

Metropolitan Transportation Commission Programming and Allocations Committee

September 8, 2021

Agenda Item 5b - 21-1034

MTC Resolution 4481, Revised – Supplemental Programming of Phase 1 American Rescue Plan Act Funding

Subject: Programming of Phase 1 American Rescue Plan Act (ARP) funding for specific hardships and focused recovery strategies, and to transit operators in Solano and Sonoma Counties.

Background: As part of the Phase 1 distribution of ARP funds approved in July, staff committed to bringing forward in September:

1. A recommendation for the programming of a portion of the ARP funding set-aside for hardships and focused recovery strategies, to address specific needs identified at the July Commission meeting; and
2. The allocation of Phase 1 funding to operators within Solano and Sonoma Counties. Total shares for operators in Solano and Sonoma counties were grouped to allow operators and County Transportation Agencies in those counties to collaboratively identify funding amounts per operator that best align with ongoing coordination and integration efforts.

Hardships and Focused Recovery Strategy Funding

At the July Commission meeting, staff identified several specific concerns to be considered for funding from the amount set aside for hardships and focused recovery efforts including:

- Santa Clara Valley Transportation Authority (VTA) – hardship related to the May 2021 tragedy at light-rail facility.
- Sonoma County Operators – hardships related to past and on-going fire concerns, and focused recovery strategies to smooth service provision until sales tax reauthorization in 2025.
- Marin Transit – focused recovery strategy to facilitate agreement with partner agency for service provision.

In addition to these concerns, staff is recommending consideration of funding from the set-aside to accommodate additional funding due to two operators, resulting from a re-calculation of the Phase 1 distribution formula.

Detail on the recommended programming is below.

VTA – \$28.6 million

Staff is recommending \$28.6 million in hardship funding to assist VTA with the financial impacts of the recent tragedy at their Guadalupe light rail facility. Funding would be used to offset costs associated with victim

compensation, increased liability costs, non-insurable losses, the leasing of a temporary light rail facility site, and costs associated with the interim renovation of the Guadalupe facility and pre-construction elements of a new facility. VTA staff will provide detailed verification of the above-mentioned costs which MTC staff will review. Should costs be lower, staff will make any required adjustment at the time of the Commission's programming of Phase 2 ARP funds.

Sonoma County Operators - \$4.6 million

The Sonoma County Transportation Authority (SCTA) along with Sonoma transit operators engaged in a process to estimate the funding needed to bridge to the 2025 Go Sonoma sales tax measure and maintain and restore service levels in the face of past fire disaster recovery and on-going disaster response and recovery.

Starting in spring 2025, the Go Sonoma Act will provide an additional 10 percent of a ¼-cent sales tax for bus transit expansion, adding an estimated \$3 million to existing annual revenues. Focused recovery ARP funds will provide the opportunity to support recovery in advance of 2025 at a level that could be sustained through the Go Sonoma Act.

The estimated need in addition to the amount directed to Sonoma County operators through the Phase 1 formula distribution is \$4.6 million.

Marin Transit - \$2 million

Staff further recommends the setting aside of \$2 million in ARP focused recovery strategy funding to bridge the gap between current and future contract rates with service provision partners for paratransit and fixed route service, allowing Marin Transit to maintain service levels for an additional six months and avoid service cutbacks that would be effective December 2022.

MTC would set aside the funds for Marin Transit and would condition their release on the outcome of negotiations between relevant agencies. The release and amounts of Phase 2 ARP funding for Marin Transit and Golden Gate Transit could potentially consider the extent to which negotiations resulted in an appropriate balance in terms of service levels, service quality, and financial constraints.

Caltrain and WETA - \$3.7 million

A significant portion of the Phase 1 ARP distribution formula was based on the cost to return service levels to near pre-pandemic levels. Caltrain raised concern that this cost had been understated for their agency in the funding distribution due to inaccurate information that was used to

estimate the cost per revenue vehicle hour. MTC staff worked with Caltrain staff to update to more accurate information on overall operating costs. This update results in additional funding needed to make Caltrain whole in the Phase 1 distribution in the amount of \$2,896,544

Further, since the Phase 1 formula capped the cost per revenue vehicle hour cost at that of the highest cost operator, which was Caltrain, the change also impacted the Water Emergency Transit District (WETA). The increased cap results in additional funding needed to satisfy the Phase 1 formula distribution for WETA of \$772,017. While a change in the cost per revenue vehicle hour cap would also impact the distribution of formula funding for ACE, staff does not believe an increase in Phase 1 funding is warranted for ACE given that the incentive funding already provided constitutes funding to restore service for the entire ACE system, not only service provided to the Bay Area. No other operator's ARP funding was impacted by this change.

The recommendations outlined above total approximately \$39 million, with funds remaining from the 10% set-aside that can be directed to Blue Ribbon Transit Recovery Transformation Action Plan implementation. The Commission will hold a workshop in late October to further discuss resource needs and funding options for the Action Plan.

Phase 1 Programming for Operators in Sonoma and Solano Counties


As noted above, Phase 1 formula funds were granted to operators in Solano and Sonoma counties in lump sum with direction to County Transportation Agencies in those counties to work collaboratively with their respective transit operators to develop a funding distribution.

Following processes in both counties, the resulting distributions of formula funds are shown in Attachment A, in combination with recommended hardship and focused recovery strategy funding. As noted in the Hardship and Focused Recovery section above, Sonoma County operators and the SCTA collaborated to estimate the amount of funding each operator needs to sustain and maintain service levels leading up to the start of the Go Sonoma sales tax measure in 2025. In Solano, the Solano Transportation Authority (STA) worked with the county's transit operators on a distribution that seeks to meet local service needs while also shoring up the regional express bus service, Solano Express, as part of a larger planned transition in how that service is operated. ARP funding to be used for Solano Express will be programmed to Solano County transit operators in the coming months following decisions on future service provision.

Issues: The programming of Phase 1 formula ARP funds for Sonoma and Solano County transit operators is contingent on STA and SCTA board approvals of their respective distributions. Any changes arising out of board action at these agencies will be amended into this item ahead of Commission approval.

Recommendation: Refer MTC Resolution No. 4481, Revised , to the Commission for approval.

Attachments: MTC Resolution 4481, Revised
Attachment A – Supplemental ARP programming amounts



Therese W. McMillan

Attachment A
Supplemental Distribution and Programming of American Rescue Plan Act Funding

Transit Operator	Phase 1 Formula Distribution	Hardship/Focused Recovery Strategy	Total
Santa Clara Valley Transportation Authority		\$ 28,600,000	\$ 28,600,000
Caltrain		\$ 2,896,544	\$ 2,896,544
<i>Marin Transit*</i>		\$ 2,000,000	\$ 2,000,000
WETA		\$772,017	\$ 772,017
SMART	\$ 3,151,221	\$ 1,621,040	\$ 4,772,261
Sonoma County	\$ 2,776,544	\$ 1,428,300	\$ 4,204,844
Santa Rosa	\$ 2,469,827	\$ 1,270,520	\$ 3,740,347
Petaluma	\$ 896,268	\$ 280,140	\$ 1,176,408
Subtotal: Sonoma County	\$ 9,293,860	\$ 4,600,000	\$ 13,893,860
Fairfield/Suisun Transit	\$ 1,455,592		\$ 1,455,592
Solano County Transit	\$ 1,440,000		\$ 1,440,000
<i>**Solano Express set-aside -- Operator TBD</i>	<i>\$ 3,668,000</i>		<i>\$ 3,668,000</i>
Subtotal: Solano County	\$ 6,563,592		\$ 6,563,592
Grand Total	\$ 15,857,452	\$ 38,868,561	\$ 54,726,013

* Funds for Marin Transit to be set-aside pending negotiations with Golden Gate Transit for service provision. Funds

**Funds set aside for Solano Express will be programmed pending decision on future service provision.

Date: July 28, 2021
W.I.: 1512
Referred By: Commission
Revised: 09/22/21-C

ABSTRACT

Resolution No. 4481, Revised

This resolution approves the process, establishes the criteria, and programs projects for Federal Transit Administration (FTA) Sections 5307 Urbanized Area Formula and 5311 Rural Area formula funds apportioned to the San Francisco Bay Area pursuant to the American Rescue Plan Act of 2021 (ARP) (H.R. 1319).

This resolution includes the following attachments:

- Attachment A – American Rescue Plan Act FTA Formula Funds Program of Projects
- Attachment B – Principles for the Distribution of Transit Funding from the American Rescue Plan Act of 2021 in the San Francisco Bay Area Region
- Attachment C – American Rescue Plan Act FTA Formula Funds Programming Policy

This resolution was revised via Commission Action on September 22, 2021 to program Phase 1 amounts to operators in Solano and Sonoma Counties and to program funding out of the Specific Hardships and Focused Recovery Strategies categories.

Further discussion is contained in the Metropolitan Transportation Commission Summary Sheets dated May 26, 2021 and June 23, 2021, and the Programming and Allocations Committee Summary Sheets dated May 12, 2021, June 9, 2021, July 14, 2021, and September 8, 2021.

Date: July 28, 2021
W.I.: 1512
Referred By: Commission

RE: San Francisco Bay Area American Rescue Plan Act FTA Formula Funds Programming and Policy

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4481

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

WHEREAS, the American Rescue Plan Act of 2021 (ARP) (H.R. 1319) has been signed into law in response to the nationwide Coronavirus pandemic, which provides supplemental appropriations for Emergency Transit Operations Assistance through the Federal Transit Administration (FTA) Section 5307 Urbanized Area and Section 5311 Rural Area formula programs; and

WHEREAS, MTC is the designated recipient of the FTA Section 5307 Urbanized Area Formula Program funds for the large urbanized areas of San Francisco-Oakland, San Jose, Concord, Antioch, and Santa Rosa, and has been authorized by the California Department of Transportation (Caltrans) to select projects and recommend funding allocations subject to state approval for the FTA Section 5307 funds for the small urbanized areas of Vallejo, Fairfield, Vacaville, Napa, Livermore, Gilroy-Morgan Hill, and Petaluma in MTC's Federal Transportation Improvement Program and for the Section 5311 funds in non-urbanized areas; and

WHEREAS, the projects to be funded are set forth in the detailed project listings in Attachment A, which are incorporated herein as though set forth at length; and

WHEREAS, this Commission approved Principles and Approach to the Distribution of Transit Funding from the American Rescue Plan Act of 2021 on May 26, 2021, as set forth in Attachment B; and

WHEREAS, the Policy to be used for the distribution of funds is set forth in Attachment C, which is incorporated herein as though set forth at length; now, therefore, be it

RESOLVED, that MTC adopts the American Rescue Plan Act FTA Formula Funds Program of Projects to be funded as set forth in Attachment A; and, be it further

RESOLVED, that MTC approves the American Rescue Plan Act FTA Formula Funds Programming Policy as set forth in Attachment C; and, be it further

RESOLVED, that MTC will use the Policy as set forth in Attachment C to program supplemental FTA Sections 5307 and 5311 formula funds appropriated in the American Rescue Plan Act as provided under statute; and, be it further

RESOLVED, that the Executive Director of MTC, or their designee, is authorized and directed to modify the Program of Projects as listed in Attachment A to meet requirements of FTA; and, be it further

RESOLVED, that the Executive Director of MTC, or their designee, is authorized and directed to forward a copy of this resolution to FTA or other such agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION



Alfredo Pedroza, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a duly called and noticed meeting held in San Francisco, California and at other remote locations, on July 28, 2021.

Date: July 28, 2021
W.I.: 1512
Referred by: Commission
Revised: 09/22/21-C

Attachment A
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American Rescue Plan Act FTA Formula Funds Program of Projects

Operator Formula, Phase I					
TIP ID	Operator	Project Description	Total FTA Program	FTA Section 5307	FTA Section 5311
		Apportionments	1,676,840,094	1,676,840,094	-
NEW	AC Transit	ARP-eligible Projects	66,101,819	66,101,819	-
NEW	ACE	ARP-eligible Projects	3,587,230	3,587,230	-
NEW	BART	ARP-eligible Projects	330,848,991	330,848,991	-
NEW	Caltrain	ARP-eligible Projects	41,098,334	41,098,334	-
NEW	CCCTA	ARP-eligible Projects	5,875,630	5,875,630	-
NEW	ECCTA	ARP-eligible Projects	1,909,865	1,909,865	-
NEW	GGBHTD	ARP-eligible Projects	57,697,418	57,697,418	-
NEW	LAVTA	ARP-eligible Projects	5,730,074	5,730,074	-
NEW	Marin Transit	ARP-eligible Projects	2,607,631	2,607,631	-
NEW	NVTA	ARP-eligible Projects	2,320,772	2,320,772	-
NEW	SamTrans	ARP-eligible Projects	15,633,362	15,633,362	-
NEW	SFMTA	ARP-eligible Projects	288,170,574	288,170,574	-
	Solano County Operators*				-
NEW	City of Fairfield		1,455,592	1,455,592	
NEW	Solano County Transit		1,440,000	1,440,000	
	<i>Solano Express Set-aside - Operator TBD</i>		3,668,000	3,668,000	
	Sonoma County Operators*				-
NEW	City of Petaluma	ARP-eligible Projects	896,268	896,268	
NEW	City of Santa Rosa	ARP-eligible Projects	2,469,827	2,469,827	
NEW	SMART	ARP-eligible Projects	3,151,221	3,151,221	
NEW	Sonoma County Transit	ARP-eligible Projects	2,776,544	2,776,544	
NEW	Transbay Joint Powers Authority	ARP-eligible Projects	1,800,000	1,800,000	-
NEW	Union City Transit	ARP-eligible Projects	453,251	453,251	-
NEW	VTA	ARP-eligible Projects	55,687,355	55,687,355	-
NEW	WCCTA	ARP-eligible Projects	2,896,784	2,896,784	-
NEW	WETA	ARP-eligible Projects	13,361,837	13,361,837	-
	Phase I Subtotal		911,638,379	911,638,379	-
	Fund Balance		765,201,715	765,201,715	-

*Final amounts for specific Solano and Sonoma county operators were approved in September. For Phase I of programming, Solano County was programmed \$6,563,592 and Sonoma County was programmed \$9,293,860; operator-specific amounts were finalized in collaboration with the County Transportation Authorities.

Date: July 28, 2021
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Operator Hardship and Disparities, and Other Focused Recovery Strategies					
TIP ID	Operator	Project Description	Total FTA Program	FTA Section 5307	FTA Section 5311
NEW	VTA	ARP-eligible Projects	28,600,000	28,600,000	
NEW	Caltrain	ARP-eligible Projects	2,896,544	2,896,544	
NEW	WETA	ARP-eligible Projects	772,017	772,017	
NEW	SMART	ARP-eligible Projects	1,621,040	1,621,040	
NEW	Sonoma County Transit	ARP-eligible Projects	1,428,300	1,428,300	
NEW	City of Santa Rosa	ARP-eligible Projects	1,270,520	1,270,520	
NEW	City of Petaluma	ARP-eligible Projects	280,140	280,140	
Setaside Subtotal			36,868,561	36,868,561	
Fund Balance			728,333,154	728,333,154	

Note: \$2,000,000 from this category is set aside for Marin Transit pending negotiations with Golden Gate Transit for service provision. Funds will be programmed at a later date.

Date: July 28, 2021
W.I.: 1512
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Attachment B
Resolution No. 4481
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Principles for the Distribution of Transit Funding from the American Rescue Plan Act of 2021 in the San Francisco Bay Area Region

- 1. Stabilize and Sustain Transit** – Funds should be used to ensure the financial stability of the region's transit operators.
 - a. Distribute funds to operators with demonstrated financial need, where layoffs or furloughs would be likely without support. Adequate staffing is critical to the region's ability to restore service. American Rescue Plan (ARP) Act funds were enacted with the intent that agencies preserve jobs to allow for transit service to be restored as demand begins to recover.
 - b. Recognize that there have been uneven revenue impacts, changes in ridership, and changes in expenses. Account for the fact that based on these uneven impacts and changes, some operators have received more federal relief funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) than their financial need indicates. As articulated through guiding principles and commitments from both CARES and CRRSAA, the distribution of ARP Act funds will seek to place each operator on an equal financial footing to facilitate a sustainable recovery during FY 2021-22.
 - c. In order to support an equitable, adaptable, sustainable, and customer-focused recovery of transit service across the Bay Area, MTC will make multiple allocations of ARP Act funds to transit operators over the course of FY 2021-22 and potentially into FY 2022-23, to assure operators that potential revenue losses due to the impacts of the COVID-19 pandemic do not limit the ability of transit operators to restore service in FY 2021-22. Specifically, operators should take action to swiftly amend budgets to accommodate allocations as they are made available, to address operating adjustments in a timely manner.
- 2. Restore and Reimagine Service** – Funds should be distributed on the condition that operators take measures to restore service to at least match current demand, and to plan to deploy additional service in a way that advances equity and at a level necessary to support increased local and regional transit demand by September 2021. Although there remains uncertainty about financial sustainability in the medium to long term, transit must be there for riders now, or riders will not be there for transit.

- a. ARP Act funds should be used to restore service and deploy operating staff in a manner that significantly reduces pass ups while physical distancing public health orders remain in place and eliminate persistent pass-ups entirely as soon as possible upon changes to physical distancing public health orders. We note that eliminating passenger pass-ups is of paramount importance to the traveling public, transit operators, and MTC. However, until physical distancing public health orders are lifted, the capacity constraints they impose on vehicle use make it nearly impossible to fully eliminate pass-ups in some circumstances.
 - b. Funds should be used to amend service levels to accommodate new ridership patterns, including increased demand for local service and the anticipated return to in-person school/community college/university in August/September 2021, as well as increased regional commute trips that require coordination among operators, as more workers return to workplaces.
 - c. While services levels should increase on aggregate, operators are encouraged to exercise flexibility, nimbleness, and creativity with where and how service is deployed. As ridership patterns and travel behaviors change, transit service must adapt and scale with these changes. Available resources, including ARP Act funds, should be deployed to maximize operators' ability to serve riders. To grow ridership in the long-run, transit must come back stronger and better than before the pandemic.
- 3. Improve Customer Experience** – Funds should be used to promote and sustain transit usage in the region. Transit needs to invest in welcoming riders back, or risk that habits and travel modes adopted during the pandemic will linger long after the public health risk has passed. To better compete with other modes of transportation, transit must be safe, reliable, affordable, and easy to use for riders.
- a. Funds should support the implementation of certain recommendations from the Blue Ribbon Transit Recovery Task Force that will increase value and enhance the experience for customers.
 - b. Funds should be made available to support creative, customer-oriented initiatives that support transit reliability and/or encourage ridership recovery.

Given the continuing fluidity and uncertainty about the economic, financial, and mobility impacts of COVID-19, these principles may be revised to respond to evolving conditions.

Date: July 28, 2021
W.I.: 1512
Referred By: Commission

Attachment C
Resolution No. 4481
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**San Francisco Bay Area
American Rescue Plan Act
FTA Formula Funds Programming Policy**

Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

I. About the Policy

- a. **Background:** The American Rescue Plan Act FTA Formula Funds Programming Policy applies to the programming of supplemental Federal Transit Administration Section 5307 Urbanized Area and 5311 Rural Area formula program funds apportioned to the San Francisco Bay Area in FY2020-21, pursuant to the American Rescue Plan Act of 2021 (ARP) (H.R. 1319).

This policy contains the rules for establishing a program of projects for eligible transit operators in the San Francisco Bay Area Region.

On March 11, 2021, the ARP was signed into law, providing supplemental appropriations for emergency transit operations in response to the global COVID-19 pandemic. These supplemental appropriations were provided via existing FTA Section 5307 and 5311 formula programs, and follow many of the same statutory guidelines and requirements. However, the funds are explicitly eligible for use for operating assistance and capital expenses related to transit operator response to the Coronavirus pandemic.

- b. **Goals & Objectives:** The goal of this policy is to ensure that all Bay Area transit operators receive enough relief funding to support meaningful and context-specific restoration of transit service and protect the jobs needed to deliver that service. As each transit operator has a unique revenue mix, each of which has been impacted differently by the economic impacts of the COVID-19 pandemic, the immediate need for additional relief funds varies considerably by agency.

II. The Policy

a. FTA Funds

- i. **Federal Eligibility:** In addition to the typical eligibility for capital and operating projects for the FTA Section 5307 Urbanized Area and FTA Section 5311 Rural Area Formula Programs as described in detail in MTC Resolution Nos. 4036, Revised (5311 Program Policy), and 4444 (Transit Capital Priorities Policy), ARP also makes these funds “*available for the operating expenses of transit agencies to prevent, prepare for, and respond to the coronavirus public health emergency, including, beginning on January 20, 2020—*

- (i) *reimbursement for payroll of public transportation (including payroll and expenses of private providers of public transportation);*
- (ii) *operating costs to maintain service due to lost revenue due as a result of the coronavirus public health emergency, including the purchase of personal protective equipment; and*
- (iii) *paying the administrative leave of operations or contractor personnel due to reductions in service.”*

Further, ARP provides this supplemental funding up to a 100% Federal share. Funds are available for obligation until September 30, 2024, and must be disbursed by

September 30, 2029.

- ii. **Regional Eligibility:** Transit operators are required to submit annual reports to the National Transit Database (NTD). Service factors reported in large urbanized areas partially determine the amounts of FTA Section 5307 funds generated in the region. An operator is eligible to be programmed and apply to FTA for funds only in designated UZAs, as outlined in Table 1 below. Eligibility is based on geographical operations and 2018 self-reported NTD information and may be broader than the UZA eligibility for the Transit Capital Priorities (TCP) Program (MTC Resolution No. 4456) typically used for distribution of FTA formula funds, in which certain operator agreements are recognized. Additionally, MTC is an eligible recipient in each UZA in the region.

Table 1. Urbanized Area Eligibility

Urbanized Area	Eligible Transit Operators[†]
San Francisco-Oakland	Alameda-Contra Costa Transit District (AC Transit), Altamont Corridor Express (ACE)*, San Francisco Bay Area Rapid Transit District (BART), Peninsula Corridor Joint Powers Board (Caltrain), Fairfield and Suisun Transit (FAST)*, Golden Gate Bridge, Highway & Transportation District (GGBHTD), Marin County Transit District (Marin Transit)*, MTC, Napa Valley Transportation Authority (NVTA), San Francisco Municipal Transportation Authority (SFMTA), San Mateo County Transit District (SamTrans), Santa Clara Valley Transportation Authority (VTA), Solano County Transit (SolTrans)*, Sonoma-Marin Area Rail Transit (SMART)*, Transbay Joint Powers Authority (TJPA), City of Union City (Union City Transit)*, Water Emergency Transportation Authority (WETA)*, Western Contra Costa Transit Authority (WestCAT)*
San Jose	AC Transit, ACE*, Caltrain, MTC, VTA
Concord	ACE*, BART, Central Contra Costa Transit Authority (CCCTA)*, Eastern Contra Costa Transit Authority (ECCTA/Tri Delta Transit)*, Livermore-Amador Valley Transit Authority (LAVTA)*, MTC, SolTrans*
Antioch	BART, ECCTA/Tri Delta Transit*, MTC
Santa Rosa	GGBHTD, MTC, Santa Rosa CityBus*, SMART*, Sonoma County Transit*
Vallejo	FAST*, MTC, SolTrans*, WETA*
Fairfield	FAST*, MTC, SolTrans*
Vacaville	City of Vacaville (CityCoach)*, FAST*, MTC
Napa	MTC, NVTA/Vine*
Livermore	ACE*, LAVTA*, MTC
Gilroy-Morgan Hill	Caltrain, MTC, VTA
Petaluma	GGBHTD, City of Petaluma*, MTC, SMART*, Sonoma County Transit*

[†] Eligibility based on 2019 NTD Report Data

*Small Operator

The FTA Section 5311 Rural Area formula program provides funds to transit

operators for service in non-urbanized and rural areas. Operator eligibility is determined by non-urbanized service as provided in the 2012 Regional Transit Database, as explained in MTC Resolution No. 4036, and as self-reported in 2019 NTD reporting. Operators eligible to receive Rural Area formula program funds, based on their provision of rural and non-urbanized area service are as follows:

Caltrain	FAST	SamTrans
City of Dixon	LAVTA	SolTrans
City of Rio Vista	Marin Transit	Sonoma County Transit
ECCTA/Tri Delta Transit	NVTA/Vine	VTA

Per the State Management Plan for Federal Transit Funds, Caltrans makes final determination of project eligibility for Section 5311 Rural Area Formula funds.

b. Funding Distribution Methodology

- i. Regional Programming Approach: The Regional Programming Approach, as described below, is designed to prioritize funds to operators based on needs as well as to provide incentive to restore service and to invest in longer term pandemic recovery strategies. The approach assumes a regional programming perspective and constrains regional demands to the amount of funds available to the region, prior to programming funds to project. It then assigns funds from urbanized areas in the following order:
 1. Fund calculated shares for operators that are restricted to receiving funds in one UZA (e.g., SFMTA, WestCAT, etc.).
 2. Fund balance of operator shares among multiple UZAs, as eligibility allows, with the objective of fully funding needs (as defined in III.a., below) due to the Coronavirus to the maximum extent possible.
 3. Reduce operator funding proportionately in UZAs where needs exceed available funding.
 4. If, after Future Phase(s) funds are programmed to address intended purposes (further described in III.a.2. below), any remaining funds will be programmed for eligible recipients per the TCP Policy (MTC Resolution No. 4444), but using the UZA eligibility outlined in Table 1 to maintain maximum flexibility with these funds.
- ii. Phased Distribution of Funds: Funds will be distributed in at least two Phases:
 1. Phase 1: A first phase will be distributed as detailed in Attachment A to this resolution using the methodology described in III.a.i., below.
 2. Subsequent phase(s): The remaining funding from the region's apportionment will be assigned to operators following a process to be determined in consultation with regional partners and adopted by the Commission. The methodology for future phases is described in III.a.ii., below.

III. The Process

- a. The distribution of funds in Phase 1 and any subsequent phase(s) may utilize separate methodologies in order to balance the impacts of the Coronavirus pandemic on the various operators in the region, provide incentive to restore a meaningful level of service, and fund targeted recovery strategies and initiatives to improve transit service and ridership in the region.
 - i. Phase 1 Methodology*
 1. Funding needed for each operator to back-fill forecasted revenue losses for Fiscal Year (FY) 2021-2022, was calculated as 65% of the average estimated monthly revenue loss from March 2020 through June 2021 multiplied by 12 months.
 2. Incentive funding for each operator to be used to resume a meaningful level of pre-COVID service levels, was calculated as 95% of the difference in FY 2019 and FY2021 revenue vehicle hours (RVH), multiplied by the agencywide cost per RVH, capped at \$461/revenue vehicle hour.
 3. The total amounts calculated in numbers 1 and 2 above were summed for each operator.
 4. The difference between prior COVID relief received and actual/estimated revenue losses between March 2020 and June 2021 was deducted from the total amount calculated in number 3 above. This calculation did not include COVID relief funding operators received through the CARES Act "Equity Adjustment."
 5. A "floor" equivalent to 15% of an operator's reported FY 2018-19 operating cost was substituted for operators where that amount was greater than the total calculated using the methodology described in numbers 1 through 4 above.
 6. Total shares for operators in Solano and Sonoma counties were grouped to allow operators and County Transportation Agencies in those counties to collaboratively identify funding amounts per operator that best align with on-going coordination and integration efforts.
 7. The total shares calculated using the methodology described above was multiplied by 60% to determine the funding amounts for Phase 1.
 8. An amount was set aside to implement Blue Ribbon Transit Recovery Task Force initiatives and to respond to hardships or disparities and specific recovery strategies.

**Note: The total share determined for the Transbay Joint Powers Authority is based on a review of that agency's COVID-19 related financial impacts, and not the methodology described above.*

- ii. Subsequent Phase(s) Methodology: TBD
- iii. Funding: Once operator funding targets are determined by the methodology outlined above, the Phase 1 and subsequent phase(s) targets will be funded using the Regional Programming Model described in II.b.i, above.

- b. Annual Programming in the TIP: MTC, in cooperation with the state and eligible transit operators, is required to develop a Transportation Improvement Program (TIP) for the MTC Region. The TIP is a four-year programming document, listing federally-funded transportation projects, projects requiring a federal action, and projects deemed regionally significant. 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.

ARP waives the typical requirement for TIP inclusion for the supplemental apportionments included in the Act used for operating assistance or to pay for capital expenses for emergency relief do not need to be included in the TIP/STIP unless the projects are for substantial functional, locational, or capacity changes. [23 CFR §§ 450.326(e)(5), 450.218(g)(5)]. Over time, MTC will work to incorporate all such funding from ARP into the TIP for fund monitoring purposes. However, inclusion in the TIP is not a precondition for receiving these funds.

- c. Process for Programming Revisions & Amendments: The attachments to this resolution will be revised at a later date to include Future Phase funding amounts for operators and to include more detail on the FTA Section 5311 process, as needed, once provided by Caltrans. MTC will consider revisions to an operator's programming as requested.
- d. Grant Applications:
 - i. FTA Section 5307 Programs: Each operator is expected to complete their own Federal grant application using FTA's Transit Award Management System (TrAMS). MTC staff will review grant applications and submit concurrence letters or other required materials to FTA on behalf of project sponsors as needed.
 - ii. FTA Section 5311 Program: Operators are responsible for working with Caltrans, the designated recipient and grantee for the Section 5311 program, to respond to calls for projects and submit required materials to access these funds. MTC will assist with the Regional Agency/Transportation Planning Agency (TPA) Certifications and Assurances and any other documentation, as needed.