

Funding Objectives and Criteria for the FTA Section 5311 Program
Approved August 2018

I. Funding Principles for the Section 5311 Program

The funding principles are intended to guide funding decisions and establish the basis for developing the project-review criteria and process. The funding principles for the Section 5311 program are as follows:

1. *Maintain existing needed transit services:* Dedicates capital and operating funds for essential projects and programs in an effort to maintain needed existing transit services.
2. *Provide and maintain a flexible program:* Assures that the program of projects continues to be developed through a cooperative, consensus-building process between the Social Services Transportation Advisory Council (SSTAC) and the Section 5311 applicants. The SSTAC will periodically review the Section 5311 program goals and criteria and revise if necessary.
3. *Continue efforts to decrease an operator's dependence on Section 5311 funds for transit operations:* Given that Section 5311 funds are an unstable fund source, continued reliance on Section 5311 funds year after year for operating assistance may result in fluctuations in an operator's service levels. Therefore, we will require that applicants requesting Section 5311 funds for operating purposes actively seek other fund sources and document their efforts.
4. *Maintain Timely Use of Funds Policy:* The Caltrans policy requires that all FTA Section 5311 funds be obligated in a timely manner. In order to avoid losing funds to the region, HCAOG staff will confirm project readiness with applicants and reprogram funds before they are lost to the region.

II. Project Evaluation Criteria

A. Project Screening Criteria

The project screening criteria are intended to eliminate projects that do not meet minimum program standards. Each project proposed for the Section 5311 program of projects will be initially screened by HCAOG staff for completeness and technical accuracy. Funding recommendations will be based on the following criteria:

1. *Availability to the general public.* Section 5311 funded services may be designed to maximize use by members of the general public who are transportation-disadvantaged persons, including elderly and disabled persons; however, such services should be open to the general public-
2. *Availability of alternative fund sources to fund the proposed project(s).* Given that it is HCAOG's policy to encourage operators to maximize federal funds, an applicant

that has access to alternative fund sources would not necessarily be excluded from being part of the Section 5311 program of projects. An applicant that has an available alternative fund source may be asked to use that source to match the proposed project if Section 5311 funds are limited.

3. *Identified and documented need for a project.* The need for a particular project must be adequately documented and justified on the Section 5311 project justification sheets (Attachment A) (e.g., if an operator is requesting funds to replace a vehicle, it needs to be on the bus replacement list and must meet the age and/or mileage targets.)). The project should be also identified in the Transit Development Plan.
4. *Project readiness.* The applicant must be prepared to submit an application for the project and be ready to implement/construct the project in the year requested. Future programming of federal funds could be jeopardized if the applicant misses submittal deadlines.

B. Project Funding Criteria – Priorities

For projects that pass the screening criteria, the project funding criteria will be used to determine the relative need and funding priority of those projects. The proposed funding criteria, in priority order, are as follows:

Priority #1 - Basic Capital Requirements/Fleet Expansion

Transit capital projects, which are essential to sustain, replace, rehabilitate, or expand the existing bus fleet (e.g., vehicle replacement, backup vehicles, equipment and facility replacement).

Priority #2 – Operating Assistance for Existing Transit Services

Eligible operating assistance for existing transit services. For operators requesting operating assistance, the Section 5311 subsidy will be limited to the shortfall based on the past year's audited operating budget in addition to an annual inflation adjustment. Any funds requested in excess of this require an explanation for the increase. In addition, agencies applying for Section 5311 operating assistance must document all current and proposed efforts to find alternative fund sources.

Priority #3 – Preventive Maintenance

Preventative maintenance for existing transit services in the non-urbanized service area. For operators requesting preventative maintenance (PM) for more than one year, the increase in the Section 5311 subsidy will be limited to the past year's cost plus an inflation adjustment. Applicants will be required to document PM costs associated with the non-urbanized service area.

Priority #4 – Capital and Operating Assistance for Service Expansions

Transit capital and/or operating assistance to provide service expansions where an identified and definite need exists. As part of our programming process, agencies that request capital and operating assistance for service expansions must document the need for expanded services.

Priority #5 – Service Enhancement Transit Capital Items

Service enhancement transit capital items increase the quality of existing transit services (e.g., bus shelters, transfer facilities, bicycle facilities, etc.).

It may happen that two or more projects will rank evenly on this criterion, but there will not be adequate funding for all of the projects. These issues can be resolved through negotiations with the applicants in the consensus-building process. In these instances the SSTAC and the applicants should take into account additional project-specific information, which includes project readiness, geographic equity, number of years a project has been proposed, and amount of matching funds to be applied toward the project.

Priority #6 – Transit Planning Assistance

Planning assistance projects must be included in the Information Element of HCAOG's Overall Work Program and can support efforts to: (1) develop transportation plans and programs; (2) plan, engineer, design, and evaluate a public transportation project; and (3) conduct technical studies relating to public transportation.

III. Call for Projects, Project Review Process, and Fund Programming

A Section 5311 call for project solicitation will occur when HCAOG has been notified from Caltrans of funding availability. Applicants are required to complete and submit HCAOG Section 5311 Project Justification Sheets and any additional justification information as needed for funding consideration by the HCAOG Board. HCAOG is required to review proposed projects and develop a program of projects. The SSTAC will review proposals and forward a recommendation to the HCAOG Board for approval. Applicants are responsible for uploading all grant application material into Caltrans BlackCat Application Management System.