Public Transportation 101

FEDERAL FUNDING AND PROGRAMS UNDER SAFETEA-LU

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RECONNECTING AMERICA
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RECONNECTING AMERICA
CENTER FOR TRANSIT-ORIENTED DEVELOPMENT
Covered Topics

- Transit Facts
- Public Transportation Funding Overview
- Federal Transit Programs (Title 49)
- TOD and Community Building
Public Transportation Today

- Transit in every state in the Union
- Of the 464 urbanized areas, all but 14 have transit
- 15 heavy rail systems; 33 light rail; 22 commuter rail
- 34 million times a day, people board public transportation
- 10.1 billion annual boardings (2006)
- 6,000 transit providers in U.S.; 70% of usage on top 30 systems
- $44 billion industry; employs more than 366,000 people

Source: APTA

Source: APTA
Ridership by Mode - 2005

Unlinked Transit Trips
- Light Rail: 4%
- Heavy Rail: 29%
- Bus: 61%
- Commuter Rail: 4%
- Paratransit/Other: 2%

Source: APTA
Who Uses Public Transportation and Why?

- People take transit to make money and to spend money
- Median household income for transit users - $39,000
- 65% of riders take it to commute
- 56% would use private vehicles if no transit available
- 53% of U.S. households have no access to public transit
In most metro areas, households living within 1/2 mile of transit own approximately 0.5 fewer cars per household than the regional average.

Households living near transit are 5 times more likely to commute via transit than others in the region.

Residential demand for TOD could grow from 6 million to 16 million households by 2030.

Source: Center for TOD
King of the Road: Over 80% of Federal Funds go to Highways

Dividing the Pie:
- $52.6 billion for transit
- $5.1 billion for highway safety
- $612 million for Safe Routes to Schools
- $370 million for Trails
- $100 million for non-motorized
- $270 million for TCSP
- $200 billion for Highway Program

Figure 8. Cumulative Government Capital Investment in Transit and Highways Since 1956
SAFETEA-LU Major Transit Programs

- Total authorization - $45.3 billion for FY05 - FY09
- About $10.3 billion in FY 09
- All funds “guaranteed”
  - Approximately 80 percent from the Mass Transit Account
  - New Starts, Research and FTA Administration from the General Fund
- Reauthorization Required for FY 10 and Beyond

Source: FTA
Snapshot of Federal Transit Funding

**FY 07 Budget of $8.9 billion**

- **Formula Grants - $6.3 billion**
  - Urbanized Areas (4.0 B)
  - Fixed Guideway Modernization ($1.4 B)
  - Rural Areas ($404 M)
  - Special Programs ($342 M)
    - New Freedom, Elderly/Disabled, Job Access
  - Other ($200 M)

- **Capital Discretionary Grants – $2.4 B**
  - New Starts (1.4 B)
  - Small Starts ($200 M)
  - Bus ($855 M)

- **Other (Research, Administration) - $200 M**
Flexibility = $1 billion for transit

Source: STPP

Federal Highway Dollars are Flexible

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<thead>
<tr>
<th></th>
<th>Apportioned</th>
<th>After Transfers to STP</th>
<th>Available for Transit Options</th>
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<tbody>
<tr>
<td>STP</td>
<td>$1</td>
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<td>CMAQ</td>
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<td>Bridge</td>
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Left column: FY’06 shares of core highway program funding.

Middle column: shows 60¢ of every dollar available for any highway (Title 23) or transit (Title 49) eligible project (after distributing Equity funds and making allowable program transfers -- 1/2 of Bridge, IM & NHS funds -- to STP)

Right column: shows maximum flexibility to transit – up to 76¢ of every dollar – assuming CMAQ dollars are fully used for transit and qualifying transit projects in NHS corridor.
Federal share is 1/3 of Total Funding for Public Transportation

Local 33%

System Revenue 32%

State 18%

Federal 17%

In 2004, about $40 billion spent on public transportation

Source: APTA
Federal Focus on Capital Investment

- Formula funds cannot be used for operating costs for transit agencies serving urban areas with over 200,000 people

- CMAQ exception for new service (5 years)

- In 2000:
  - Federal share of all transit capital investment: 47%
  - Federal share of all operating expenses: 5%

Source: FTA
Urbanized Area Formula Program (Section 5307)

- Basic formula program ($4.5 b in FY 09)
- Allocated based on population, density and transit service factors, with two new formula features
  - New Small Transit Intensive Cities formula
  - New Growing States and High Density States formula (Section 5340)
- Capital Grants (basic recapitalization and preventive maintenance)
- Operating Assistance in Areas under 200,000

Source: FTA
Unclogging the Transit Pipeline

- Over 300 projects authorized in SAFETEA-LU, about 10 built

- Funding is out of general funds, and has remained around $1.5 billion over past 15 years.

- “Cost-Effectiveness” and TSUB – the dark villains!
Has your community decided to pursue a new transit corridor?

Then

1. Project sponsor begins Alternatives Analysis (AA) and Draft Environmental Impact Statement (DEIS).
   - 1-5 year process.
   - AA defines alternative transportation options.
   - DEIS compares environmental impacts of alternatives and identifies mitigation requirements.

2. The result of the AA is the selection of a Locally Preferred Alternative, which identifies a particular transit mode and a potential route.

3. Project sponsor begins Preliminary Engineering (PE) and Final Environmental Impact Statement (FEIS).
   - 15-30 month process.
   - PE refines project definition and begins to make concrete decisions about alignment and station locations.
   - Local funding is secured.
   - FEIS analyzes changes made during PE.

4. Region adds project to regional and state Transportation Improvement Plans (TIPs).
   - Projects in the TIP must already be included in a Metropolitan Transportation Plan (MTP).
   - Fiscally-constrained TIPs include only those projects with identified funding sources.
   - Can be added at any time before entering Final Design.

5. The Federal Transit Administration (FTA) reviews the LPA and DEIS and gives the OK to proceed.

6. The TIP update process is run by the Metropolitan Council and includes many opportunities for public input.

7. Public continues to provide input through advisory committees and public meetings.

8. Project Rating
   - The FTA reviews the project and develops a rating of HIGH, MEDIUM or LOW based on criteria defined in U.S. law.

9. The U.S. Secretary of Transportation must notify the House Transportation Committee at least 60 days before a Full Funding Grant Agreement (FFGA) is issued.

10. FTA issues FFGA
    - Project must be ranked Medium or High.
    - Agreement includes a project budget and schedule.

11. Construction Begins

Source: FTA

Source: Center for TOD
Over $1.8 billion in FY 09 for “fixed guideway” transit investments (about $10 billion over 6 years)

Current “pipeline:” 31 projects in PE, Final Design, and Small Starts “Project Development”

Total cost of pipeline: >$23 billion, $10 billion in New and Small Starts funding

FTA tracking >100 planning studies major transit capital investments

Source: FTA
“Small Starts”

- Separate funding category beginning in FY 07
- Total project cost less than $250 million; Federal share under $75 million
- Includes non-fixed guideway corridor improvements (e.g., Bus Rapid Transit)
- Rulemaking required
- Current exemption for > $25 m

Source: FTA
(Section 5309) - Fixed Guideway Modernization

- $1.8 billion in FY 09
- Rail Systems at least 7 years old
- Rail recapitalization
- Formula based on amount of rail infrastructure and service (7 tiers, starting with historic rail cities)

Source: FTA
Bus and Bus Facilities
- Over $900 million in FY 09
- Projects listed use half of authorized funds for FY06 through FY09
- Remainder had been earmarked in appropriations acts
- Programs of Bus Projects allowed

Discretionary Clean Fuels Grants
- $51m in FY 09

Source: FTA
Other-Than-Urbanized Program (Section 5311)

- Formula based on Population and Land Area
- Set-asides
  - Indian Tribes
  - Rural Transit Assistance Program (RTAP); instead of under research
- Intercity Bus Minimum and Consultation
- Match
  - Expanded matching funds
  - “Sliding Scale” matching (operating share is 5/8 of capital share)
- Capital, Operating, Planning and State Administration
- $537 million in FY 09

Source: FTA
Specialized Transportation Programs

- Section 5310 Elderly and Handicapped (formula)
  - Funds are apportioned based on each State’s share of population of elderly and persons with disabilities
  - States allocate the funds to subrecipients that are private non-profit entities or public bodies
  - Capital projects are eligible for funding -- most funds are used to purchase vehicles, but acquisition of transportation services and state program administration are also eligible expenses

- Over the Road Bus Accessibility (discretionary)
  - Eligible recipients include private for profit operators

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<tr>
<th>JARC</th>
<th>New Freedom</th>
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<tr>
<td>Formula based on low-income population</td>
<td>Formula based on number of persons with disabilities</td>
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<tr>
<td>Funds capital, operating, and/or planning expenses</td>
<td>Funds capital and/or operating expenses</td>
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Source: FTA
Transit in Parks and Public Lands (Section 5320)

- New Discretionary Program for Planning and Capital Costs of Public Transportation in National Parks and Other Federal Public Lands
  - Alternative Transportation
  - Planning Requirements
  - Grants, interagency agreements, or other agreements with DOI or other grantees
- Match depends on project characteristics
- $27 million in FY 09

Source: FTA
Research Programs

- Authorized FTA Programs:
  - National Research Program
  - Transit Cooperative Research Program
  - National Transit Institute
  - Center for Transit Oriented Development
  - Project Action

- Multimodal University Centers Program
Creative flexing: Portland, Bay Area
Joint Development: DC, Twin Cities, Charlotte
TCSP and Livable Communities grants
Enhancements, CMAQ
Private sector and local funds (TIF, TRID, deals)

There is no Federal funding specifically for TOD
Getting in the Game with Planning

- Planning Time Frames & Update Cycles
  - *Long-range Transportation Plan* – at least every 5 years, every 4 in AQ non-attainment areas (Metro)
  - *State and Metro Transportation Improvement Plans* – at least every 4 years (Metro); 5 years (State)
  - *Unified Planning Work Program* – Annually
  - *State Implementation Plan* – Oversight compliance every 3 years
TOD Goals

- Expanded Mobility, Shopping and Housing Choices
- Place-Making and Community Revitalization
- Walkability and Location Efficiency
- Regional Connectivity and Reduction of Sprawl
- Healthy Neighborhoods
- Long-Lasting Response to Climate Change

People within a half-mile radius are 5 times as likely to walk to a major transit stop than others. Those who live further from a transit node are less likely to bother with the train or bus.
TOD and Economic Revitalization

- Planning for transit and TOD needs to maximize the impact of a massive public investment
- Need to plan proactively for success, so that everyone can benefit
- Need for a regional transit and land use vision that can guide long-term implementation.
- Coordinate long-range transportation and development plans, at least those federally required