



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

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TO: BOARD OF DIRECTORS

THROUGH: PHILLIP A. WASHINGTON *PAW*
CHIEF EXECUTIVE OFFICER

FROM: THERESE W. MCMILLAN *TW*
CHIEF PLANNING OFFICER

**SUBJECT: FEDERAL FISCAL YEAR (FFY) 2016 FTA BUS AND BUS
FACILITIES PROGRAM GRANT OPPORTUNITY**

ISSUE

The Federal Transit Administration (FTA) issued a Notice of Funding Opportunity (NOFO) for approximately \$211 million in Fiscal Year (FY) 2016 Section 5339(b) Bus and Bus Facilities Grant Program funds to be awarded through a nationwide competitive process. Grant eligibility is for capital projects to: i) replace, rehabilitate, purchase or lease buses, vans, and related equipment (including intelligent technology and software); and ii) to rehabilitate, purchase, construct or lease bus-related facilities. Metro is eligible to apply for these grant funds as a direct recipient of FTA Section 5307 Urbanized Area Formula grant funds. Eligible projects may be implemented by Metro or a sub-recipient that meet program criteria. Applications are due to FTA by May 13, 2016. We are identifying potentially eligible projects that can meet program requirements and are competitive for a Bus and Bus Facilities Program grant award.

DISCUSSION

The Fixing America's Surface Transportation (FAST) Act authorized the discretionary Section 5339(b) Bus and Bus Facilities Program. The purpose of the Bus Program is to improve the condition of the nation's public transportation bus fleets, expand transportation access to employment, educational, and healthcare facilities, and to improve mobility options in rural and urban areas throughout the country.

NOFO Summary

The NOFO released by FTA provides further detail on this funding opportunity. The notice states that FTA will prioritize projects that address: 1) significant repair and maintenance needs, 2) improve safety of transit systems, 3) deploy connective projects that include advance technologies to connect bus systems with other networks, and 4) support the creation of ladders of opportunity. FTA is required by statute to "consider the age and condition of buses, bus fleets, related equipment, and bus-related facilities."

In addition to identifying the type of capital projects that are eligible for this competitive federal funding, the NOFO specifies that FTA is particularly interested in implementing a provision of the FAST Act that permits applicants to use up to 0.5 percent of the FTA funds for workforce development activities eligible under 49 U.S.C. 5314 and additional 0.5 percent for costs associated with training at the National Transit Institute.

There is no limitation on the number of project proposals an agency may submit. Also, there is no limitation on the funding request each agency may submit for each competitive project proposal or for all of its project proposals (if applicable). However, it is very unlikely an agency will receive all or most of the funds made available by the NOFO. Geographic diversity and the applicant's receipt of other discretionary funds may be considered in FTA's award decisions.

FTA will evaluate proposed projects based on six criteria as detailed in the NOFO including: 1) demonstration of need including a discussion regarding the age and condition of asset(s) proposed to be replaced; 2) demonstration of benefits including how the project will support the creation of ladders of opportunity; 3) planning and local/regional prioritization including consistency with local and regional long range planning documents and local government priorities; 4) local financial commitment; 5) project implementation strategy including project readiness (projects must be obligated within 12 months from award); and 6) technical, legal, and financial capacity.

FTA will also consider projects proposing a higher local share more favorably. In general, the local (non-federal) cost share is 20 percent of the estimated total cost of the project. However, the local match is 15 percent of the total cost for acquiring vehicles attributable to compliance with the Clean Air Act (CAA) or the Americans with Disabilities Act (ADA). A federal share of 90 percent may also be applied to net project costs to acquire, install or construct vehicle-related equipment or facilities required by the ADA or that are necessary to comply with the CAA.

The Low or No Emission Bus (Low-No) Program

Concurrent with the release of the Bus and Bus Facilities NOFO, FTA released a notice that \$55 million was being made available nationally through the FY16 Low-No Program for competitive grant awards to purchase or lease zero-emission and low-emission transit buses. Last week we were notified that Metro was awarded \$4.275 million in FY15 Low-No Program grant funds to partially fund the purchase of electric buses for the Metro Orange Line. Since the project application was competitive and a greater amount of funding is being made available in FY16, Staff plans to submit a follow-up application to request funding to purchase additional electric buses for the Orange Line.

Internal Process for Requesting, Evaluating and Selecting Projects

We have requested input from all Metro departments to identify projects that could be eligible and competitive for the grant opportunity. In reviewing each candidate project, we will assess the extent to which each project meets the requirements of the NOFO. After follow-up meetings with Department staff who have proposed projects, and with

any input received from the Board of Directors, we will identify those projects that are the most competitive and that can best meet the FTA selection criteria.

NEXT STEPS

We will be fielding recommended candidate projects through Thursday, April 28, 2016. We will assess the input received and inform the Board of our assessment results. We also will submit grant applications by the May 13, 2016 deadline for those proposed projects that can best compete for this federal grant opportunity.