

# Attachment D - Potential Funding Sources

## Multiple Funding Sources for FSI Phase 2 and Key Fund Options

FEDERAL (69 sources evaluated)	STATE (16 sources evaluated)	LOCAL GOVERNMENT (7 measures & propositions in addition to 26 alternative revenue sources evaluated)	NGO, PHILANTHOPY and OTHERS (46 local organizations evaluated)
<ul style="list-style-type: none"> <li>Investment &amp; Jobs Act (IIJA)</li> <li>Inflation Reduction Act (IRA)</li> <li>American Rescue Plan Act (ARPA)</li> <li>Department of Transportation (DOT)</li> <li>Infrastructure</li> <li>Housing &amp; Urban Development (HUD)</li> </ul>	<ul style="list-style-type: none"> <li>California Climate Investments (CCI)</li> <li>Road Repair and Accountability Act (SB 1)</li> <li>California Clean Energy Jobs Act (Prop 39)</li> <li>Greenhouse Gas Reduction Fund (GGRF)</li> </ul>	LA Metro: <ul style="list-style-type: none"> <li>Measure M</li> <li>Measure R</li> <li>Proposition A</li> <li>Proposition C</li> <li>Alternative revenue options</li> </ul> LA County:* <ul style="list-style-type: none"> <li>Measure H</li> <li>Measure HHH</li> <li>Measure J</li> </ul>	<ul style="list-style-type: none"> <li>Philanthropic organizations</li> <li>Private corporations and foundations</li> <li>Non-profit organizations</li> <li>Cost sharing with healthcare industry leaders, incl. Medi-Cal</li> <li>Expanded employer fare-subsidy programs</li> <li>Expanded advertising policy</li> </ul>

\*These funding sources presents budget limitations and is dependent on partnering with service providers and/or receiving discretionary funding from elected officials.

## FSI Phase 2 Federal Fund Options

### FSI Phase 2 Federal and State Funding Evaluation Criteria

High	Programs with clear or direct correlation to Equity, Expanded Access, or other FSI goals
Medium	Programs aligned less directly or somewhat connected to Safety Improvements, Climate/Sustainability, Employee Training, or other Capital Projects
Low	Programs with no direct connection to FSI, or require LA Metro to establish new revenue-sharing connections or alter existing funding agreements

### FSI Phase 2 Federal Funding Sources

Legislation or Agency	Preliminary Findings	National Funding	Impact for LA Metro
<b>Infrastructure Investment &amp; Jobs Act (IIJA)</b>	56 Programs Evaluated 3 <span style="background-color: #4caf50; color: white;">High Alignment</span> 29 <span style="background-color: #ffc107; color: black;">Medium Alignment</span> 24 <span style="background-color: #f44336; color: white;">Low Alignment</span>	High: \$10 B Med: \$34 B <sup>1</sup>	<ul style="list-style-type: none"> <li>Apply for funding to offset capital expenditures</li> <li>Request waivers to use the funding for operational expenditures</li> </ul>
<b>Department of Transportation (DOT)</b>	7 Programs Evaluated 7 <span style="background-color: #ffc107; color: black;">Medium Alignment</span>	Med: \$70 M	<ul style="list-style-type: none"> <li>Apply for funding to offset capital expenditures</li> <li>Request waivers to use the funding for operational expenditures</li> </ul>

<sup>1</sup> National funding amounts for FY22 - 26

<b>Housing and Urban Development (HUD)</b>	4 Programs Evaluated 2 <b>Medium Alignment</b>	Med: \$6 M <sup>2</sup>	<ul style="list-style-type: none"> <li>LA Metro must partner with a public housing authority to receive funds</li> </ul>
<b>American Rescue Plan Act (ARPA)</b>	\$27 Billion to California \$3.3 Billion to LA Area Counties \$2.8 Billion to LA Area Municipalities <b>Medium Alignment</b>	N/A	<ul style="list-style-type: none"> <li>Money must be allocated by Dec 2024</li> <li>Inquire about remaining ARPA funds in LA area</li> </ul>
<b>Inflation Reduction Act (IRA)</b>	Program data not yet fully released <b>Low Alignment</b>	Climate & Energy: \$137 B <sup>3</sup>	<ul style="list-style-type: none"> <li>Possible alignments:</li> <li>Lowering consumer costs</li> <li>Lowering emissions &amp; greenhouse gases</li> </ul>

Represents an overall list of multiple fund sources researched.

### Federal Funding Sources Overall Matrix

#	Alignment	Program Name	Agency
1	High	Local and Regional Project Assistance Grants (RAISE)*	DOT
2	High	Pilot Program for Transit Oriented Development	DOT – FTA
3	High	Research, Development, Demonstration and Deployment Projects	DOT – FTA
4	Medium	Advanced Transportation Technologies & Innovative Mobility Deployment (ATTIMD)	DOT – FHWA
5	Medium	All Stations Accessibility Program*	DOT – FTA
6	Medium	Bridge Investment Program*	DOT – FHWA
7	Medium	Bus and Bus Facilities Competitive Grants*	DOT – FTA
8	Medium	Capital Investment Grants*	DOT – FTA
9	Medium	Charging and Fueling Infrastructure Grants (Corridor Charging)*	DOT – FHWA
10	Medium	Commercial Motor Vehicle Operators Grant Program	DOT – FMCSA
11	Medium	Congestion Relief Program*	DOT – FHWA
12	Medium	Consolidated Rail Infrastructure and Safety Improvement Grants*	DOT – FRA
13	Medium	Enhanced Mobility of Seniors and Individuals with Disabilities*	DOT – FTA
14	Medium	Federal - State Partnership for Intercity Passenger Rail Grants*	DOT – FRA
15	Medium	Metropolitan Planning*	DOT – FHWA
16	Medium	Metropolitan Transportation Planning Program*	DOT - FTA
17	Medium	National Infrastructure Project Assistance (Megaprojects)*	DOT
18	Medium	Nationally Significant Freight and Highway Projects (INFRA)*	DOT
19	Medium	Pilot Program for Enhanced Mobility	DOT - FTA
20	Medium	Pollution Prevention Grants	EPA
21	Medium	Prioritization Process Pilot Program	DOT - FHWA
22	Medium	Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)- Discretionary	DOT - FHWA
23	Medium	Rail Vehicle Replacement Grants*	DOT - FTA
24	Medium	Railroad Crossing Elimination Grants*	DOT - FRA
25	Medium	Reconnecting Communities Pilot Program*	DOT - FHWA
26	Medium	Restoration & Enhancement Grant Program	DOT - FRA
27	Medium	Safe Streets and Roads for All	DOT
28	Medium	State Incentives Pilot Program (Set-aside within Nationally Significant Freight and Highway Projects- INFRA)	DOT
29	Medium	Statewide Transportation Planning	DOT - FTA
30	Medium	Strategic Innovation for Revenue Collection (Set -aside)	DOT - FHWA
31	Medium	Strengthening Mobility and Revolutionizing Transportation (SMART) Grants	DOT
32	Medium	Transportation Infrastructure Finance and Innovation Act*	DOT
33	Medium	Thriving Communities Technical Assistance	HUD
34	Medium	Authority to Accept Unsolicited Proposals for Research Partnerships	HUD
35	Medium	Areas of Persistent Poverty	DOT - FTA

<sup>2</sup> National funding amounts for FY22 – 23

<sup>3</sup> National funding amounts for a 10-year period

#	Alignment	Program Name	Agency
37	Medium	Enhancing Mobility Innovation	DOT - FTA
38	Medium	Innovative Coordinated Access & Mobility Grants	DOT - FTA
39	Medium	Integrated Mobility Innovation	DOT - FTA
40	Medium	Public Transportation Innovation	DOT - FTA
41	Medium	Safety Research & Demonstration Program	DOT - FTA
42	Medium	California State Funding	ARPA
43	Low	Accelerated Implementation and Deployment of Advanced Digital Construction Management Systems (Set aside)	DOT - FHWA
44	Low	Bridge Formula Program*	DOT - FHWA
45	Low	Bus and Bus Facilities Formula Grants*	DOT - FTA
46	Low	Carbon Reduction Program	DOT - FHWA
47	Low	Commercial Driver's License Implementation Program	DOT - FMCSA
48	Low	Congestion Mitigation and Air Quality Improvement Program	DOT - FHWA
49	Low	Grants for Planning, Feasibility Analysis, and Revenue Forecasting (Bridge Investment Program Set - aside)*	DOT - FHWA
50	Low	Growing State Apportionments*	DOT - FTA
51	Low	Growing States and High-Density States Formula*	DOT - FTA
52	Low	High Priority Activities Program*	DOT - FMCSA
53	Low	Highway Safety Improvement Program*	DOT - FHWA
54	Low	Highway Safety Programs*	DOT - NHTSA
55	Low	Intelligent Transportation Systems Program*	DOT - FHWA
56	Low	Low or No Emission (Bus) Grants*	DOT - FTA
57	Low	National Culvert Removal, Replacement, & Restoration Grant*	DOT
58	Low	National Priority Safety Programs*	DOT - NHTSA
59	Low	On-the-Job Training Program	DOT - FHWA
60	Low	Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)- Formula	DOT - FHWA
61	Low	Public Transportation Technical Assistance and Workforce Development*	DOT - FTA
62	Low	Railway-Highway Crossings Program*	DOT - FHWA
63	Low	State of Good Repair Formula Grants*	DOT - FTA
64	Low	Surface Transportation Block Grant Program*	DOT - FHWA
65	Low	Technology & Innovation Deployment Program	DOT - FHWA
66	Low	Urbanized Area Formula Grants*	DOT - FTA
67	Low	Choice Neighborhoods Planning Grants	HUD
68	Low	Jobs Plus	HUD
69	Low	Neighborhood Access & Equity Grants	DOT - FHA

\*Indicates 35 Federal capital programs. Note that competition with Federal capital program will be hard since FSI may not be the top priority, however the agency may leverage existing efforts for future changes in legislation that tie to fare free language in capital funding application.

Overview of High-Alignment Federal Funding Programs

Federal Program	Program High-Level Information	Funding Value	Potential Next Steps
<b>IIJA – DOT RAISE Program</b>	<ul style="list-style-type: none"> <li>Program invests in surface transportation that will have a significant local or regional impact.</li> <li>Eligible projects include projects the Secretary considers to be necessary to advance the goals of the program.</li> <li>Strong focus on Community Connectivity, Justice 40, Quality of Life, and Sustainability</li> </ul>	<b>FY23:</b> \$5-25 M Per Award <b>IIJA Total:</b> \$7.5 B	Apply for FSI Funding <u>FY 2023 NOFO</u> Applications due: 2/28/2023
<b>IIJA – FTA Enhanced Mobility of Seniors &amp; Individuals w/ Disabilities</b>	<ul style="list-style-type: none"> <li>Grants to assist in financing innovative projects for the transportation disadvantaged that improve the coordination of transportation services</li> <li>FTA's program goal for grants is to identify and test promising, innovative, coordinated mobility strategies other communities can replicate.</li> </ul>	<b>IIJA Total:</b> \$2.2 B	Monitor FTA and Grants.gov for FY 23 NOFO Release
<b>IIJA – FTA Research Development, Demonstration, and Deployment Projects</b>	<ul style="list-style-type: none"> <li>Provides funding to assist innovative projects and activities that advance and sustain safe, efficient, equitable, climate-friendly public transportation.</li> <li>Eligible research and demonstrations under this program explore novel approaches to improve public transportation service, especially for transit-dependent individuals</li> <li>Data to be used to enhance insights and help transit agencies undertake activities that help meet equity, safety, climate change, and transformation goals for a safer, environmentally cleaner, socially just and connected public transportation system.</li> </ul>	<b>IIJA Total:</b> \$132 M	Monitor FTA and Grants.gov for NOFO Release

## FSI Phase 2 State Fund Options

FSI Phase 2 Federal and State Funding Evaluation Criteria

High	Programs with clear or direct correlation to Equity, Expanded Access, or other FSI goals
Medium	Programs aligned less directly or somewhat connected to Safety Improvements, Climate/Sustainability, Employee Training, or other Capital Projects
Low	Programs with no direct connection to FSI, or require LA Metro to establish new revenue-sharing connections or alter existing funding agreements

16 programs were identified to have high and medium alignment with FSI Phase 2.

### FSI State Funding Sources

Agency or Legislation	Preliminary Findings	CA Funding	Impact for LA Metro
<b>Air Resource Board</b>	5 Programs Evaluated 1 High Alignment 2 Medium Alignment 2 Low Alignment	\$164 M	May fund programs that: <ul style="list-style-type: none"> <li>Prioritize Transportation Equity and Mobility</li> <li>Needs Assessment targeting CBOs</li> <li>Fleet electrification</li> <li>Truck Loan Assistance Program</li> </ul>
<b>California Transportation Commission</b>	4 programs 3 Medium Alignment 1 Low Alignment	\$3.57 B	<ul style="list-style-type: none"> <li>Metro is currently receiving funds for Active Transportation Program and State Transportation Improvement Program</li> </ul>
<b>Caltrans</b>	2 programs 1 High Alignment 1 Medium Alignment	\$224 M	<ul style="list-style-type: none"> <li>Metro is currently receiving funds for LCTOP</li> <li>May fund wide range of mobility programs</li> </ul>
<b>California State Transportation Agency</b>	1 Medium Alignment	\$800 M	<ul style="list-style-type: none"> <li>Fund capital projects</li> </ul>
<b>California Strategic Growth Council</b>	1 Medium Alignment	\$350 M	<ul style="list-style-type: none"> <li>Metro is currently receiving funds from Transit and Intercity Rail Capital Program</li> </ul>
<b>Strategic Growth Council and Department of Conservation</b>	1 Medium Alignment	\$105 M	<ul style="list-style-type: none"> <li>Metro currently receiving funds for Neighborhood-level transformative climate community plans</li> </ul>
<b>California Natural Resources Agency</b>	1 Low Alignment	\$50 M	<ul style="list-style-type: none"> <li>Expand access</li> <li>Meet sustainability goals</li> </ul>
<b>California Workforce Development Board</b>	1 Low Alignment	\$90.25 M	<ul style="list-style-type: none"> <li>Develop a workforce development partnership</li> </ul>

### Overview of High-Alignment State Funding Programs

State Program	Program Information	Funding Value	Potential Next Steps
<b>Air Resource Board</b>	<ul style="list-style-type: none"> <li>Transportation equity pilot that aims to address community residents' transportation needs, increase access to key</li> </ul>	\$35 million proposed	California Air Resource Board (CARB) is currently planning upcoming solicitations

State Program	Program Information	Funding Value	Potential Next Steps
<b>Sustainable Transportation Equity Project (STEP)</b>	<ul style="list-style-type: none"> <li>destinations, and reduce greenhouse gas emissions by funding planning, clean transportation, and supporting projects.</li> <li>STEP's overarching purpose is to increase transportation equity in disadvantaged and low-income communities throughout California via two types of grants: Planning and Capacity Building Grants and Implementation Grants</li> <li>LADOT was awarded \$7m for its South Los Angeles Universal Basic Mobility Pilot Program</li> </ul>	for FY22-23	for \$35 million of Fiscal Year 2022-23 Planning and Capacity Building, Clean Mobility in Schools, and STEP funds.
<b>Caltrans Low Carbon Transit Operations Program (LCTOP)*</b>	<ul style="list-style-type: none"> <li>The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities.</li> <li>Approved projects in LCTOP will support new or expanded bus or rail services to expand intermodal transit facilities and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.</li> </ul>	\$140 million (2020)	Caltrans posts LCTOP guidelines in early 2023 Transit agencies submit final allocation requests to Caltrans in Q1 2023

Overall list of multiple fund sources researched and contains information on program alignment, name, and lead agency.

#	Alignment	Program Name	Agency
1	High	Sustainable Transportation Equity Project (STEP)	Air Resource Board
2	High	Low Carbon Transit Operations Program (LCTOP)*	Caltrans
3	Medium	Clean Mobility Options (California Climate Investments)	Air Resource Board
4	Medium	Clean Truck and Bus Vouchers (HVIP)	Air Resource Board
5	Medium	Transit and Intercity Rail Capital Program*	California State Transportation Agency
6	Medium	Affordable Housing and Sustainable Communities	California Strategic Growth Council
7	Medium	Local Partnership Program	California Transportation Commission
8	Medium	Active Transportation Program	California Transportation Commission
9	Medium	State Transportation Improvement Program	California Transportation Commission
10	Medium	Sustainable Transportation Planning Grants	Caltrans
11	Medium	Transformative Climate Communities	Strategic Growth Council and Department of Conservation
12	Low	Air Quality Improvement Program (AQIP)	Air Resource Board
13	Low	Community Air Protection Program	Air Resource Board
14	Low	Urban Greening	California Natural Resources Agency
15	Low	Solutions for Congested Corridors	California Transportation Commission
16	Low	Resilient Workforce Fund (RWF) Program	California Workforce Development Board

- Considered that the two high alignment funding options are not impacted by Article XIX. Low and medium alignments indicate there might be some restrictions and challenges for funding application.













## Local Funding Summary – Government Organizations

### Overview of High Alignment Local Funding Programs

Local Source	Program high level Information	Funding Value	Potential Next Steps
Measure M	<ul style="list-style-type: none"> <li>No sunset half-cent sales tax measure approved by voters in 2016</li> <li>Rate of this tax will increase to one percent on July 1, 2039, following the expiration of Measure R</li> <li>Consists of four sub-funds: Transit Operating and Maintenance; Transit, First/Last Mile (Capital); Highway, Active Transportation, Complete Streets (Capital); Local Return/Regional Rail</li> </ul>	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$20.3 million for 2% rider discount allocation)</p>	Explore local return as a viable fund source.
Measure R	<ul style="list-style-type: none"> <li>30-year, half-cent sales tax approved by voters in 2008</li> <li>Consists of four sub funds: Transit Capital (40%); Highway Capital (20%); Operations (25%); Local Return (15%)</li> <li>LA Metro has used Operations sub fund to freeze fare increases for Student, Senior, Disabled, and Medicare riders from 2009-2013</li> </ul>	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$254.1 million for 25% Operations allocation)</p>	
Prop A	<ul style="list-style-type: none"> <li>No sunset, half-cent sales tax approved by voters in 1980</li> <li>Consist of three sub funds: Local Return (25%); Rail Development (35%); Discretionary (40%)</li> <li>Currently, the "Discretionary" bucket is being used solely for Bus Transit operations and part of FAP with municipal operators</li> </ul>	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$392.1 million for 40% Discretionary allocation)</p>	
Prop C	<ul style="list-style-type: none"> <li>No sunset, half-cent sales tax approved by voters in 1990</li> <li>Consists of five sub funds: Local Return (20%); Rail and Bus Security (5%); Commuter Rail, Transit Centers and Park &amp; Ride (10%); Transit-related Highway Improvements (25%); Discretionary (40%)</li> <li>The City of Commerce received \$766K in FY 21 for its zero-fare service from Proposition C 40% discretionary funds.</li> </ul>	<p>\$1.031 billion based on FY 23 estimates</p> <p>(\$406.5 million for 40% Discretionary allocation)</p>	

# Alternative Revenue Options and Non-Government & Philanthropic Partnerships

## Alternative Revenue Options





Funding Alternative	Description	Type <sup>4</sup>
Ads & Sponsorship Management Program	Expand advertisement & sponsorship policy, including working with the private sector	
	Other transit agency examples: Washington (DC) – WMATA(expanded digital ad network in partnership with OUTFRONT), Tokyo (created in-house Metro Ad Agency)	 
Asset Recycling/Real Estate Transactions	Sale or lease of underutilized public assets, including joint development agreements	
	Other transit agency example: New South Wales - Sydney Metro	 
Battery Storage	Lease excess storage capacity from EV fleets to utilities.	
Carbon Offsets Credit	Sell credits to corporations for GHG reduction achieved from transitioning from vehicle use to transit options.	
Charge Fee on Contracts with LA Metro	Charge % of billings that would be paid back to the FSI program on contracts	
Congestion Pricing	Congestion pricing on toll lanes and in urbanized areas <sup>5</sup>	
	Other transit agencies examples: Orange County – Orange County Transportation Authority (OCTA)	
Cost Sharing with Health Insurance Companies	Insurance will cover the cost of trips to/from health care appointments.	
Philanthropic: create an LA Metro 501(c)(3) or Partner with existing 501(c)(3)	Encourage/solicit donations/hold fundraising events to raise money for the 501(c)(3)	
	Other transit agencies examples: New York - MTA	 
Density Bonuses	Monetize permitting developers to build more density, height, or floor area than is allowed as of-right	
	Other transit agency examples: New York; Atlanta; Baltimore; Washington (DC); Denver; San Diego (air rights lease)	 

<sup>4</sup>  Policy or legislation efforts may be required  Implemented by other transit agency (agencies mentioned in appendix)

<sup>5</sup> [91 Express Lanes - Toll Policies](#)



Funding Alternative	Description	Type <sup>4</sup>
Digital Billboards	Expand digital billboards on LA Metro facilities Other transit agency examples: Washington (DC) - WMATA; New York	
Distance-Based fare option	Charge transit fees based on distance and/or time of day Other transit agency examples: Washington (DC)	 
Electricity Generation	Utilize available space to install power generation equipment such as solar panels. Other transit agency examples: Atlanta - MARTA	 
Employer Certification Program	Develop a "Transit Friendly Employer" program that requires a % of fare purchases to be donated to FSI Other transit agency example: Vancouver, BC	 
Grocery Rewards Points or Similar Program	Use grocery points towards fare credits, shoppers can donate points to fund FSI	
Leverage Central Maintenance Facility	Sell maintenance capacity and power swaps by leveraging LA Metro infrastructure to support transit partners.	
Network Partnership (Wi-Fi & Broadband)	Privatize management of Wi-Fi or broadband/dark fiber Other transit agency example: New York - MTA (expanded Wi-Fi and cell service across the entire subway network in partnership with Transit Wireless)	
Parking & EV Charging Fee Structure	Establish a paid fee structure for parking and EV charging Other transit agency examples: Paid parking – Chicago; Washington (DC); Denver	 
Partnership Program – Pay-it-forward	Partners/investors pay for rides. Other transit agency examples: Boston, MBTA (partners: MIT, Target, large retail shopping mall, City agencies, others)	
Privatization of Managed Lanes	Managed lanes privatization to gather sustainable funds for fareless initiative Other transit agency examples: Texas, California, Colorado, Minnesota, and Florida	 
Refund Existing Transit Bonds or Issue Toll Revenue Bonds	Evaluate existing and future bonds.	

Funding Alternative	Description	Type <sup>4</sup>
Retailer rewards	Retailers provide fare credit when shoppers spend more than \$x	
Site/License Fees	Charge royalties anytime LA Metro assets are used in movie production Other transit agency example: Chicago - CTA	
Start Transit Certification Program	Similar to LEED, transit authorities pay fee to certify their environmental and social commitments.	
TNC Rideshare Fee	Charge flat per trip fee for TNC, taxi, and limo trips Other transit agency examples; Boston - MBTA; State of CA	 
Toll Round-Up	Institute a toll "round up" feature to allow Express Lane drivers to round up their tolls	
Value Capture Towards TOD	Earmark property tax revenue from increased property values for TOD Other transit agency examples: Impact Fees - Broward County (FL); Portland (OR); San Francisco Special Tax Districts - Washington (DC); Los Angeles; Denver	