

5.26 Federal Transit Administration Section 5307 Policies

5.26.1 Program Overview

The Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Funding Program is a formula-based program that provides funding for public transportation in urbanized areas (UZA) as designated by the U.S. Bureau of the Census. The program has distinct requirements and eligibilities for UZAs over and under 200,000 in population. Large UZAs (population of more than 200,000) work directly with the FTA to program and deliver projects. California Department of Transportation (Caltrans) is the designated recipient for all small UZAs (population less than 200,000). However, small UZA recipients obtain concurrence with local programming from their Metropolitan Planning Organization (MPO), such as SRTA – not Caltrans – and then work directly with the FTA to apply for and deliver projects. Caltrans states that they have zero involvement in administering FTA 5307 for the Redding UZA (March 2017).

UZAs generally correspond to U.S. cities and their densely populated suburbs. Most urbanized areas include multiple independent jurisdictions, and some include multiple cities, if those cities are linked by a densely populated area. Shasta County has one small UZA, Redding UZA (population less than 200,000), which includes Redding, Anderson, the City of Shasta Lake and adjacent areas of the unincorporated county.

Federal and state guidelines supersede these policies.

5.26.2 Eligible Applicants and Projects

Redding Area Bus Authority (RABA) is the predominant recipient of FTA Section 5307 funds apportioned to the Redding UZA (April 2015).

It is possible for entities other than RABA to receive regional 5307 funds. The governor or the governor's designee (Caltrans) performs the role of the designated recipient for the Redding UZA. The governor may authorize a local entity, such as a metropolitan planning organization (SRTA) to develop and recommend funding allocations. Additionally, the governor may authorize other eligible public transportation operators, in addition to RABA, to apply directly to FTA for grants as direct recipients through a "split letter" from Caltrans to FTA which establishes the allocation of Section 5307 funds.

Similarly, sub-recipient arrangements allow entities, in addition to RABA, to receive regional 5307 funds. A Section 5307 recipient, whether a designated recipient (Caltrans) or direct recipient (only RABA as of April 2017), may choose to pass its grant funds through to another entity (sub-recipient) to carry out a project eligible under Section 5307. In this way, other public entities eligible to become direct recipients and private nonprofit organizations (Jobs Access Reverse Commute projects only) could receive 5307 funding. A sub-recipient arrangement does not relieve the original recipient of its responsibilities to carry out the terms and conditions of the grant agreement.

The following are eligible types of projects:

- Planning Projects
- Capital Projects
- Employee Training Expenses
- Operating Assistance
- Job Access and Reverse Commute Projects (JARC)
- Interest and Debt Financing as an Eligible Cost

5.26.3 FTIP and Program of Projects

In small UZAs, the Transportation Improvement Program¹ (FTIP), once adopted by the MPO and approved then by the U.S. Department of Transportation (U.S. DOT), may take the place of the required program of projects. It is SRTA's responsibility to develop and adopt the FTIP and then forward the FTIP to the state for recommendation of adoption. Therefore, RABA and other eligible direct recipients must develop a list of proposed projects in cooperation with SRTA to be funded from the area's Section 5307 apportionment. SRTA intends to program regionally apportioned funds within the first two years to avoid funds lapsing after the third year. Section 5307 projects listed in the FTIP must contain sufficient detail to identify each project or phase of project, including a brief project description, total project costs, federal share for each project, and other expected resources to carry out the project.

For FTIP programming purposes, RABA and other eligible direct recipients will provide the list of proposed projects to SRTA before applying for the Section 5307 funding. As part of SRTA's metropolitan transportation planning requirements (specified in 49 CFR part 613 and 23 CFR part 450), projects will be reviewed for:

- Consistency with applicable planning documents
- Budget accuracy (high level), including match validity
- Coordination of services

Upon review of submitted projects, SRTA may:

- Advise RABA and other eligible direct recipients to modify projects based on the preceding bullet points
- Advise RABA and other eligible direct recipients of other grant programs or funding options that are a better fit

Once there is an agreed-to, final projects list, SRTA will amend the FTIP. As needed for biennial FTIP development, SRTA staff will present recommendations to the board of directors with the

¹ The TIP [known in California as the FTIP, "F" standing for Federal] is a prioritized listing/program of transportation projects covering a period of four years that is developed and formally adopted by an Metropolitan Planning Organization (MPO, i.e. SRTA) as part of the metropolitan transportation planning process, consistent with the metropolitan transportation plan (twenty-year horizon) [known regionally as the regional transportation plan], and required for projects to be eligible for funding under title 23 of the U.S. Code and 48 U.S.C. Chapter 53. (FTA C 9030.1E)

authorizing resolution. Resolutions will include adoption of FTIP and delegate authority to the executive director to provide information as needed in response to oversight agency review.

5.26.4 Public Participation

The FTIP (or formal FTIP amendment) public participation and approval processes carried out by SRTA can serve to satisfy RABA's requirements for public participation under Section 5307 (FTA Circular 9030.1E).

5.26.5 Post FTIP Adoption Process

RABA and other eligible direct recipients work directly with FTA to apply for and deliver projects.