

**Federal Transit Administration
Urbanized Area Formula Grants**

Houston Urbanized Area Annual Allocation Process

There are several grant programs that are administered through the Federal Transit Administration (FTA), including 5307, 5339, and 5337. METRO is the Designated Recipient for these programs in the Houston Urbanized Area, which means METRO is responsible for these funds and their distribution for transit purposes. This fact sheet is a brief explanation of the programs and a proposed formalization of the local process for the distribution of the funds in the Houston Urbanized Area.

Grant program purposes:

5307 Urbanized Area Formula Program

Provides grants for public transportation capital and planning, as well as operating expenses in certain circumstances. These funds constitute a core investment in the enhancement and revitalization of public transportation systems in the nation’s urbanized areas, which depend on public transportation to improve mobility and reduce congestion.

5339 Bus and Bus Facilities

Provides capital funding to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities

5337 State of Good Repair

Provides funding to repair and upgrade rail transit systems along with high-intensity motor bus systems that use high-occupancy vehicle lanes

Historical allocations:

5307 Urbanized Area Formula Program

5307 Historical Allocations							
AGENCY	FY2009	FY2010	FY2011	FY2012	FY2012 Revision	FY2013	FY2014
Fort Bend County	\$2,590,835	\$2,877,230	\$2,803,000	\$3,326,592	\$5,106,135	\$1,478,422	\$4,122,486
Harris County	\$1,700,792	\$3,115,992	\$3,714,410	\$3,072,844	\$4,293,301	\$1,788,995	\$2,275,985
METRO	\$64,322,946	\$62,154,712	\$62,892,857	\$63,886,204	\$60,886,204	\$65,568,239	\$64,528,064
Total	\$68,614,573	\$68,147,934	\$69,410,267	\$70,285,640	\$70,285,640	\$68,835,656	\$70,926,535

5339 Bus and Bus Facilities

5339 Historical Allocations		
AGENCY	FY2013	FY2014
METRO	\$7,480,673	\$7,694,071

❖ *The 5339 program was created in MAP-21, so there are only two years of appropriations. We received funding for these activities under different programs prior to MAP-21. These funds can only be used on bus related projects.*

5337 State of Good Repair

5337 State of Good Repair		
AGENCY	FY2013	FY2014
METRO	9,286,666	9,134,929

❖ *The 5337 program was created in MAP-21, so there are only two years of appropriations. We received funding for these activities under different programs prior to MAP-21. These funds can only be used for state of good repair of fixed guideway or high intensity bus projects, which include METRORail and HOV lanes. In FY 2015, METRO will only qualify for fixed guideway and not high intensity bus funding.*

Formula funds allocation:

As established in federal law, these funds flow through the Designated Recipient in the Urbanized Area. METRO, as the Designated Recipient in the Houston UZA, will distribute funds based on a sub-allocation partly tied to the FTA apportionment formula as defined in MAP-21. The MAP-21 formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, fixed guideway route miles, fixed guideway passenger miles, operating expense, as well as population and population density. Other factors to be considered for the use of funds are a demonstrated transit benefit as it relates to the service area, cost effectiveness relative to the service area, and improved mobility for the transit needs in the Houston UZA.

METRO would use its share of the funds for capitalized preventive maintenance projects, ADA projects, and for purchase of transit service equipment, among other eligible activities. METRO’s use of the funds helps support the preventative maintenance for transit services used in its 1,285 square mile service area and over 521 million passenger miles. In FY2013, METRO operated over 66 million revenue miles, which is 96.53% of the transit revenue miles in the Houston UZA. METRO operates a fleet of 1,256 buses, 37 light rail vehicles, 746 van pools, and 882 paratransit vans and sedan service taxis.

All of the funds allocated to METRO or other transit providers will be distributed based on actual annual federal appropriations and not anticipated appropriations.

Consultation with other transit providers:

Funds not maintaining existing METRO, Fort Bend County or Harris County service will be considered for allocation to other designated public transit providers not in the METRO service area, but in the Houston UZA, provided that the proposed use of funds benefits the Houston UZA.

A consultation among representatives from designated public transit operators and the Houston-Galveston Area Council (H-GAC) will be called to evaluate projects annually. Transit operators will submit projects for evaluation and approval.

Conditions to receive funds:

- Applicants must submit documentation demonstrating financial capacity to carry out the project. Specifically, an applicant must have the ability to match and manage those funds, cover cost overruns, cover operating deficits through long-term stable and reliable sources of revenue, and maintain and operate federally funded facilities and equipment.
- Applicants must provide a five year plan identifying estimated capital expenditures and funding needs to complete the project. The plan must also show projected opening year operations and maintenance costs as well as an identified funding source for the local match and ongoing operations and maintenance costs.
- If the applicant is requesting funding over multiple years, they must show a plan that is consistent with anticipated annual funding.
- Every recipient is required by and responsible to the FTA to meet all applicable federal requirements including, but not limited to:
 - a. Have a Maintenance Plan
 - b. Submit FTA Quarterly reports, financials, and milestone reports
 - c. File monthly safety and security reports
 - d. Have an FTA approved Disadvantage Business Enterprise (DBE) Plan
 - e. Comply and have an FTA approved Title VI Plan
 - f. Complete NTD report with all required data
- Submitted projects must demonstrate a transit benefit to the Houston UZA.

Eligible recipients:

Recipients of funds must qualify to be a Direct Recipient of federal funds and be an operator of public transportation. A Direct Recipient is a public entity that is legally eligible under federal transit law to apply for and receive grants directly from the FTA. As a Direct Recipient, recipients of funds will be subject to all federal requirements.

Evaluation Committee:

The evaluation committee will make recommendations to the METRO Board of Directors for the allocation of funds. The evaluation committee, which will be chaired by METRO, will also include one representative from each public transit provider who has previously operated and reported service inside the Houston UZA in the last finalized NTD report, and one representative from the H-GAC.

Sustaining Existing Service:

Priority funding will be given to existing transit services. New service will be evaluated in the selection process. All of the funds allocated will be distributed based on actual annual federal appropriations and existing services may need to be reduced based on these actual appropriations.

New Project Selection Process:

- Any agency that meets the evaluation committee criteria and that submitted a project will have a single seat at the table along with METRO.
- The submitting agency must submit all information as identified in the project information needed for consultation (listed below) as well as the conditions to receive funds (listed above) to be considered.
- To obtain a consensus from the group, each submitting agency will provide a 5 to 10 minute presentation on their project outlining key items in the checklist.
- Once all submitting agencies have presented, the group will have a discussion as to how the funding shall be allocated.
- In the event of a tie and all conditions have been met for all projects submitted, the final decision on the Program of Projects will lie with METRO, in its role as the Designated Recipient.

Applicant project information to be considered by evaluation committee in consultation:

A successful applicant should address the following:

1. How does the project establish, preserve or improve mobility of the individuals in the community?
2. Does the project address a recognized need in the community? If yes, please include examples such as feedback from public meetings, surveys, complaints, etc.
3. Does the applicant report sufficient experience in managing transportation projects to provide assurance of success?
4. Does the applicant report sufficient experience in managing previous grant awards?
5. Does the applicant report sufficient financial capability and resources to implement and successfully carry out the project?
6. Does the applicant have the sufficient local match to support the implementation for the project? If yes, please list sources of local match.
7. Does the applicant have a long-term commitment to maintain and utilize capital equipment/facilities acquired with federal funds beyond the availability of the requested resources?
8. Does the project describe an active coordination effort aimed at improving efficiency and effectiveness? If yes, please provide examples.
9. Explain how the proposed project addresses gaps and/or barriers that have been identified?
10. Is the project a new service?
11. Does the project expand or enhance an existing service?
12. Does the project facilitate a state of good repair for existing service?

13. Does the proposed project contribute significant ridership as it relates to the service area?
14. How would this project be sustained without federal funding?
15. Does the project have local support? Evidence includes, but is not limited to:
 - Endorsement letters for organizations or individuals
 - Fare or other monetary contributions received from riders
 - Resolutions by local governing bodies