# APPENDIX A – 14

## *Regional Policies: Project Funding*

**San Francisco Bay Area Transit Capital Priorities**
**(FTA Sections 5307 and 5309)**
**Process and Criteria**
**for FY2012-13 and FY2013-14**

**MTC Resolution No. 4072**

Date: October 24, 2012
W.I.: 1512
Referred By: PAC
Revised: 01/23/13-C
02/27/13-C
04/24/13-C


ABSTRACT

Resolution No. 4072, Revised

This resolution approves the process and establishes the criteria for programming the FY2012-13 and FY2013-14 FTA Section 5307 Urbanized Area, Section 5309 Fixed Guideway Modernization, Section 5337 State of Good Repair, Section 5339 Bus and Bus Facilities, and Cycle 2 STP/CMAQ Transit Capital Rehabilitation Program funds in the San Francisco Bay Area.

This resolution includes the following attachment:

Attachment A - San Francisco Bay Area Transit Capital Priorities Criteria for FY2012-13 and FY2013-14 FTA Formula Funds and Cycle 2 STP/CMAQ Transit Capital Rehabilitation Funds

This resolution was revised on January 23, 2013 to make the Marin County Transit District eligible for Transit Capital Priorities funds in the San Francisco-Oakland urbanized area.

This resolution was revised on February 27, 2013 to establish the formula distribution for the Transit Performance Initiative Incentive Program.

This resolution was revised on April 24, 2013 to establish the large operator formula distribution for the Transit Performance Initiative Incentive Program and to revise the formula for distributing ADA operating assistance to include Marin Transit.

Further discussion of the Transit Capital Priorities Policy is contained in the Programming and Allocation Committee Executive Director memoranda dated October 10, 2012; January 9, 2013; February 13, 2013; and April 10, 2013.

Date: October 24, 2012
W.I.: 1512
Referred By: PAC

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

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4072

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, 5309 FG, 5337 and 5339 funds for FY2012-13 and FY2013-14 and Cycle 2 STP/CMAQ Transit Capital Rehabilitation Program funds for FY2012-13 through FY2015-16 to finance transit 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

Adrienne J. Tissier, Chair

The above resolution was entered into by the
Metropolitan Transportation Commission
at a regular meeting of the Commission held
in Oakland, California on October 24, 2012.

Date: October 24, 2012
W.I.: 1512
Referred By: PAC
Revised: 01/23/13-C
02/27/13-C
04/24/13-C



**San Francisco Bay Area Transit Capital Priorities Criteria for FY2012-13 and FY2013-14 FTA Formula Funds and Cycle 2 STP/CMAQ Transit Capital Rehabilitation Funds**

**For development of the FY2012-13 and FY2013-14 Transit Capital Priorities and Transit Performance Initiative Project Lists**

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

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# FY2012-13 and FY2013-14 Transit Capital Priorities Process & Criteria

## I. GOALS AND OBJECTIVES

The FY2012-13 and FY2013-14 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 current 25-year plan, and Plan Bay Area, the proposed successor to Transportation 2035. TCP also implements elements of the Transit Sustainability Project recommendation (MTC Resolution No. 4060). Among 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 information provided by the transit operators in response to a call for projects. Operator-proposed projects should be based on Short Range Transit Plan (SRTP) service objectives or other board-approved 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 or capital plans.

*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.

The TCP Criteria applies to programming of the Federal Transit Administration (FTA) Urbanized Area Formula (Section 5307), State of Good Repair (Section 5337) and Bus and Bus Facilities (Section 5339) funds, as well as Federal Highway Administration Surface Transportation Program funds dedicated to transit capital rehabilitation in the Commission's Second Cycle Programming Policy (MTC Resolution No. 4035, Revised).

These programs are authorized for FY2012-13 and FY2013-14 by the Moving Ahead for Progress in the 21st Century (MAP-21) federal transportation authorizing legislation enacted by Congress and signed into law in July 2012. The TCP Criteria also governs the programming of prior-year balances of Fixed Guideway Modernization (Section 5309 FG) funds, which were authorized by MAP-21's predecessor, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

MAP-21 made several changes to FTA funding programs which have been reflected in updates to the TCP Criteria, including:

- Combining the Job Access and Reverse Commute program (Section 5316) with the Urbanized Area Formula program (Section 5307) and the Non-urbanized Area Formula program (Section 5311);

- Replacing the Fixed Guideway Modernization program (Section 5309 FG) with a new State of Good Repair program (Section 5337); and

- Replacing the Bus and Bus Facilities discretionary program (Section 5309 Bus) with a new Bus and Bus Facilities formula program (Section 5339).

As of the date of the adoption of the TCP Criteria, FTA has not yet issued detailed guidance for the implementation of the new funding programs. MTC and the Partnership will revisit and recommend updates to the policy should future FTA rules and guidance require revisions.

# II. FTA FORMULA FUNDS

## A. 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 major 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 TFWG and PTAC has reviewed them.

**Capital Program Submittal**
For the purposes of programming, project sponsors will submit requests for funding in accordance with detailed 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 FY2012-13 and FY2013-14 programming should be submitted by December 10, 2012, the planned 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, 5309 FG, 5337 and/or 5339 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 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. Project funds sources will be assigned by MTC staff and will be based on project eligibility and the results of Multi-County Agreement model.

**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. As provided for in FTA Circular 9030.1D (revised May 1, 2010), FTA considers a grantee to have met the public participation requirements associated with the annual development of the Program of Projects when the grantee follows the public involvement process outlined in the FHWA/FTA planning regulations for the TIP. In lieu of a separate public involvement process, MTC will follow the public involvement process 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, projects requiring a federal action, 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.

**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 formula 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 will submit concurrence letters to FTA on behalf of project sponsors as needed.

**Program Period**
The TCP Criteria will be used to develop a program of projects for FY2012-13 and FY2013-14 FTA Formula Funds. The number of years covered by each TCP policy update is generally aligned with the years covered by the current federal authorization, and the region typically adopts multi-year programs to help operators with multi-year capital budgeting, and to help the region take a longer-term view of capital replacement needs. MAP-21 authorizes FTA funding programs for federal fiscal years 2012-13 and 2013-14.

**TCP Development Schedule**
To the extent possible, the region will adhere to the schedule proposed in the table below in developing the FY2012-13 – FY2013-14 TCP program. If a change in the schedule is required, MTC will notify participants of the TCP program development process in a timely fashion.

| TCP Policy / Programming | Start Date | Finish/Due Date |
|---|---|---|
| TFWG TCP Policy Discussions | November 11, 2011 | September 5, 2012 |
| Call for projects | October 3, 2012 | October 31, 2012 |
| TCP Policy to PAC/Commission | October 10/24, 2012 | |
| TCP/AB 664 program to TFWG | November 14, 2012 | |
| TCP/AB 664 programs to PAC/Commission | December 12/19, 2012 | |
| TCP TIP amendment to PAC/Commission | January 9/23, 2013 | |

## B. Project Eligibility

**Federal Requirements and Eligibility**

**Federal Legislation**
Projects selected will conform to the requirements of MAP-21 (or SAFETEA-LU in the case of Section 5309 FG), 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 FY2004-05 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**
Program eligibility is based on the statutory eligibility for the FTA Section 5307, 5309 FG, 5337 and 5339 programs. If revisions to eligibility for these programs are adopted as

part of FTA circulars or other guidance issued for the new funding programs, the region will consider conforming amendments to the TCP policy.

*FTA Section 5307 Urbanized Area Federally Defined Program Eligibility (Statutory Reference: 49USC5307)*: Capital projects; planning; job access and reverse commute projects; and operating costs of equipment and facilities for use in public transportation in urbanized areas with a population of fewer than 200,000, and, in certain circumstances, in urbanized areas with a population greater than 200,000. Eligible capital projects include—

(A) acquiring, constructing, supervising, or inspecting equipment or a facility for use in public transportation, expenses incidental to the acquisition or construction (including designing, engineering, location surveying, mapping, and acquiring rights-of-way), payments for the capital portions of rail trackage rights agreements, transit-related intelligent transportation systems, relocation assistance, acquiring replacement housing sites, and acquiring, constructing, relocating, and rehabilitating replacement housing;
(B) rehabilitating a bus;
(C) remanufacturing a bus;
(D) overhauling rail rolling stock;
(E) preventive maintenance;
(F) leasing equipment or a facility for use in public transportation
(G) a joint development improvement that meet specified requirements
(H) the introduction of new technology, through innovative and improved products, into public transportation;
(I) the provision of nonfixed route paratransit transportation services in accordance with section 223 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12143), under specified circumstances;
(J) establishing a debt service reserve to ensure the timely payment of principal and interest on bonds issued by a grant recipient to finance an eligible project
(K) mobility management; and
(L) associated capital maintenance.

*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.

*FTA Section 5337 State of Good Repair Federally Defined Program Eligibility (Statutory Reference: 49USC5337)*: Capital projects to maintain fixed guideway and high intensity

motorbus public transportation systems in a state of good repair, including projects to replace and rehabilitate—
(A) rolling stock;
(B) track;
(C) line equipment and structures;
(D) signals and communications;
(E) power equipment and substations;
(F) passenger stations and terminals;
(G) security equipment and systems;
(H) maintenance facilities and equipment;
(I) operational support equipment, including computer hardware and software; and
(J) development and implementation of a transit asset management plan.

The term 'fixed guideway' means a public transportation facility:
(A) using and occupying a separate right-of-way for the exclusive use of public transportation;
(B) using rail;
(C) using a fixed catenary system;
(D) for a passenger ferry system; or
(E) for a bus rapid transit system.

The term 'high intensity motorbus' means public transportation that is provided on a facility with access for other high-occupancy vehicles.

*FTA Section 5339 Bus and Bus Facilities Federally Defined Program Eligibility (Statutory Reference: 49USC5339)*: Capital projects—
(1) to replace, rehabilitate, and purchase buses and related equipment; and
(2) to construct bus-related facilities.

## 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 partially determine the amounts of FTA Section 5307, 5309 FG, 5337 and 5339 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, Marin County Transit District, SFMTA, SamTrans, Union City Transit, Solano County Transit (ADA Paratransit Operating Set-Aside only), Water Emergency Transportation Authority, WestCAT |
| San Jose | ACE, Caltrain, VTA |
| Concord | ACE, BART, CCCTA, LAVTA |
| Antioch | BART, ECCTA |
| Santa Rosa | GGBHTD, Santa Rosa City Bus, Sonoma County Transit |
| Vallejo | Napa Vine on behalf of American Canyon, Solano County Transit |
| Fairfield | Fairfield-Suisun Transit |
| Vacaville | Vacaville Transit |
| Napa | Napa VINE |
| Livermore | ACE, LAVTA |
| Gilroy-Morgan Hill | Caltrain, VTA |
| 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) 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.

(v) Solano County Transit is eligible to receive ADA Paratransit Operating Set-Aside funds (see Section V Programming Policies) from the San Francisco-Oakland urbanized area; all other projects will be programmed from the Vallejo urbanized area.

**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 2011 services and intends to file a report for 2012 to be eligible for FY13 TCP funding.
- The operator has executed a Cooperative Planning Agreement with MTC.
- The operator has submitted a current SRTP or other board-approved capital plan 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.

The proposed project must be consistent with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866.

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 or other board-approved capital plan, or 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 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[1] | 4, 5, or 7 years, depending on type |
| Light Rail Vehicle (LRV) | 25 years |
| Trolley | 15 years |
| Heavy Railcar[2] | 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[3] | 25 years |
| Used Vehicles[4] | Varies by type |
| Tools and Equipment | 10 years |
| Service Vehicle | 7 years |
| Non-Revenue Vehicle | 7 years |
| Track | Varies by track type |
| Trolley Overhead/3rd Rail | Varies by type of OVHD/3rd rail |
| Facility | 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).*

Requests to program vehicle replacement funds prior to the first eligible year in order to advance procurements or to replace vehicles with higher than normal maintenance costs will be considered if the proposal has minimal impacts on other operators and can be accommodated within the region's fiscal constraints.

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 Table 2 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 x $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 could be programmed for any eligible project. 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. If the cost of the vehicle procurement exceeds the annual cap, the difference will be programmed in subsequent years subject to availability of funds.

*Fixed guideway replacement and rehabilitation* projects in the aggregate cannot exceed the amounts specified for each fixed guideway operator in Table 3. The total amount of the caps is maintained at $115 million based on the updated CIP projections. Each operator's cap is based on its share of the updated fixed guideway need projections prepared for the proposed Plan Bay Area RTP, with a floor applied so that no operator's cap is reduced by more than 5% from their prior cap. The current cap for WETA includes the previous cap for Vallejo Transit to reflect the transition of Vallejo's ferry service to WETA.

When developing the proposed TCP programs for FY2012-13 and FY2013-14, the fixed guideway caps may be increased or decreased proportionally, depending on the aggregate demand for Score 16 projects compared to projected revenues. Operators have the option of submitting contingent fixed guideway programming requests equal to 20% of the operator's cap, in addition to requests for programming the cap amount. The contingent requests will be programmed if the program's fiscal balance allows the region to increase the caps.

**Table 3. Fixed Guideway Caps**

| FG Operator | Project Category | Fixed Guideway Cap |
|---|---|---|
| ACE[1] | All Eligible FG Categories | $1,387,000 |
| BART | All Eligible FG Categories | 45,067,900 |
| Caltrain | All Eligible FG Categories | 12,606,500 |
| GGBHTD | All Eligible FG Categories | 5,377,000 |
| SFMTA | All Eligible FG Categories | 34,592,100 |
| VTA | All Eligible FG Categories | 8,977,500 |
| WETA | All Eligible FG Categories | 6,992,000 |

The cap amount may be programmed to any projects that are eligible for FTA Section 5309 FG or Section 5337 funding and that fall into one of the following categories:

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

- Cable Car Infrastructure Replacement/Rehabilitation
- Wayside Fare Collection Equipment Replacement/Rehabilitation

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

Operators may request a one-year waiver to use fixed guideway cap funds for other capital needs that are not included in one of the eligible project categories listed above if the operator can demonstrate that the other capital needs can be addressed by the one-year waiver, or that the use of fixed guideway cap funds is part of a multi-year plan to address the other capital needs. The operator must also demonstrate that the waiver will have minimal impact on the operator's ability to meet its fixed guideway capital needs.

*Other replacement projects* cannot exceed $5 million. This cap applies to non-vehicle and non-fixed guideway Score 16 projects, including communications systems, bus fare collection equipment (fixed guideway wayside fare collection equipment is covered under the fixed guideway caps), and bus emission reduction devices; and lower scoring replacement projects. Vehicle rehabilitation projects that are treated as Score 16 because the life of the asset is being extended (see Asset Useful Life above) are also subject to this cap. If project costs exceed the cap, the difference will not automatically be programmed in subsequent years; the region will assess its ability to program additional funding year-by-year based on projected revenues and demand for other Score 16 needs.

*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 and Table 5. 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.

Note that bus prices include allowances for radios, fareboxes and Clipper 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 Clipper wiring and brackets in all new buses, so the buses are Clipper-ready without requiring additional expenses.

**Table 4: Regional Bus-Van Pricelist, FY2012-13**

| Vehicle Type | Total | Federal | Local | Federal % | Local % |
|---|---|---|---|---|---|
| | | | | | |
| Auto | 30,000 | 25,033 | 4,967 | 83.44% | 16.56% |
| | | | | | |
| Minivan Under 22' | 54,000 | 45,059 | 8,941 | 83.44% | 16.56% |
| | | | | | |
| Cut-Away/Van Under 26', 4 or 5-Year, Gas | 82,000 | 66,932 | 15,068 | 81.62% | 18.38% |
| Cut-Away/Van Under 26', 4 or 5-Year, Diese | 110,000 | 89,787 | 20,213 | 81.62% | 18.38% |
| Cut-Away/Van Under 26', 4 or 5-Year, CNG | 123,000 | 100,398 | 22,602 | 81.62% | 18.38% |
| Cut-Away/Van Under 26', 7-Year, Gas | 115,000 | 95,450 | 19,550 | 83.00% | 17.00% |
| Cut-Away/Van Under 26', 7-Year, Diesel | 155,000 | 128,649 | 26,351 | 83.00% | 17.00% |
| Cut-Away/Van Under 26', 7-Year, CNG | 173,000 | 143,589 | 29,411 | 83.00% | 17.00% |
| Cut-Away/Van 26'+, 4 or 5-Year, Gas | 87,000 | 71,013 | 15,987 | 81.62% | 18.38% |
| Cut-Away/Van 26'+, 4 or 5-Year, Diesel | 116,000 | 94,684 | 21,316 | 81.62% | 18.38% |
| Cut-Away/Van 26'+, 4 or 5-Year, CNG | 131,000 | 106,928 | 24,072 | 81.62% | 18.38% |
| Cut-Away/Van 26'+, 7-Year, Gas | 121,000 | 100,430 | 20,570 | 83.00% | 17.00% |
| Cut-Away/Van 26'+, 7-Year, Diesel | 163,000 | 135,289 | 27,711 | 83.00% | 17.00% |
| Cut-Away/Van 26'+, 7-Year, CNG | 181,000 | 150,229 | 30,771 | 83.00% | 17.00% |
| | | | | | |
| Transit Bus 30' Diesel | 503,000 | 405,697 | 97,303 | 80.66% | 19.34% |
| Transit Bus 30' CNG | 561,000 | 452,478 | 108,522 | 80.66% | 19.34% |
| Transit Bus 30' Hybrid | 679,000 | 547,651 | 131,349 | 80.66% | 19.34% |
| Transit Bus 35' Diesel | 517,000 | 416,896 | 100,104 | 80.64% | 19.36% |
| Transit Bus 35' CNG | 579,000 | 466,891 | 112,109 | 80.64% | 19.36% |
| Transit Bus 35' Hybrid | 698,000 | 562,850 | 135,150 | 80.64% | 19.36% |
| Transit Bus 40' Diesel | 533,000 | 429,715 | 103,285 | 80.62% | 19.38% |
| Transit Bus 40' CNG | 595,000 | 479,701 | 115,299 | 80.62% | 19.38% |
| Transit Bus 40' Hybrid | 719,000 | 579,672 | 139,328 | 80.62% | 19.38% |
| | | | | | |
| Suburban Bus 45' Diesel | 622,000 | 500,769 | 121,231 | 80.51% | 19.49% |
| | | | | | |
| Over-the-Road 40' Diesel | 622,000 | 500,769 | 121,231 | 80.51% | 19.49% |
| Over-the-Road 40' CNG | 696,000 | 560,346 | 135,654 | 80.51% | 19.49% |
| Over-the-Road 40' Hybrid | 839,000 | 675,475 | 163,525 | 80.51% | 19.49% |
| Over-the-Road 45' Diesel | 671,000 | 540,219 | 130,781 | 80.51% | 19.49% |
| Over-the-Road 45' CNG | 752,000 | 605,432 | 146,568 | 80.51% | 19.49% |
| Over-the-Road 45' Hybrid | 906,000 | 729,416 | 176,584 | 80.51% | 19.49% |
| Over-the-Road 60' Diesel | 885,000 | 711,480 | 173,520 | 80.39% | 19.61% |
| Over-the-Road 60' CNG | 991,000 | 796,697 | 194,303 | 80.39% | 19.61% |
| Over-the-Road 60' Hybrid | 1,195,000 | 960,699 | 234,301 | 80.39% | 19.61% |
| | | | | | |
| Articulated 60' Diesel | 753,000 | 605,361 | 147,639 | 80.39% | 19.61% |
| Articulated 60' CNG | 843,000 | 677,715 | 165,285 | 80.39% | 19.61% |
| Articulated 60' Hybrid | 1,016,000 | 816,795 | 199,205 | 80.39% | 19.61% |
| | | | | | |
| Notes: | | | | | |
| Prices escalated 2.0% annually, rounded to nearest $1,000 | | | | | |
| Prices for buses and cut-aways include allowances for radios, fareboxes and Clipper 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 Clipper wiring and brackets subtract $1,673 | | | | | |
| For buses with dual-side doors, add $50,000 to Total ($40,000 Federal, $10,000 Local) | | | | | |

**Table 5: Regional Bus-Van Pricelist, FY2013-14**

| Vehicle Type | Total | Federal | Local | Federal % | Local % |
|---|---|---|---|---|---|
| | | | | | |
| Auto | 31,000 | 25,867 | 5,133 | 83.44% | 16.56% |
| | | | | | |
| Minivan Under 22' | 55,000 | 45,893 | 9,107 | 83.44% | 16.56% |
| | | | | | |
| Cut-Away/Van Under 26', 4 or 5-Year, Gas | 84,000 | 68,564 | 15,436 | 81.62% | 18.38% |
| Cut-Away/Van Under 26', 4 or 5-Year, Diese | 112,000 | 91,419 | 20,581 | 81.62% | 18.38% |
| Cut-Away/Van Under 26', 4 or 5-Year, CNG | 125,000 | 102,030 | 22,970 | 81.62% | 18.38% |
| Cut-Away/Van Under 26', 7-Year, Gas | 117,000 | 97,110 | 19,890 | 83.00% | 17.00% |
| Cut-Away/Van Under 26', 7-Year, Diesel | 158,000 | 131,139 | 26,861 | 83.00% | 17.00% |
| Cut-Away/Van Under 26', 7-Year, CNG | 176,000 | 146,079 | 29,921 | 83.00% | 17.00% |
| Cut-Away/Van 26'+, 4 or 5-Year, Gas | 89,000 | 72,646 | 16,354 | 81.62% | 18.38% |
| Cut-Away/Van 26'+, 4 or 5-Year, Diesel | 118,000 | 96,317 | 21,683 | 81.62% | 18.38% |
| Cut-Away/Van 26'+, 4 or 5-Year, CNG | 134,000 | 109,377 | 24,623 | 81.62% | 18.38% |
| Cut-Away/Van 26'+, 7-Year, Gas | 123,000 | 102,090 | 20,910 | 83.00% | 17.00% |
| Cut-Away/Van 26'+, 7-Year, Diesel | 166,000 | 137,779 | 28,221 | 83.00% | 17.00% |
| Cut-Away/Van 26'+, 7-Year, CNG | 185,000 | 153,549 | 31,451 | 83.00% | 17.00% |
| | | | | | |
| Transit Bus 30' Diesel | 513,000 | 413,763 | 99,237 | 80.66% | 19.34% |
| Transit Bus 30' CNG | 572,000 | 461,350 | 110,650 | 80.66% | 19.34% |
| Transit Bus 30' Hybrid | 693,000 | 558,943 | 134,057 | 80.66% | 19.34% |
| Transit Bus 35' Diesel | 527,000 | 424,960 | 102,040 | 80.64% | 19.36% |
| Transit Bus 35' CNG | 591,000 | 476,568 | 114,432 | 80.64% | 19.36% |
| Transit Bus 35' Hybrid | 712,000 | 574,139 | 137,861 | 80.64% | 19.36% |
| Transit Bus 40' Diesel | 544,000 | 438,584 | 105,416 | 80.62% | 19.38% |
| Transit Bus 40' CNG | 607,000 | 489,376 | 117,624 | 80.62% | 19.38% |
| Transit Bus 40' Hybrid | 733,000 | 590,959 | 142,041 | 80.62% | 19.38% |
| | | | | | |
| Suburban Bus 45' Diesel | 634,000 | 510,430 | 123,570 | 80.51% | 19.49% |
| | | | | | |
| Over-the-Road 40' Diesel | 634,000 | 510,430 | 123,570 | 80.51% | 19.49% |
| Over-the-Road 40' CNG | 710,000 | 571,618 | 138,382 | 80.51% | 19.49% |
| Over-the-Road 40' Hybrid | 856,000 | 689,162 | 166,838 | 80.51% | 19.49% |
| Over-the-Road 45' Diesel | 684,000 | 550,685 | 133,315 | 80.51% | 19.49% |
| Over-the-Road 45' CNG | 767,000 | 617,508 | 149,492 | 80.51% | 19.49% |
| Over-the-Road 45' Hybrid | 924,000 | 743,908 | 180,092 | 80.51% | 19.49% |
| Over-the-Road 60' Diesel | 903,000 | 725,951 | 177,049 | 80.39% | 19.61% |
| Over-the-Road 60' CNG | 1,011,000 | 812,776 | 198,224 | 80.39% | 19.61% |
| Over-the-Road 60' Hybrid | 1,219,000 | 979,993 | 239,007 | 80.39% | 19.61% |
| | | | | | |
| Articulated 60' Diesel | 768,000 | 617,420 | 150,580 | 80.39% | 19.61% |
| Articulated 60' CNG | 860,000 | 691,382 | 168,618 | 80.39% | 19.61% |
| Articulated 60' Hybrid | 1,036,000 | 832,874 | 203,126 | 80.39% | 19.61% |
| | | | | | |
| Notes: | | | | | |
| Prices escalated 2.0% annually, rounded to nearest $1,000 | | | | | |
| Prices for buses and cut-aways include allowances for radios, fareboxes and Clipper 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 Clipper wiring and brackets subtract $1,706 | | | | | |
| For buses with dual-side doors, add $50,000 to Total ($40,000 Federal, $10,000 Local) | | | | | |

## C. Project Definition and Scoring

**Project Scoring**
All 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 6.

**Table 6. Project Scores**

| Project Category/Description | Project Score |
|---|---|
| **Revenue Vehicle Replacement** | **16** |
| Vehicle Replacement - replacement of a revenue vehicle at the end of its useful life (see Asset Useful Life above). 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 it 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. | |
| **Revenue Vehicle Rehabilitation** | **16** |
| 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). Rehabilitation of historic railcars, which have, by definition, extended useful lives, is included in this category. | |
| **Used Vehicle Replacement** | **16** |
| 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$^{th}$ of the allowable programming for the project). | |
| **Fixed Guideway Replacement / Rehabilitation** | **16** |

| | |
|---|---|
| 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. | |
| **Ferry Propulsion Systems** | **16** |
| 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. | |
| **Ferry Major Component** | **16** |
| 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. | |
| **Ferry Fixed Guideway Connectors** | **16** |
| 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. | |
| **Revenue Vehicle Communication Equipment** | **16** |
| 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). | |
| **Non-Clipper® Fare Collection/Fareboxes** | **16** |
| 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 Clipper® fare collection system. | |
| **Clipper®** | **16** |
| Clipper® - replacement of Clipper® fare collection equipment related to revenue vehicles and faregates. | |

| | |
|---|---|
| **Bus Diesel Emission Reduction Devices** | **16** |
| 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 2017 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 2017, 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. | |
| **Safety** | **15** |
| 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. | |
| **ADA/Non Vehicle Access Improvement** | **14** |
| ADA - capital projects needed for ADA *compliance*. 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. | |
| **Fixed/Heavy Equipment, Maintenance/Operating Facilities** | **13** |
| 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. | |
| **Station/Intermodal Stations/Parking Rehabilitation** | **12** |
| 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. | |
| **Service Vehicles** | **11** |
| Service Vehicles - replacement/rehabilitation of non-revenue and service vehicles based on useful life schedules. | |

| **Tools and Equipment** | **10** |
|---|---|
| Tools and Equipment - maintenance tools and equipment, generally with a unit value below $10,000. | |
| **Office Equipment** | **9** |
| Office Equipment - computers, copiers, fax machines, etc. Includes administrative - MIS, financial, HR, scheduling, and maintenance management systems. | |
| **Preventive Maintenance** | **9** |
| 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. Preventive Maintenance may be treated as Score 16 under certain circumstances; see Section V. Programming Policies, Preventive Maintenance Funding. | |
| **Operational Improvements/Enhancements** | **8** |
| Operational Improvement/Enhancements - any project proposed to improve and/or enhance the efficiency of a transit facility. | |
| **Operations** | **8** |
| 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. | |
| **Expansion** | **8** |
| Expansion - any project needed to support expanded service levels. | |

## D. 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% ADA set-aside amounts, the Lifeline set-aside amounts, and the Unanticipated Costs Reserve. 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 the 10% ADA set-aside discussed in paragraph (c) below, and the Vehicle Procurement Reserve, if any, 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 2010 census did not result in any major changes to the region's urbanized areas.

   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% ADA Paratransit Service Set-Aside*: MAP-21 caps the share of each urbanized area's Section 5307 apportionment that can be programmed for ADA paratransit service operating costs at 10%. 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 7 shows the percentages by operator and urbanized area for this programming period.

**Table 7: 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 | 3.5% | | | | | | |
| LAVTA | | | 7.6% | | | 100.0% | |
| Marin County Transit | 5.3% | | | | | | |
| Napa VINE | | | | | 7.0% | | |
| SFMTA | 29.5% | | | | | | |
| SamTrans | 7.8% | | | | | | |
| SCVTA | | 85.0% | | | | | 100.0% |
| SolTrans | 2.1% | | | | 93.0% | | |
| SR City Bus | Not Applicable | | | | | | |
| Sonoma Cty Transit | Not Applicable | | | | | | |
| Tri-Delta | | | | 77.8% | | | |
| Union City | | | | | | | |
| Vacaville | Not Applicable | | | | | | |
| WestCat | 0.9% | | | | | | |
| **Total** | **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% 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.
4) Formula amended April 2013 to split GGBHTD share with Marin County Transit per agreement between the two operators.

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.

d) *Lifeline Set-Aside*: MAP-21 eliminated the Job Access and Reverse Commute (JARC) program (Section 5316) and combined JARC functions and funding with the

Urbanized Area Formula (Section 5307) and the Non-urbanized Area Formula (Section 5311) programs. JARC projects were made eligible for 5307 funding, and 3.07% of 5307 appropriations will be apportioned by the JARC low-income formula. However, there are no minimum or maximum amounts that can be programmed for JARC projects.

The region has historically used JARC funds apportioned to large urbanized areas to support the Lifeline program. The adopted Lifeline programs for FY2012 and FY2013 each assumed approximately $2.8 million in JARC funding from large urbanized areas, about $200,000 over the actual FY2012 apportionments, and $400,000 over the projected FY2013 apportionment.

JARC funds apportioned to small urbanized areas were managed by Caltrans before MAP-21 was enacted. At the time this policy is being developed, it is uncertain whether Caltrans will continue to manage Section 5307 funds that are apportioned by the JARC formula in small urbanized areas, or whether this responsibility will be transferred to MTC as the designated recipient for Section 5307 for small urbanized areas in the region.

In recognition of the changes to the JARC program and the continued need for funding for the Lifeline program:

- The first priority for 5307 funds apportioned by the JARC formula is the Lifeline program;

- In the FY2012-13 Section 5307 program, approximately $3.0 million of large urbanized area funds will be set aside for the Lifeline program (approximately $2.8 million for the FY2013 program and $200,000 for the FY2012 shortfall);

- In the FY2013-14 Section 5307 program, funds equivalent to the JARC formula apportionments to large urbanized areas, currently projected to total approximately $2.4 million, will be set aside for the FY2014 Lifeline program;

- FY2013 and FY2014 Section 5307 funds equivalent to FTA's estimates of JARC formula apportionments to small urbanized areas will be held in reserve while MTC staff works with Caltrans to determine the process for programming Section 5307 funds apportioned by the JARC formula in small urbanized areas. If MTC manages these funds, the first priority for the reserved funds will be Lifeline projects in small UAs.

- Section 5307 funds programmed for JARC projects shall be subject to the Lifeline Program guidelines in effect for that year of programming, rather than to the TCP Policies, provided such projects are consistent with federal laws and regulations related to Section 5307.

e) *Unanticipated Costs Reserve*: Unanticipated costs, such as capital improvements required to comply with new regulations, can be difficult to accommodate in the TCP program after the preliminary program has been developed and adopted. To improve the region's ability to provide funding to meet such unanticipated costs, a reserve of approximately $1 million of Section 5307 funds and $1 million of Section 5337 funds will be set aside before developing the preliminary programs for FY2012-13 and FY2013-14. The reserve will be set aside from all urbanized areas proportional to each urbanized area's projected apportionments in each program. Any proposals to program from the reserve will be reviewed with the Transit Finance Working Group. Any Unanticipated Cost Reserve funds that are not programmed will roll over and be available for programming in the following year.

**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.

MAP-21 provides new eligibility for small and medium-sized bus operators in large urbanized areas to use Section 5307 funds for operating assistance. For operators with up to 75 buses, 75% of the urbanized area's apportionment attributable to the operator (as measured by vehicle revenue hours) may be programmed for operating assistance. For operators with up to 76 to 100 buses, 50% of the urbanized area's apportionment attributable to the operator (as measured by vehicle revenue hours) may be programmed for operating assistance. Eligible operators may request operating assistance up to the maximum eligible amount, but operating assistance will be programmed only after higher scoring projects in the urbanized area are funded. Operating assistance requests will be treated at Score 8 in the programming process (see Table 6 Project Scores above).

**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 SRTP or other board-approved capital plan, and in accordance with goals outlined in the RTP for maintaining the region's capital plant (maintenance of effort).

**Associated Transit Improvements**
MAP-21 requires that 1% of the FTA section 5307 apportionments in large urbanized areas be programmed for Associated Transit Improvements (formerly referred to as transit enhancements). Eligible projects include:

(A) historic preservation, rehabilitation, and operation of historic public transportation buildings, structures, and facilities (including historic bus and railroad facilities) intended for use in public transportation service;
(B) bus shelters;
(C) landscaping and streetscaping, including benches, trash receptacles, and street lights;
(D) pedestrian access and walkways;
(E) bicycle access, including bicycle storage facilities and installing equipment for transporting bicycles on public transportation vehicles;
(F) signage; or
(G) enhanced access for persons with disabilities to public transportation.

Due to the overwhelming needs to sustain the current transit capital plant, funded score 16 projects which can be identified as eligible Associated Transit Improvement project candidates would count against the 1% requirement, 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**
Preventive maintenance will be considered a Score 9 funding priority in Transit Capital Priorities, unless the conditions for one of the following four policy elements are met, in which case preventive maintenance will be treated as Score 16. 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. It is the intent of this policy that funding for preventive maintenance will not increase the region's transit capital shortfall.

a) *Funding Exchange*: Operators who wish to exchange a capital project for preventive maintenance funding in order to use their local or state 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. The Funding Exchange element can be applied to lower scoring capital projects as well as preventive maintenance. Operators using the Funding Exchange element must certify in writing that the assets will be replaced with non-federal funds.

b) *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. Operators using the Capital Exchange element will be limited to two years preventive

maintenance funding within a 12-year period.

c) *Negotiated Agreement within an Urbanized Area*: In the third 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.

d) *Budgetary Shortfalls*: Requests for preventive maintenance to meet budgetary shortfalls will be considered on a case-by-case basis if a fiscal need can be demonstrated 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 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 will be limited to two years preventive maintenance funding within a 12-year period.

The requesting operator will enter into an MOU with MTC or other formal agreement or action, such as Board approvals, and if applicable, with other transit properties affected by the preventive maintenance agreement. The agreement or actions will

embody the four eligibility requirements outlined above as well as any other relevant terms and conditions of the agreement.

**Bus Diesel Emission Reduction Device Funding Program**
MTC provided approximately $14 million in CMAQ funds in FY2003-04 and FY2004-05 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, 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 2017 for funds programmed in FY2012-13, and until at least 2018 for funds programmed in FY2013-14. Devices or components to be installed on buses that are scheduled to be replaced prior to the specified years 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.

**Vehicle Procurement Reserves**
The TCP program for FY2010-11 and FY2011-12 included a vehicle procurement reserve which set-aside $150 million of revenues to help meet the future peak expenditures for major vehicle procurement projects, including BART's and Caltrain's railcar replacements, and SFMTA's trolley car replacement, and closely related projects (such as the Caltrain electrification program). Most of the costs for the major procurements will be incurred in the FY2015 to FY2018 period, causing total Score 16 needs in those years to far exceed projected revenues, while revenues during the FY2011 to FY2012 period were expected to exceed capped Score 16 needs.

The proposed TCP program for FY2012-13 and FY2013-14 may include a second Vehicle Procurement Reserve, depending on projected FTA revenues, updated schedules and programming needs for the major vehicle procurement projects, and the demand for funding for other high-scoring capital projects.

**Conditioning Programming on Expenditure of Prior Grants**
The intent of this policy element is to direct the region's limited funds to the projects most in need of additional resources. If an operator requests TCP funds for a project which received funding in prior years, and the prior-year grants have significant unexpended balances (as determined by reviewing FTA TEAM disbursement reports) at the time the program is being developed, MTC staff will request that the operator provide a justification for the additional programming, and will review the justification for reasonableness before recommending additional funding for the project. The justification for additional programming could include any of the following elements:

- A funding plan for the project that demonstrates the need for funding over multiple years;

- Demonstration that the unexpended funds are under contract or otherwise encumbered;

- A schedule for drawing down the unexpended balance as the project is completed;

- Demonstration that the unexpended balance of the grant is for a project other than the project for which additional funding is being requested.

**Joint Procurements**
In recognition of the policy direction of the Transit Sustainability Project Resolution No. 3060, before TCP funds are programmed for revenue vehicles, non-revenue vehicles, communications and vehicle location systems, fare collection equipment, bus emission

reduction devices, computer systems, including management information systems and maintenance/asset management systems, or other equipment, operators must evaluate and pursue, as appropriate, opportunities for joint procurements and integrated operations with other operators. MTC will coordinate discussions if requested.

**Transit Asset Management**

MAP-21 requires FTA funding recipients to develop transit asset management (TAM) plans, including capital asset inventories and condition assessments, report asset inventory and condition data to the National Transit Database (NTD), and to develop TAM performance measures, targets and reports. FTA has one year from the enactment of MAP-21 to issue a final rule implementing TAM requirements. The region is relatively well positioned to meet the new TAM requirements due to development of the Regional Transit Capital Inventory (RTCI) and the use of FTA's TERM model to assess asset conditions and project capital needs, but individual operators vary widely in their approaches to TAM. In order to effectively comply with the new TAM requirements and improve the region's TAM practices, MTC will:

- Work with FTA to ensure that RTCI data can be used to help meet TAM requirements;

- Propose revisions to this policy needed to meet the requirements of FTA's final TAM rule; and

- Work with the operators to evaluate TAM systems and consider joint procurement of such systems to reduce costs, facilitate data interchange with RTCI and NTD, and comply with the new TAM requirements. Operators that already developed TAM systems will not be required to participate in joint procurements of TAM systems.

## III. CYCLE 2 STP/CMAQ TRANSIT CAPITAL REHABILITATION PROGRAM

The Commission's Cycle 2 Program Project Selection Criteria and Programming Policy For FY2012-13, FY2013-14, FY2014-15 and FY 2015-16, MTC Resolution No. 4035, Revised, includes $150 million in STP/CMAQ funding for a Transit Capital Rehabilitation Program. These funds will be programmed to Transit Performance Initiative projects and to transit capital rehabilitation projects. Specific projects are included in Attachment B to MTC Resolution No. 4035, Revised.

**Transit Performance Initiative**

This program includes investment and performance incentive elements. The investment element implements transit supportive investments in major transit corridors that can be carried out within two years. The focus is on making cost-effective operational improvements on significant trunk lines which carry the largest number of passengers in the Bay Area including transit signal prioritization, passenger circulation improvements at major hubs, and boarding/stop improvements. For FY2012-13 through FY2015-16, $13 million annually is available for this program.

The incentive program provides financial rewards to transit agencies that improve ridership and/or productivity. For FvY2012-13, $15 million is distributed based on each operator's share of ridership based on final audited FY2010-11 ridership figures. For FY2013-14 through FY2015-16, $15 million is available annually based on the formula distribution described below. The program will be evaluated annually following each cycle.

Large and Small Operator Accounts: Of the annual $15 million available, 85% and 15% shall be assigned to the large and small operator accounts, respectively. The large operators include: AC Transit; BART, Caltrain, Golden Gate Transit, SFMTA, SamTrans, and Santa Clara VTA.

Large Operator Distribution Formula: Funds shall be distributed to large operators as follows:

- 20% based on Passenger Increase (absolute)
- 10% based on Passenger Per Hour Increase (absolute)
- 70% based on Annual Passengers

Small Operator Distribution Formula: Funds shall be distributed to small operators as follows:

- 25% based on Passenger Increase (absolute)
- 25% based on Passenger Per Hour Increase (absolute)
- 50% based on Annual Passengers

Data Source: Using the most recent National Transit Database data for all modes excluding Paratransit, the distribution formula shall be calculated annually using a three-year rolling average commencing with FY2009-10, 2010-11 and 2011-12 for the FY2013-14 distribution. For the FY2013-14 distribution, data for Marin County Transit District shall be included with Golden Gate Transit in the Large Operator Account. The funding, however, assigned to Golden Gate Transit based on the NTD data, will be further distributed to the two operators – Golden Gate Transit and Marin County Transit District – based on a mutually agreed split based on the relevant performance and ridership data.

**Transit Capital Rehabilitation**

Any Cycle 2 STP/CMAQ Transit Capital Rehabilitation Program funds not programmed for Transit Performance Initiative projects will be programmed for transit capital rehabilitation projects to supplement the Transit Capital Priorities program. Transit capital rehabilitation projects will be programmed using the same policies and procedures as used for the FTA formula funds, as specified in Section II. FTA Formula Funds. This includes a set-aside of $1 million to support the consolidation and transition of Vallejo and Benicia bus services to Soltrans.

## APPENDIX 1 – BOARD RESOLUTION

***Sample Resolution of Board Support***
***FTA Section 5307, 5309 Fixed Guideway (FG), 5337 and 5339 and Surface Transportation Program Project Application***

**Resolution No. _____**

**AUTHORIZING THE FILING OF AN APPLICATION FOR FTA FORMULA PROGRAM 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**, Moving Ahead for Progress in the 21st Century (MAP-21, Public Law Public Law 112-141) continues and establishes new Federal Transit Administration formula programs (23 U.S.C. §53) and continues the Surface Transportation Program (23 U.S.C. § 133); and

**WHEREAS**, pursuant to MAP-21, and the regulations promulgated there under, eligible project sponsors wishing to receive Federal Transit Administration (FTA) Section 5307, Section 5309 Fixed Guideway (FG), Section 5337 State of Good Repair, or Section 5339 Bus and Bus Facilities (collectively, FTA Formula Program) grants or Surface Transportation Program (STP) 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 Formula Program or STP funds; and

**WHEREAS**, (applicant) wishes to submit a grant application to MTC for funds from the FY2012-13 or FY2013-14 FTA Formula Program or STP funds, for the following project(s):

(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 Formula Program funds, and 11.47% for STP funds; and
2) that the sponsor understands that the FTA Formula Program and STP funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded from FTA Formula Program or STP 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 Formula Program funds must be obligated within three years of programming and STP 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 program for FTA Formula Program and STP funds; and be it further***

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

***Resolved, that there is no legal impediment to (agency name) making applications for FTA Formula Program 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 Formula Program 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 Formula Program 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 Formula Program 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 prior to MTC programming the FTA Formula Program or Surface Transportation Program funded projects 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, FTA 5337 State of Good Repair Program, FTA 5339 Bus and Bus Facilities 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, 5309 FG, 5337 or 5339 programs, or STP, made available pursuant to the Moving Ahead for Progress in the 21st Century federal transportation authorization (MAP-21, Public Law Public Law 112-141).

1. (Applicant)_____ is an eligible sponsor of projects for the FTA Section 5307, 5309 FG, 5337 or 5339 programs, or the STP program.
2. (Applicant) _____ is authorized to submit an application for FTA Section 5307, 5309 FG, 5337 or 5339 funding, or 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, 5309 FG, 5337 or 5339 program funds, or STP 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 Formula Program and STP Programs; and be it further***

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

***Resolved, that there is no legal impediment to (agency name) making applications for FTA Formula Program 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).