



FTA SECTION 5307 TRANSIT FUNDING

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January 21, 2025

Board Briefing



OVERVIEW

1. 5307 Funding Overview
2. Transit Budget Comparison
3. Triennial Review: FTA Direction to the City of Asheville
4. FY 2025 Rescission
5. FY 2026 Funds at Risk & Rescission Consideration



5307 FUNDING OVERVIEW

Funding for urban area transit and which can support:

- Capital
- Operating
- Planning

Funding allocations are divided from the annual apportionment:

- Buncombe County 32%
- City of Asheville 47%
- Henderson County 21%

Buncombe County's Mountain Mobility operates in the urban area but also in the rural area. Section 5307 funds can only support transit activities in urban areas. Section 5307 eligible activities are, as a result, a relatively small portion of Mountain Mobility operations and a relatively limited portion of eligible activity and expenses.



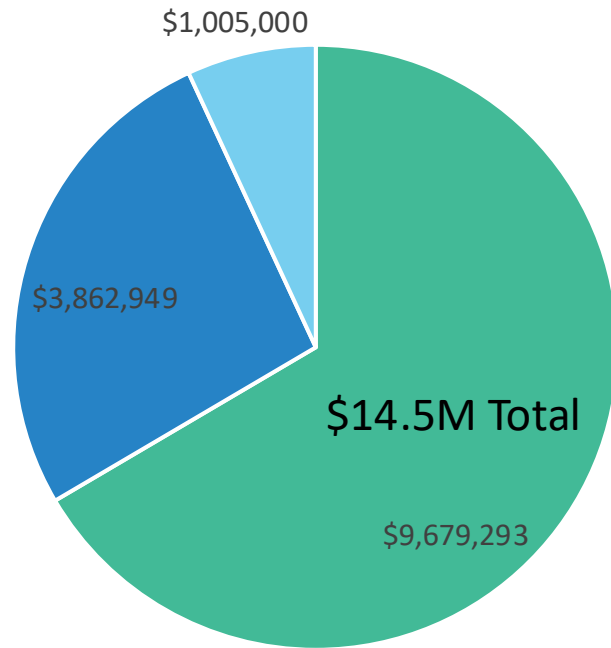
5307 SPEND RATE

- Allocations > Eligible Operating Expenses
 - Allocations Currently >\$1M Annually
 - Eligible Operating Expenses Currently ≈ \$500K Annually
- Allocation amount increases > Eligible Operating Expenses amount increases



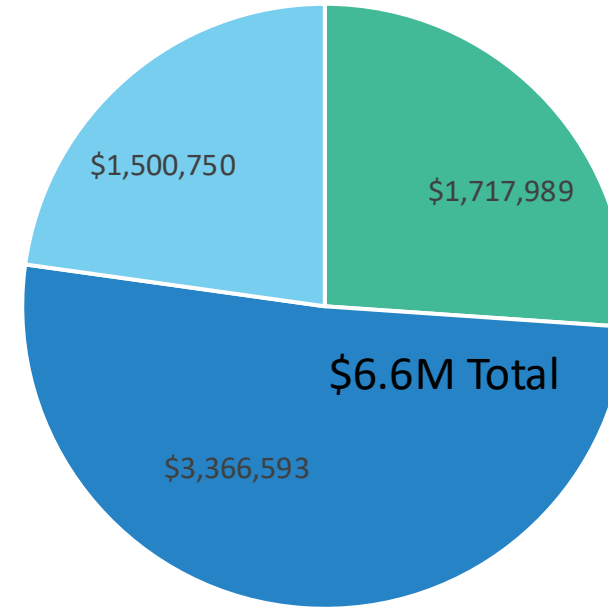
TRANSIT BUDGET COMPARISON

Asheville Transit Budget - FY25



■ Local Funds ■ Grants ■ Revenues ■

Buncombe County Transit Budget - FY25



■ Local Funds ■ Grants ■ Revenues ■

City of Asheville has the capacity to absorb Section 5307 funding to offset local budget commitment. Buncombe County is, at present, fully leveraging urban transit grant funding given other grants received.



TRIENNIAL REVIEW: FTA DIRECTION TO THE CITY OF ASHEVILLE

1. Reduce Open Grants

- Spend funds in older grants and close those grants
- Close older grants and rescind funds to FTA

2. Program Unallocated Funds



FY2025 RESCISSION

- In July 2024, Buncombe County rescinded \$1.37M in 5307 funds to the City of Asheville with the following requests:
 - *Accepting the funds under the expectation that no additional funds will be requested for the continued operation of the New Leicester Highway Extension & Route 170 in FY2025 (Complete);*
 - *Rescinding \$138,830 in FY2025 Section 5310 Traditional funds to Buncombe County to support County transportation for older adults and individuals with disabilities (Complete);*
 - Evaluating WE2 Route changes to improve safer connection to Buncombe County's Enka-Candler Trailblazer Route (Anticipated Start in FY25); and
 - Evaluating increased trip frequency for the S3 and S6 routes serving south Asheville (Anticipated Start in FY25).



FY 2026 5307 FUNDS AT RISK

ANNUAL = \$782,544

JARC = \$81,794

TOTAL= \$864,338



FY2026 RESCISSION CONSIDERATION

- Consider rescinding funds to the City to prevent return of funds to FTA
- Rescission conditions should include:
 - The City not requesting additional funds for the continued operation of the New Leicester Highway Extension & Route 170 in FY2026; and
 - The City not applying for Section 5310 Traditional funds for FY2026 so that Buncombe County can compete for a larger share of funds that directly support County transportation for older adults and individuals with disabilities
 - Evaluating WE2 Route changes to improve safer connection to Buncombe County's Enka-Candler Trailblazer Route (Anticipated Start in FY26); and
 - Evaluating increased trip frequency for the S3 and S6 routes serving south Asheville (Anticipated Start in FY26).
- The Board may also consider any conditions that advance transit and transportation with the City of Asheville and Buncombe County



NEXT STEPS

- Request for Board Action – February 4th BOCC Regular Meeting
 - Consideration of rescission conditions
 - Consideration and approval of rescission



QUESTIONS

