

FTA EQUITY FORMULA DISTRIBUTION GUIDANCE

Updated March 2024

PSRC has developed the following procedures and guidance to demonstrate that FTA funds distributed via the Equity Formula are used to improve transit services and access for PSRC's identified equity focus area populations, hereafter referred to as "EFAs." PSRC's defined EFAs are: people of color, people with low incomes, older adults, youth, people with disabilities, and people with limited English proficiency. Further background information on the Equity Formula distribution can be found in the [2024 Policy Framework for PSRC's Federal Funds](#).

General Procedures for Project Identification

For the Equity Formula, eligible agencies must identify specific projects and amounts to utilize their funding distributions. At the point of project submittal, each agency must provide a description of how the project improves equity with supporting information, per the established Equity criterion shown below. Projects must also meet all applicable federal, state and regional requirements.

PSRC staff will review and assess each project submittal to ensure that it meets the purpose and intent of the Equity Formula distribution. PSRC will then follow up with sponsors for any submittals that do not meet the high bar set for this distribution, or if additional information is needed to evaluate how the project improves equity for the identified EFAs. Project submissions will then be reviewed and recommended by the Transportation Operators Committee to the Transportation Policy Board. The Transportation Policy Board recommends final approval by the Executive Board.

The Equity Formula funds can be used for various types of investments that expand and improve transit services for EFAs. Agencies should not apply the Equity Formula distribution in the same manner as the Earned Share distribution, but instead focus these funds on investments that will specifically improve equitable outcomes for identified EFAs.

For each project, sponsors must respond to the established Equity criteria shown below to demonstrate the relationship to EFAs within the project area and how the project improves mobility and access to opportunities for these populations. Further guidance for responding to each of the bullets is provided in the [Equity Guidance](#) and other resources from the 2024 Call for Projects.

- Identify the EFAs served by the project, including supportive data. Sponsors will also identify the most impacted or marginalized populations within the project area.
- Identify the disparities and/or gaps being experienced by the identified EFAs.
- Describe how the project will expand access to high, middle and/or living wage jobs for the identified EFAs.
- Describe how the project is addressing the identified disparities or gaps and will provide benefits or positive impacts to these EFAs by improving their mobility.
- Describe the public outreach process that led to the project, including specific outreach to the identified EFA communities. Include specific outreach or communication with the EFAs identified in the previous section, including activities reflective of best practices from PSRC's [Equitable Engagement Guidance](#).

- Identify the typology associated with the location of the project in PSRC's Housing Opportunities by Place tool, and then identify the strategies the transit agency and/or jurisdiction in which the project is located uses to reduce the risk of displacement that are aligned with those listed for the typology.
- Describe how the project will improve safety and/or address safety issues currently being experienced by the identified EFA communities.
- Identify whether the project will be located within an area identified as a 7 or higher for diesel pollution and disproportionate impacts in the Washington Environmental Health Disparities map.

For the initial programming of Equity Formula funds, if a project fully meets the intent and purpose of this distribution but the amount of Equity Formula funding is not sufficient to fully fund the requested phase, sponsors would have the option of programming additional dollars from their Earned Share funds to that phase. After this initial programming, however, the adopted Project Tracking policies will apply to previously funded phases.

Further Guidance on Project Identification

Per board direction, the Equity Formula funds should not be applied in the same manner as the Earned Share distribution, but instead used for investments to expand and/or improve transit services and access for identified EFAs. Accordingly, as a general rule these funds should not be used for more programmatic projects in support of existing transit services or routine operations.

If agencies do not have capital expansion projects available to utilize the funds, some additional flexibility may be warranted for applying the funds to more programmatic projects. Requests for additional flexibility will be evaluated on a case-by-case basis but must be consistent with the overarching goals of the Equity Formula distribution.

If requesting to use the funds to support existing services, in addition to responding to the established Equity criteria project sponsors should also provide the following additional information:

- Describe how this project goes above and beyond simply maintaining existing transit services / access to specifically improve equity for the identified EFAs. The benefits of the project for identified EFAs should be described in detail – for example, are there improvements to the existing service, improvements in reliability or access, etc.?
- Describe why the use of the Equity Formula funds to support existing services (as with Earned Share funding) is necessary. Will there be a loss of opportunity? Will there be a negative impact on service for the identified EFAs? For example, are there no other funding sources available and the use of Equity Formula funds will prevent a loss of service? If so, provide detailed supportive information.

Examples are provided below for how specific programmatic types of projects or projects that are more unique in nature or location might be eligible for and meet the intent of the Equity Formula funding, and how they might best respond to the established Equity criteria.

- **Vehicle purchase projects** not tied to a specific route, new or existing, should at a minimum provide information on the relevant routes and areas on which the vehicles will

be used, and then identify the EFAs served within these areas. If the project is for expansion vehicles, the increase in service should be described. However, if the project is for replacement vehicles, information should be provided on how the project will improve conditions for the identified EFAs. For example, does the purchase of replacement vehicles improve the resilience and reliability of the service, and if so, describe the before and after conditions. Will the service be negatively impacted without the use of the Equity funds? If so, provide details on the loss of opportunity or the lack of other funding for this purpose. To the extent possible, vehicle purchase projects submitted for Equity Formula funds should be tied to a specific route or area, so that the service can be more directly related to specific EFA populations.

- **Ferry projects (terminal or vessel improvements)** are unique in their location compared to the region's EFA populations. While the proportion of these populations may be lower than the regional averages, data may still be provided using Census tract data. To the extent feasible, agencies should identify data related to these population groups based on either the location of the terminal(s) and/or any ridership data that might be available. The agency will then respond to the remaining Equity criteria and describe the improved conditions and/or mobility for the identified EFAs.
- **Preservation and maintenance projects** for existing transit services should go above and beyond routine maintenance to specifically provide benefits and reduce disparities for identified EFA populations. For example, projects to improve ADA infrastructure at stations or on vehicles can be tied to equity benefits for people with disabilities. For more general preservation and maintenance activities, sponsors should respond to the questions identified above related to loss of opportunity, and/or fully describe the extenuating circumstances for using Equity Formula funds on these investments and the improvements and benefits being provided.