA MONICA	4.7203%	\$ 9,540,229			Purchase 10 40' CNG Buses	3,190,720	(9,546,229)	3,190,720	
TORRANCE	1.4623%	\$ 2,957,379	Bus Stop Amenities/Branding	1,000,000				3,957,379	
Unallocated									
<b>TOTAL</b>	<b>100.0000%</b>	<b>\$ 197,064,000</b>		<b>\$ 2,350,000</b>		<b>\$ 34,776,000</b>	<b>\$ 810,000</b>	<b>\$ 235,000,000</b>	

Federal Section 5307 FY13 Estimate	\$ 235,000,000
Off the Top:	
1% Enhancement Allocation	2,350,000
Lease Payment COP	810,000
	<b>\$ 231,840,000</b>
85% Formula Allocation	197,064,000
15% Discretionary Allocation	34,776,000
	<b>\$ 231,840,000</b>

Notes:

Culver City's \$810k lease payment allocation ends in FY2016.

Due to inavailability of FY11 data, FY10 passenger miles data are used to re-allocate AVTA's and Santa Clarita's formula shares. It will be re-adjusted when data becomes available.

**Los Angeles County Metropolitan Transportation Authority  
FY2013 & FY2014 Federal State of Good Repair Program (Section 5337) Allocation**

OPERATOR	Directional				FY13 \$Allocation	FY14 \$Allocation	Total \$ Allocation	Fund Exchange	Net Funds Available
	Route Miles (DRM)	DRM Allocation %	Vehicle Revenue Miles (VRM)	VRM Allocation %					
1 High Intensity Fixed Guideway:									
2 METRO OPERATIONS					\$ 79,389,000	\$ 80,489,000	\$ 159,878,000	\$ -	\$ 159,878,000
3									
4 High Intensity Motorbus:									
5 ANTELOPE VALLEY	23.6	16.667%	281,074	7.799%	499,784	506,648	1,006,432	(1,006,432)	-
6 FOOTHILL	39.4	27.825%	1,548,315	42.964%	1,734,457	1,758,193	3,492,650	(3,492,650)	-
7 GARDENA		0.000%	125,899	3.494%	105,015	106,448	211,463	(211,463)	-
8 LADOT	35.1	24.788%	248,261	6.889%	601,707	609,985	1,211,693	(1,211,693)	-
9 LONG BEACH	0.5	0.353%	58,222	1.616%	54,186	54,926	109,112	(109,112)	-
10 METRO OPERATIONS	31.9	22.528%	1,069,056	29.665%	1,250,374	1,267,493	2,517,867	6,741,133	9,259,000
11 SANTA MONICA	0.6	0.424%	67,721	1.879%	63,233	64,097	127,330	(127,330)	-
12 TORRANCE	10.5	7.415%	205,237	5.695%	289,244	293,210	582,454	(582,454)	-
13 Sub-total	141.6	100.00%	3,603,785	100.000%	4,598,000	4,661,000	9,259,000	-	9,259,000
14									
15 Grand Total					\$ 83,987,000	\$ 85,150,000	\$ 169,137,000	\$ -	\$ 169,137,000

**Estimated total Funds Available**

High Intensity Fixed Guideway	\$ 79,389,000	\$ 80,489,000	\$ 159,878,000
High Intensity Motorbus:			
DRM Generated	1,592,000	1,614,000	3,206,000
VRM Generated	3,006,000	3,047,000	6,053,000
	<u>4,598,000</u>	<u>4,661,000</u>	<u>9,259,000</u>
	\$ 83,987,000	\$ 85,150,000	\$ 169,137,000

**Los Angeles County Metropolitan Transportation Authority  
FY2013 & FY2014 Federal Bus and Bus Capital Program (Section 5339) Allocation**

OPERATOR	FY2013 Estimate				FY2014 Estimate				Summary		
	Capital Allocation Procedure Formula Share	Formula Share Before	Re-Allocate AVTA And Santa Clarita's Non-LA2 UZA	Net Formula Share	Capital Allocation Procedure Formula Share	Formula Share Before	Re-Allocate AVTA And Santa Clarita's Non-LA2 UZA	Net Formula Share	FY13& FY14 Total Share	Fund Exchange	Net Funds Available
		Deducting AVTA And Santa Clarita Non-LA2 UZA	AVTA And Santa Clarita's Non-LA2 UZA	Deducting AVTA And Santa Clarita's Non-LA2 UZA		AVTA And Santa Clarita's Non-LA2 UZA					
		Share	Share	Share		Share					
1 ANTELOPE VALLEY	1.5343%	\$ 351,357	\$(257,896)	\$ 93,461	1.6174%	\$ 375,490	\$(371,843)	\$ 3,647	\$ 97,108	\$ (97,108)	\$ -
2 ARCADIA	0.1288%	29,494	752	30,247	0.1359%	31,540	971	32,511	62,757	(62,757)	-
3 CLAREMONT	0.0656%	15,031	383	15,414	0.0855%	19,855	611	20,466	35,880	(35,880)	-
4 COMMERCE	0.2155%	49,340	1,258	50,598	0.2220%	51,546	1,587	53,132	103,731	(103,731)	-
5 CULVER CITY	1.1895%	272,398	6,947	279,346	1.2750%	296,002	9,113	305,115	584,460	(584,460)	-
6 FOOTHILL	6.6543%	1,523,845	38,865	1,562,710	6.9096%	1,604,068	49,382	1,653,450	3,216,160	(3,216,160)	-
7 GARDENA	1.1600%	265,630	6,775	272,405	1.2305%	285,669	8,794	294,463	566,868	(566,868)	-
8 LADOT	3.0564%	699,927	17,851	717,778	3.1798%	738,181	22,725	760,907	1,478,684	(1,478,684)	-
9 LA MIRADA	0.0743%	17,008	434	17,442	0.0757%	17,577	541	18,118	35,560	(35,560)	-
10 LONG BEACH	5.7580%	1,318,578	33,629	1,352,207	5.8121%	1,349,278	41,538	1,390,816	2,743,023	(2,743,023)	-
11 MONTEBELLO	1.9214%	440,009	11,222	451,231	1.9851%	460,840	14,187	475,027	926,258	(926,258)	-
12 METRO OPERATIONS	69.2916%	15,867,769	404,696	16,272,465	68.3573%	15,869,159	488,542	16,357,701	32,630,166	13,484,834	46,115,000
13 NORWALK	0.7292%	166,994	4,259	171,253	0.7014%	162,829	5,013	167,841	339,095	(339,095)	-
14 REDONDO BEACH	0.2515%	57,588	1,469	59,057	0.2625%	60,928	1,876	62,803	121,860	(121,860)	-
15 SANTA CLARITA	1.7870%	409,214	(306,754)	102,459	1.8479%	428,993	(318,079)	110,914	213,373	(213,373)	-
16 SANTA MONICA	4.7203%	1,080,946	27,569	1,108,515	4.7930%	1,112,684	34,255	1,146,939	2,255,454	(2,255,454)	-
17 TORRANCE	1.4623%	334,872	8,541	343,413	1.5092%	350,363	10,786	361,149	704,562	(704,562)	-
18 TOTAL	100.0000%	\$ 22,900,000	\$ (0)	\$ 22,900,000	100.0000%	\$ 23,215,000	\$ (0)	\$ 23,215,000	\$ 46,115,000	(0)	\$ 46,115,000

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20 Form FFA10, Section 9

21 Statistics Passenger Miles is used to calculate AVTA and SC's re-allocation of capital monies.

22 Non-LA2 UZA (AV 123 for AVTA AV '76 for Santa Clara);

23 UZA number LA 2

24

25 Total

	FY2013						FY2014					
	ANTELOPE VALLEY			SANTA CLARITA			ANTELOPE VALLEY			SANTA CLARITA		
	Passenger Miles	%	Re-Allocated Share	Passenger Miles	%	Re-Allocated Share	Passenger Miles	%	Re-Allocated Share	Passenger Miles	%	Re-Allocated Share
23	27,578,590	73.400%	\$257,896	29,154,193	74.962%	\$306,754	38,068,401	99.0288%	\$371,843	28,461,699	74.1455%	\$318,079
24	9,994,416	26.600%	93,461	9,737,826	25.038%	102,459	373,344	0.9712%	3,647	9,931,542	25.8545%	110,914
25	37,573,006	100.000%	\$351,357	38,892,019	100.000%	\$ 409,214	38,441,745	100.0000%	\$375,490	38,413,241	100.0000%	\$ 428,993