



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4b

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Legislation Committee

DATE: June 1, 2018

FR: Executive Director

W.I. 1131

RE: Update on Federal Fiscal Year 2019 Transportation and Housing Appropriations

Overview

On May 23, 2018, the House Appropriations Committee approved their fiscal year (FY) 2019 Transportation, Housing and Urban Development, and Related Agencies (THUD) appropriations proposal. This bill would allocate \$71.8 billion in discretionary spending to federal transportation and housing programs, which reflects an increase in funding levels allowed by last year's \$200 billion two-year budget deal. The proposal would increase discretionary spending for transportation and housing \$1.5 billion above FY 2018 levels and \$14.2 billion above FY 2017 levels. The Senate THUD subcommittee may take action on its draft FY 2019 appropriations bill before your June 6th Committee meeting. Staff will report on any updates at your meeting.

Transportation

Though not unexpected, it is good news that the House bill would not only honor highway and transit formula commitments from the 2015 Fixing America's Surface Transportation (FAST) Act but would also increase funding above FAST Act-authorized levels by \$4.3 billion for highways and by \$800 million for transit. Similar to last year, the House is proposing that most of the new highway money (\$3.8 billion) be reserved for states and regions to fund highway and bridge projects. The new transit money would be distributed through major transit formula programs. Staff is working with our delegation to request that the final FY 2019 bill allocate this welcome transportation funding increase in a way that would ensure the Bay Area receives our fair share. Importantly, the bill also rejected the President's proposal to wind down the Capital Investment Grant (CIG) program – the funding source for New Starts, Core Capacity, and Small Starts transit projects – and instead funded CIG at \$2.6 billion, an increase of approximately \$300 million from FAST Act authorized levels and nearly level with FY 2018 funding. This funding level would ensure the Caltrain Peninsula Corridor Electrification Project receives \$100 million, consistent with the project's funding schedule.


Housing

The House FY 2019 THUD spending package rejects the President's FY 2019 Budget proposal to slash federal support for housing and instead would increase funding to \$43.6 billion, nearly \$1 billion above FY 2018 spending levels. The House bill would continue funding the flexible Community Development Block Grant (CDBG) program at \$3.3 billion and proposes a 14% funding reduction to \$1.2 billion for the HOME Investment Partnerships program. The President's FY 2019 Budget had proposed to zero out funding for both of those programs.

The comparison chart below details FY 2018 and proposed FY 2019 federal funding levels for select surface transportation and housing programs.

Transportation, Housing and Urban Development and Related Agencies Appropriations FY 2018 – FY 2019 Comparison Chart (\$ in millions)				
Program	FY 2018 Funding	FAST Act FY 2019 Authorization	President's FY 2019 Budget	FY 2019 House Appropriations Committee
<i>Department of Transportation</i>				
Highway Formula*	\$46,759	\$45,268	\$45,268	\$49,472
Transit Formula*	\$10,739	\$9,939	\$9,939	\$10,739
Capital Investment Grants	\$2,645	\$2,302	\$1,000	\$2,614
TIGER	\$1,500	N/A	\$ -	\$ 750
Consolidated Rail Infrastructure and Safety Improvements	\$593	\$255	\$ -	\$300
Federal-State Partnership for State of Good Repair	\$250	\$300	\$ -	\$500
Amtrak (total)	\$1,942	\$1,700	\$738	\$1,942
<i>Department of Housing and Urban Development</i>				
Community Development Block Grant Program	\$3,300	N/A	\$ -	\$3,300
HOME Investment Partnership Program	\$1,362	N/A	\$ -	\$1,200
Section 8 Voucher Renewals	\$19,600	N/A	\$18,749	\$20,107
McKinney-Vento Homeless Assistance Grants	\$2,513	N/A	\$2,383	\$2,546
Public Housing Capital	\$2,750	N/A	\$ -	\$2,750
Public Housing Operating	\$4,550	N/A	\$3,279	\$4,550

* Note: Highway and transit formula funding numbers reflect the general fund (GF) increases to the highway and transit programs as well as FAST Act-authorized highway and transit programs funded from the Highway Trust Fund (HTF). The GF funding increase is largely allocated to the HTF-funded highway and transit formula programs but also includes \$100 million in competitive funding for nationally significant highway projects on Federal lands and tribal lands.



 Steve Heminger

SH:ggd