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of Transportation
**Federal Transit
Administration**

Reporting Instructions for the Section 5309 Capital Investment Grants Program

Small Starts

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Prepared by:

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NOTICE

This document is disseminated under the sponsorship of the U.S. Department of Transportation in the interest of information exchange. The United States Government assumes no liability for its contents or its use.

For additional guidance on the Capital Investment Grants evaluation criteria, and for specific questions related to this document, contact Beth Day, Director, Office of Capital Project Development, Federal Transit Administration, Washington, DC, at (202) 366-5159 or elizabeth.day@dot.gov.

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I. Introduction

The Federal Transit Administration (FTA) has produced these *Reporting Instructions for the Section 5309 Capital Investment Grants Program - Small Starts* (“*Reporting Instructions*”) to inform sponsors of proposed Small Starts projects of the information they must provide to FTA so that it may undertake the legislatively required evaluation and rating of project merit. These *Reporting Instructions* take effect immediately and remain applicable until updated *Reporting Instructions* are released by FTA. Companion documents published by FTA with these *Reporting Instructions* include the Standard Cost Category (SCC) Worksheets and Small Starts Templates.

These *Reporting Instructions* do not outline all of the steps or requirements of the Capital Investment Grants (CIG) Program. Project sponsors should read and understand the contents of the Major Capital Investment Projects New and Small Starts rule published on January 9, 2013, and the *Final Capital Investment Grants Interim Policy Guidance* found on the FTA website before using these *Reporting Instructions*.

FTA reviews and evaluates the information developed by project sponsors according to these instructions to:

- Assign ratings to proposed Small Starts projects for the [Annual Report on Funding Recommendations](#) (“*Annual Report*”); and,
- Determine final ratings for Small Starts projects prior to a Small Starts construction grant agreement.

FTA emphasizes that project sponsors may request advancement into Project Development at any time throughout the year, and need not tie advancement to the *Annual Report* schedule. Project sponsors should talk to their assigned FTA staff member in the Office of Planning and Environment to determine what needs to be submitted.

Parallel sets of reporting instructions for New Starts and Core Capacity projects are available on FTA’s website at www.transit.dot.gov.

Reporting Format

Project sponsors should submit information electronically via email to the FTA Office of Planning and Environment staff member assigned to their project. **FTA requests electronic files in their original format (Excel/Microsoft Word/etc.) and not PDF files. When submitting a financial cash flow electronically in Excel format, sponsors must submit a version with the formulas included and not just a version with hardcoded numbers.**

As a reminder, Small Starts project sponsors must use the most recent Small Starts Standard Cost Categories (SCC) worksheets issued by FTA for reporting the capital costs and schedules of their proposed projects. Small Starts project sponsors should report costs in 2021 constant dollars. Small Starts project sponsors must also use the most recent Small Starts templates issued by FTA.

The Small Starts SCC worksheets and Small Starts templates include formulas and locked cells to ensure the validity and consistency in the FTA evaluation and rating process. The cells are marked as follows:

- White cells require data entry by the project sponsor.
- Gray or green shaded cells are locked to protect FTA formulas and calculations that generate information for project evaluation and rating.

Project sponsors should enter information in the white data entry cells. **Project sponsors should not unlock, alter or otherwise modify the worksheets and templates.** Project sponsors who submit worksheets and templates that have been altered or changed will be required to submit revised information using the original, unaltered worksheets and templates. Please be aware that this will delay FTA's evaluation and rating of the project.

Project sponsors should include with their submittal a cover letter addressed to FTA's Associate Administrator for Planning and Environment from the Chief Executive Officer (CEO) of the sponsoring agency attesting that the technical approaches and assumptions used are consistent with FTA's *Reporting Instructions* and *Final Interim Policy Guidance*. In the event that a project sponsor finds it necessary to deviate from FTA's guidance, the letter should identify any differences and explain why. Any such differences should be discussed with FTA's Office of Planning and Environment in advance so that appropriate guidance can be provided. The cover letter should also summarize what changes were made to the project and to the information in the submittal since the last FTA evaluation and rating and explain the reasons those changes were made. Specific details on any changes should be provided. For example, if changes were made to the inflation assumptions in the SCC workbook, those changes and the associated reasons should be summarized.

The Small Starts templates include a tab in the excel workbook that provides a ratings summary that project sponsors can use to estimate their summary project justification and finance ratings as well as the overall project rating. The ratings summary worksheet automatically populates several of the project justification criteria ratings from the Mobility, Cost Effectiveness and Congestion Relief and Environmental Benefits Templates. Estimated ratings for land use, economic development, and local financial commitment must be entered by the project sponsor. This tool is provided by FTA to help project sponsors understand how their project might rate based on information sponsors enter in the templates. The final rating assigned by FTA may differ based on our own analysis.

Contacting FTA

For additional guidance on the CIG program evaluation criteria, and for specific questions related to this document, contact Beth Day, Director, Office of Capital Project Development, Federal Transit Administration, Washington, DC, at (202) 366-5159 or elizabeth.day@dot.gov.

II. Principles to Ensure a Level Playing Field for Comparison of Projects

FTA strives to create a “level playing field” upon which a wide variety of candidate projects compete for funding. This section summarizes FTA’s key principles to ensure consistency in project evaluations and ratings. Please visit FTA’s [Capital Investment Grants Program](#) webpage for additional guidance on the planning and development of Capital Investment Grants Program projects.

Time Horizons

FTA requires sponsors of proposed Small Starts projects to calculate the measures for the evaluation criteria using current year inputs. The current year is defined as the most recent year for which demographic and transit usage data are available. The current-year build scenario must reflect the opening year service plan. At their option, sponsors may also calculate the evaluation criteria using a horizon year, either 10 or 20 years in the future. Horizon years are based on available socioeconomic forecasts from metropolitan planning organizations (MPO), which are generally prepared in five year increments such as for the years 2030 and 2035. The year 2040 may be used as the horizon year if the area’s MPO has officially adopted 2040 as its planning horizon year.

Points of Comparison

Most evaluation measures are based on absolute rather than incremental values. Where a basis for comparison is required to calculate the evaluation measure, the no-build will be the point of comparison. The no-build scenario is defined in the table below.

Analysis year	Point of comparison
Current	Existing transportation system (excluding the proposed Small Starts project)
10-year horizon	Existing transportation system plus transportation investments committed in the Transportation Improvement Program (TIP) pursuant to 23 CFR 450 (excluding the proposed Small Starts project). Project sponsor should use the TIP that is in place at the time that the sponsor seeks to be considered for a funding recommendation. If forecasts are updated later, as required when there is a significant change in the project or prior to a construction grant agreement, the point of comparison would include the projects in the TIP at that time.
20-year horizon	Existing transportation system plus all projects identified in the metropolitan planning organization’s fiscally constrained long range transportation plan (excluding the proposed Small Starts project)

In cases where a Small Starts project is part of a multimodal package that includes infrastructure for other modes, such as highway expansion, the components of the package that are not proposed for CIG funding are not evaluated as part of the Small Starts project. If a proposed Small Starts project is proposed to be built in phases, FTA generally evaluates and funds each phase separately. Thus, only the phase currently seeking CIG funds would be evaluated according to the Small Starts criteria.

Cost Estimating Assumptions

A project's capital cost estimate includes costs for planning, design and construction. It includes labor and material for construction of the improvement – such as guideways, stations, support facilities, sitework, special conditions and systems – as well as costs for vehicle design and procurement, environmental mitigation, right-of-way acquisition, relocation of existing households and businesses, planning, facility design, construction management, project administration, finance charges, and contingencies. Small Starts project sponsors must use the most recent Small Starts SCC worksheets issued by FTA for reporting the capital costs and schedules of their proposed projects. Small Starts project sponsors should report costs in 2021 constant dollars.

FTA expects that cost estimates for the project be up-to-date, be based on unit costs that apply to expected conditions during construction, and specifically identify remaining uncertainties in those unit costs. Similarly, estimates of operations and maintenance costs should be based on current local experience, adjusted for differences in vehicle and service characteristics, and, for any transit modes new to the system, consistent with experience in similar settings elsewhere.

III. General Reporting Information

This section describes information that must be submitted to FTA for project evaluation and rating.

III.1. Project Background Information

The following subsections describe information necessary for FTA to understand the project, its planning context, and how (and why) it addresses the identified transportation problems in the corridor. Project background information comprises the three items described in this section:

- Project Description Template
- Project Narrative
- Project Maps

Project Description Template

Project sponsors must provide descriptive information on the proposed Small Starts project and the regional public transportation system. FTA uses the information in the Project Description Template to understand the project and to establish a database of project characteristics and local contact information. All Small Starts project sponsors must submit this template to FTA.

Project Narrative

A project sponsor may submit to FTA a short (no more than five-page) narrative that succinctly describes the benefits of the proposed investment. The optional document helps to familiarize FTA with the proposed Small Starts project and its rationale; it does not affect a project's rating. The short narrative should describe key project outcomes drawn from planning studies performed by the project sponsor that were used as the basis for selecting the proposed project.

Below is an outline of what the narrative could contain.

- **Project Identification.** In two or three short sentences, provide the essential characteristics of the proposed project: its location, length, termini, number of stations, hours of service, and frequency by time period.
- **Setting.** Along with a good map of the corridor, in a few paragraphs describe the key elements of the setting; include the major activity centers within the corridor, significant highway facilities, existing transit facilities like fixed-guideways and transfer centers, and, to illustrate how these features relate to the project, the alignment of the proposed project.
- **Current Conditions.** Important conditions might include: the population and employment of the corridor and any major activity centers within the corridor; congestion levels on important highway facilities and transit shares, ridership volumes, and any key attributes (capacity issues, rider characteristics, etc.) that are important for the project. Highlight the principal functions of transit services in the corridor, focusing on whatever

limitations exist on the performance of the transit system. Focus on the corridor itself, rather than the metropolitan area.

- **Conditions in the Horizon Year (if applicable).** If a project sponsor is submitting horizon year data to FTA, the narrative might describe the anticipated changes in key corridor characteristics between today and the horizon year – absent significant transit improvements in the corridor. Particularly in rapidly growing corridors, this would highlight major changes in demographics, travel patterns, volumes and speeds on major highway facilities, the service quality and capacity of transit services, and anticipated transit ridership. The discussion should make clear the key functions of the transit system in the corridor and highlight whatever limitations are anticipated on its performance. As with the discussion of current conditions, this section must focus on the key characteristics of the corridor itself rather than aggregate information on broader geographical areas.
- **Purpose of the Project.** Succinctly describe the specific ways that the proposed major transit investment will address the problems identified in the corridor.
- **Merits of the Project.** Describe how the project addresses the Purpose of the Project more effectively compared to other alternatives.
- **Summary.** In one paragraph draw together the key points made in the document. Highlight the conditions that motivate consideration of a major transit improvement, the specific purpose of the project, and the ways that the project succeeds in addressing the purpose.

Project Maps

All Small Starts sponsors must submit electronic maps of their proposed projects for inclusion in the *Annual Report on Funding Recommendations* and/or posting on FTA's website. To ensure compatibility, maps should be created in a geographic information system (GIS) program such as MapInfo, ArcInfo, Maptitude, or TransCAD. In lieu of a GIS-based map, a clearly legible map of the project may be submitted. All maps should be submitted to FTA in Adobe Acrobat (PDF) format.

To ensure consistency among projects, maps submitted to FTA must include the following features:

- A title indicating the project's name and primary city and state.
- The alignment of the project, not including future proposed extensions of the proposed project or extensions to the existing transit system. For example, if the Small Starts project is an initial operating segment, then only the initial operating segment should be shown on the map. The map should be scaled to the project; also, the line style used to depict the project's alignment should be easily distinguishable from styles used for other transportation infrastructure.
- Stations included in the project, marked in a distinguishable manner from existing transit stations and labeled. Stations with park & ride facilities should be further distinguished from others, either via markings or labels.

- Any transit vehicle maintenance or storage facilities to be constructed as part of the project.
- Street, highway and railroad networks in the area surrounding the project, with major streets' names and highways' designations labeled as appropriate.
- Key connecting mass transit lines including existing stations, particularly if the project represents an extension of an existing line.
- Major water bodies with names labeled as appropriate.
- Names of cities and/or counties to be served by the project, with jurisdictional boundaries demarcated as appropriate.
- A legend, scale and compass.

Elements of the maps should be distinguishable when reproduced in grayscale. The map should fit on one 8.5 by 11 inch paper, with one-inch margins. Maps may be provided in landscape or portrait orientation depending on the alignment of the project; typically, north-south alignments are provided in portrait orientation and east-west alignments are provided in landscape orientation.

III.2. Travel Forecasts

Project sponsors may choose to predict trips using one of three basic approaches: their own locally adopted travel forecasting procedures, FTA's forecasting tool entitled Simplified-Trips-on-Projects Software (STOPS), or, in some cases, an incremental data-driven method.

The chosen forecasting method should be discussed with FTA well before the submittal of information by the project sponsor for project evaluation and rating. Such discussions will involve a review of the forecast methodology validation and input assumptions specific to the project. FTA's [travel forecasting](#) webpage provides timelines (by method) for submittals in advance of a project rating request.

If STOPS is chosen as the method used, documentation of the methodology and validation and a detailed review by FTA is not necessary. However, project sponsors who prepare the forecasts using STOPS must provide FTA with an electronic copy of their STOPS application, including both the inputs and the output reports.

Given the unusual circumstances in calendar years 2020 and 2021 due to the COVID-19 health emergency, FTA is accepting current-year submittals derived from transit service, fare policy and ridership from prior to the COVID-19 pandemic. In other words, FTA is accepting current year documentation of existing transit riders and travel forecasts based on 2019 pre-pandemic information.

The following three items must be submitted to FTA in support of the travel forecasts:

- Travel Forecasts Template;
- Forecast Results Report; and

- Supporting tabulations.

Travel Forecasts Template

The Travel Forecasts Template is the data entry mechanism for all travel forecast information used in the calculation of the mobility improvements, congestion relief and cost effectiveness criteria plus the change in Vehicle Miles Travelled (VMT) forecasts used in the calculation of environmental benefits. This information is transferred automatically through spreadsheet links between the templates to simplify the calculation of the measures and avoid the need for project sponsors to enter the same information more than once.

The Travel Forecasts Template includes a section for inputting trip information from travel forecasts, and another section for inputting VMT information from travel forecasts and transit operating plans. Most lines have current and horizon year fields; the latter need only be used if the project sponsor is opting to calculate the evaluation criteria using both current year and horizon year input data.¹

- Trips On the Project Section: ²
 - Daily linked trips on the project, non-transit dependent users (Lines 1a and 2a): the number of daily linked trips using any part of the proposed Small Starts project, excluding trips made by transit-dependent persons or the “special market” trips identified in Lines 3-6. Please contact FTA’s Office of Planning and Environment with any questions regarding project trips.
 - Daily linked trips on the project, transit dependent users only (Lines 1b and 2b): the number of daily linked trips using any part of the proposed Small Starts project made by transit dependent persons. Transit-dependent trips are represented in STOPS and most local models as trips made by individuals from households that do not own a car, but some local models may instead represent them as trips made by individuals in the lowest household income category.
 - Special market project trips per-event and per-day by market (Lines 3-6): the number of trips per-event or per-day for each special travel market not considered by the travel model and for which ridership estimates were prepared “off model.” Per-event markets include sports venues, concerts, and other intermittent

¹ The horizon year must be selected in the Project Description Template. A selection of “none” signifies that the project sponsor is foregoing the optional horizon-year analysis. When “none” is selected, the cells for horizon-year entries in the Travel Forecasts Template will be grayed out and nothing should be entered in them.

² Project sponsors seeking project justification warrants are not required to enter the model outputs requested in Lines 1 through 10 of the Travel Forecasts Template, but they are required to input current-year transit VMT information from the project’s service plan in Lines 11 through 19 since this information is used in the simplified calculation of environmental benefits. After a project sponsor selects “seeking warrants” on the Project Description template, the Travel Forecasts Template is updated automatically to make clear what data is required and what is not.

activities. Per-day markets include air passengers, circulation travel, and other markets that are present every day.

- Annualization factors: the factors needed to compute annual totals from the daily estimates provided by the travel models and special event project trips. Because trips generated by the special markets are annualized separately, the annualization factor reported for lines 1 and 2 must exclude the effects of special markets.

For daily linked trips on the project (lines 1 and 2), the annualization factor should be consistent with local experience in the existing transit system and also appropriate to the proposed operating plan. For special market project trips (lines 3-6), market-specific annualization factors should be used and explained. For example, a venue for major league baseball should have an annualization factor of approximately 81 because every year each major league team plays 162 games, 81 as the home team and 81 as the visitor.

In addition to filling out the annualization factors in the Travel Forecasts Template, a written justification for the annualization factors should be provided to FTA.

- New Transit Trips (line 9): the number of total new daily linked transit trips using any part of the proposed Small Starts project. This is an incremental value based on the comparison of daily linked transit trips in the build and the no-build alternatives.
- Vehicle-Miles of Travel (VMT) section:
 - Daily VMT, automobile (Line 10): the total weekday VMT by automobile (any occupancy) for the no-build and build scenarios. Estimates of changes in VMT come from either the local travel model or STOPS. With STOPS, project sponsors will need to use an appropriate auto occupancy to convert the STOPS-predicted changes in passenger-miles of travel in automobiles to change in VMT. The annualization factor for automobile VMT should be the same as the transit annualization factor entered for trips on the project in lines 1 and 2.
 - Annual VMT, transit modes (Lines 11 through 19): the annual VMT for the no-build and build scenarios for each mode of public transit that has different service levels in the two scenarios. If a mode exists in a project sponsor's region but will not be affected by the proposed project, nothing needs to be entered for that mode because there would be no change in VMT between the no-build and build alternatives. Annual VMT totals for each mode that will be affected by the project should be calculated based on service plans. For rail transit modes, car mileage should be reported rather than train mileage.

Travel Forecast Results Report

The travel forecast results report focuses on the forecasts themselves rather than on the methods used to prepare the forecasts. Documentation on the methods used to prepare the forecasts should have been previously submitted to FTA. The report provides a narrative describing the

key characteristics of the forecasts. It is a concise, plain-English narrative of the primary mobility benefits of the project as indicated by the travel forecasts, including:

- the markets that the project serves and the difficulties those markets face (transportation and/or economic);
- the way the project improves transit service to address those difficulties;
- the way overall transit ridership responds to the implementation of the project;
- the resulting trips on the project itself;
- uncertainties inherent in all of these items;
- discussion of the reasons for any large changes in district-to-district trips from no-build to build (or from current year to horizon year, as applicable) that will help FTA reach an overall conclusion of forecast plausibility;
- summary figures as appropriate to support the narrative; and
- an index of the supporting tabulations for easy reference.

Supporting Tabulations

The travel forecasts results report is accompanied by a series of summary tabulations of forecast results. Such tabulations should be provided as spreadsheets that are sized and formatted to be easily readable on a computer screen. Sponsors are encouraged to package the information into as few electronic files as possible using multiple pages or spreadsheet tabs. FTA can provide a sample formatted spreadsheet if requested, but the characteristics of each project are different and thus the size and layout of the tables may vary. Hard-copy paper printouts of the tabulations included in the spreadsheet files should not be provided to FTA. Electronic prints, in the form of a single PDF file of all tabulations, may be provided in addition to the spreadsheets to assist FTA with its review, but are not required.

The summaries should tabulate the forecasts for the current year and, if used in the project ratings, the horizon year. In cases where the sponsor has used locally developed travel forecasting procedures, the summaries must also tabulate the model-validation forecasts. The summaries are based on a set of summary districts defined by the sponsor to sum zone-to-zone information from the forecasts to a reviewable level of aggregation. The required tabulations are:

1. Demographic and socio-economic characteristics:
 - Information used for trip (or tour) production generation (e.g., households by socio-economic group, population, and workers in households) by Transportation Analysis Zone (TAZ) and summary district;
 - Information used for trip (or tour) attraction generation (e.g., number of jobs by classification type) by TAZ and summary district; and
 - All data fields should be clearly labeled.

2. Highway speeds:
 - For current year forecasts: unweighted average peak and off-peak period speeds computed across all zone-to-zone pairs within each district-to-district cell.
 - For horizon-year forecasts if applicable:
 - unweighted average peak and off-peak period speeds computed across all zone-to-zone pairs within each district-to-district cell; and
 - the horizon-year-to-current-year ratio in each cell of the unweighted average peak and off-peak period speeds tabulations.
3. Linked transit trips (for the no-build and build alternatives, including horizon year if applicable):
 - Trips on the entire transit system for each travel market (trip purpose by time-of-day by transit-access mode by socio-economic stratum), and the grand total across all markets, as represented in the mode choice analysis; and
 - Trips on the project for each of the same travel market breakdowns as discussed in the bullet above.
4. Weekday total and home-based-work person trip tables (district-to-district, with row and column totals). One single set of person trip tables must be used for both the no-build and build forecasts.
5. Weekday transit trip tables (district-to-district, with row and column totals), separately for walk- and drive-access, tabulating:
 - Total transit trips and home-based work transit trips -- no-build, build, and changes between the two
 - Trips on the project (by trip purpose and, separately, by access mode)
 - The number of zone-to-zone transit trips in the build alternative found in zone-to-zone cells that are zero in the no-build and non-zero in the build
 - The number of zone-to-zone transit trips in the no-build alternative found in zone-to-zone cells that are zero in the build and non-zero in the no-build; and
 - The change in the number of zone-to-zone trips (build minus no-build) found in zone-to-zone cells that are lower in the build than the no-build and non-zero in both.
6. Change in automobile VMT summarized at the district-to-district level. The change in automobile VMT is computed as the difference in automobile trips (both all automobile trips and drive-to-transit trips) between the no-build and build scenarios multiplied by the zone-to-zone automobile travel distance.
7. Transit weekday ridership:
 - For the entire transit system: total system boardings (unlinked trips) by mode, no-build and build.

- For the project (in trip production-attraction format):
 - Station-to-station transit linked trips. For projects that are extensions to existing services, existing stations may be aggregated for simplicity except for the existing terminus from which the proposed project extends;
 - Station ONs and OFFs and link volumes between stations, by direction; and
 - Modes of access and egress by station.
- 8. A map (in PDF format) showing the boundaries of TAZs and summary districts, the name and number of each district, and the alignment and station locations of the project, with the park and ride stations clearly marked. Generally, sponsors should include between 15 and 20 districts that are designed specifically to focus on the project, with smaller districts near the project and larger districts elsewhere in the region.
- 9. A map (in PDF format) and supporting tables of information that show changes in the coded transit route alignments, stop locations, and/or service frequencies between the no build and build scenarios.
- 10. GIS layers (ArcGIS shape file preferred):
 - the TAZ layer;
 - the summary district layer;
 - a layer containing the alignment and station locations of the project, with the park and ride stations clearly marked; and
 - a layer showing changes in the no-build transit routes to accommodate the coding for the build alternative.

Some of the above information may not be available (or may not be readily available) from some local travel forecasting procedures. If local forecasting procedures are unable to produce one or more of these items, project sponsors should contact FTA to discuss possible remedies or a waiver of the individual reporting requirement. Project sponsors should contact FTA prior to preparation of the tabulations to discuss the proposed summary district structure, plus the demographic/network specifications for the current year and (if part of the submission) horizon year.

Sponsors using STOPS are not required to prepare detailed tabulation spreadsheets, because the necessary tabulations are included in the STOPS reporting files and will be included in the required submittal of the STOPS implementation to FTA. Sponsors using STOPS will rely on these tabulations to prepare the written Forecast Results Report. Sponsors must also provide the supporting maps described in bullets 8, 9, and 10 above.

III.3. Operations and Maintenance Costs

System-wide and project specific operations and maintenance costs are a key component of the project financial plan. Project sponsors are required to submit to FTA documentation

summarizing how operating and maintenance costs were developed. Additionally, the following considerations apply:

- System-wide and route level operating cost data (and factors) are typically available as part of ongoing operations planning.
- The latest available operating and maintenance cost estimates, accurately reflecting the latest scope and service plan of the proposed project, should be used.

III.4. Capital Costs

This section provides information on the Standard Cost Category (SCC) workbook and general guidelines for when a project capital cost estimate should be updated.

Standard Cost Categories

Project sponsors are required to submit capital cost information electronically in the SCC Excel format, using the most recent Small Starts SCC worksheets issued by FTA. The SCC Workbook establishes a consistent format for the reporting of capital cost and schedule information. The SCC structure accommodates all project elements within 10 major cost categories. Small Capital costs must be reported in 2021 constant dollars.

The following worksheets of the SCC Workbook must be submitted:

- Build Main: Ensure that allocated contingency amounts are entered.
- Project Description
- Inflation: The inflation rates shown in the SCC worksheet are provided only as an example. The project sponsor should input inflation rates representative of conditions in their area.
- Schedule
- Build Annualized
- Funding Sources by Cost Category
- Funding Sources by Year: This is an important worksheet that FTA uses to understand annual CIG funding levels the project sponsor anticipates receiving, as well as annual funding assumed to come from other sources. The information contained in this worksheet should match what is provided in the financial plan submitted to FTA.

Sponsors should refer to the following two worksheets in the SCC Workbook for general guidance:

- **SCC Definitions.** This worksheet contains explanations of the individual line items and thus helps to achieve consistency of use by all parties. Contact the FTA Office of Capital Project Management if you have questions or would like to comment on the definitions.
- **Scopes and Activity Line Items (ALIs).** When applying for a grant from FTA (*any grant*, e.g. Congestion Mitigation and Air Quality, Section 5307, Section 5309, etc.) for

your Small Starts project, use the 14-Series Scopes and ALIs shown on this worksheet to input your grant budget. The 14-Series matches the SCC Categories.

SCC Build Annualized Worksheet Instructions

Capital costs in constant or base year dollars are estimated by the project sponsor for the proposed project. The Build Annualized Worksheet automatically calculates the annualized federal share for the project based on the useful lives of the various cost items, an established discount rate, and the information on project funding sources entered by the project sponsor in the Fund Source by Category Worksheet of the Small Starts SCC workbook. The annualized federal share for the project is an input to the calculation of cost effectiveness and environmental benefits.

Below are specific instructions that must be followed when completing the Build Annualized Worksheet:

- Useful Life Assumptions: The Build Annualized Worksheet provides the project sponsor with the opportunity to claim anywhere from 12 to 18 years for the estimated useful life for buses on SCC Line 70.04. If the project sponsor claims a useful life longer than 12 years, documentation demonstrating experience with maintaining buses beyond 12 years (e.g. National Transit Database records) must be provided supporting the reasonability of such a claim.
- Unallocated Contingency: Base Year costs are automatically populated in the Build Annualized Worksheet from the Build Main Worksheet. However, Unallocated Contingency must be manually distributed across the line items according to perceived risks.

When to Report Updated Project Cost Estimates

The capital cost estimate should be updated when it no longer accurately reflects the current scope and schedule of the project, triggered by either an expansion or reduction in the scope or schedule. The update should be accompanied by a brief explanation of what changed and why. More specifically, a project capital cost estimate should be updated when any of the following events occurs:

- Requests to Advance Through the Process
 - The project sponsor requests a construction grant agreement.
- Scope changes
 - Design and construction scope of work changes - Horizontal or vertical alignment, number or type of stations, number or type of vehicles, length of guideway, mode, quantity of material, substitution of material, value engineering changes.
 - Planning context changes - Political, institutional, or project management changes impacting project scope or schedule; project procurement conditions change such as changes in the bidding climate, price of commodities, or contracting methodology.
- Schedule changes
 - Schedule has slipped or been extended by six months or more, resulting in additional cost for labor, materials, and/or inflation, which could result from extended community input, project review, funding disapproval, labor disputes, etc.
- Cost changes
 - The costing methodology has changed as a natural part of the continued development of the project, for example, from a parametric estimate to a detailed labor and materials quantity take-off.
 - A change in a funding source or financing method has caused modification of scope, schedule or cost.

IV. Project Justification Criteria

The following summarizes the information necessary to support the project justification criteria. Specific information on each of the criteria and measures can be found in the Final Rule and the *Final Interim Policy Guidance* found on FTA's website. All reporting templates are available there as well. Any questions regarding these criteria, their associated measures, and/or the calculation of the measures should be directed to the FTA Office of Planning and Environment's Office of Capital Project Development.

IV.1. Project Justification Warrants

Warrants are pre-qualification approaches that allow a proposed project to automatically receive satisfactory ratings on certain project justification criteria based on the project's characteristics or the characteristics of the project corridor. For information on how to become eligible for project justification criteria warrants, please see the *Final Interim Policy Guidance* found on FTA's website. Project sponsors wishing to be considered for warrants should discuss the matter with FTA during Project Development, prior to submitting information to FTA for evaluation and rating. Additional information on documenting existing ridership to qualify for warrants can be found on FTA's website at: <https://www.transit.dot.gov/funding/grant-programs/capital-investments/how-apply>.

When submitting information for evaluation and rating, project sponsors must identify if they are seeking warrants for the project on the Project Description Template. If they select "yes", they are not required to submit some of the information requested in the Travel Forecasts Template; the Mobility, Cost Effectiveness and Congestion Relief Template; and the Environmental Benefits Template. These templates are updated automatically to make clear what data is required to be completed based on the selection made by the project sponsor on the Project Description Template.

IV.2. Mobility Improvements

The following data must be entered in the templates to compute the mobility improvements measure if the project is not warranted:

- Trip information (in lines 1 through 6 of the Travel Forecasts Template), and
- Horizon year (in the Project Description Template).

IV.3. Cost Effectiveness

The following data must be entered in the Small Starts templates to compute the cost effectiveness measure, if the project is not warranted:

- Trip information (in lines 1 through 6 of the Travel Forecast Template)
- Horizon year (in the Project Description Template), if applicable

- The project's annualized federal share in constant 2021 dollars as generated by the Build Annualized Worksheet of FTA's SCC Workbook. (Annualized federal share should be entered in Line 3 of the Mobility, Cost Effectiveness and Congestion Relief Template.)

IV.4. Congestion Relief

The following data must be entered in the templates to compute the congestion relief measure if the project is not warranted:

- New daily linked transit trips (in line 9 of the Travel Forecasts Template), and
- Horizon year (in the Project Description Template), if applicable.

IV.5. Land Use

The land use rating is based primarily on quantitative measures of existing corridor conditions. Elements of the land use submission include:

- A complete quantitative Land Use Template;
- The land use portion of the Supplemental Land Use and Economic Development Information and Supporting Documentation Templates; and
- Supporting documentation.

Quantitative Data

The quantitative Land Use Template is the reporting format for quantitative data. The objective of gathering these data is to better understand current year and, if a project sponsor is including it in the evaluation, horizon year information about population, housing units, employment, and affordable housing associated with the project.

Quantitative data on population, employment, total housing, and affordable housing served by a proposed Small Starts project are critical inputs to the assessment of existing land use conditions. The most significant indicators are population density around project stations, total employment around project stations and any other stations accessible by a one-seat ride, and the proportion of legally binding affordability restricted housing units in the station areas compared to the proportion of legally binding affordability restricted housing in the counties through which the proposed project travels. Appendix A provides a sample methodology for estimating station area population, households, affordable housing, and employment. FTA requests that sponsoring agencies follow this methodology in order to ensure consistent reporting of quantitative data among Small Starts applicants.

Documentation of Information for Existing Land Use

FTA requests that project sponsors submit the items in the following table. The footnotes denote whether the information requested should be submitted as supporting documentation or entered directly into the quantitative Land Use Template. In the Existing Land Use portion of the Supplemental Land Use and Economic Development Information and Supporting Documentation Templates, the project sponsor should provide a summary of the most germane

information and data for each category that is being provided to FTA as supporting documentation.

Existing Land Use	
Information Requested	Documentation
Existing corridor and station area development (population, employment, high trip generators)	<ul style="list-style-type: none"> Corridor and station area population, housing units, and employment⁺ Listing and description of high trip generators (examples include colleges/universities, stadiums/arenas, hospitals/medical centers, shopping centers, performing arts centers, and other significant trip generators)*
Existing station area development character	<ul style="list-style-type: none"> Description of existing land use mix, urban design characteristics, pedestrian environment and parking supply in each station area (or groups of adjacent station areas with similar characteristics)* Station area maps with uses and building footprints shown, as available* Ground-level or aerial photographs of station areas, as available*
Existing station area pedestrian facilities, including access for persons with disabilities	<ul style="list-style-type: none"> Station area maps or photographs identifying pedestrian facilities and access provisions for persons with disabilities, as available* Documentation of achievement of curb ramp transition plans and milestones required under CFR 35.150(d)(2)*
Existing corridor and station area parking supply	<ul style="list-style-type: none"> Parking spaces per employee in the CBD and/or other major employment centers* Average daily parking cost in the CBD and/or other areas*
Existing affordable housing	<ul style="list-style-type: none"> Total number of legally binding affordability restricted housing units within a ½-mile radius of all station areas⁺ Total housing units of all types and total housing units that are legally binding affordability restricted for each county in which project stations are located⁺ Identification of the source(s) of the affordable housing data. Provide a signed certification by the head(s) of the entities, such as state or local housing agencies or nonprofit organizations that maintain databases of affordable housing units, from where the information was gathered attesting to the accuracy of the numbers provided.* (Certification is not needed if using the National Housing Preservation Database to obtain affordable housing counts.)
<p>* Provide this information as supporting documentation. + Enter this information in the quantitative land use template.</p>	

Additional Guidance

- Provide a table of contents at the beginning of the submittal summarizing all materials that are being provided to FTA.
- Where appropriate, maps and graphics should be used to supplement data; for example, the reporting of development and pedestrian amenities via maps and/or aerial photos is helpful. Examples include:
 - Aerial and ground-level photographs of station areas; and
 - Maps showing existing and forecasted population and employment densities in the corridor.
- Submissions should be brief and precise, but thorough, in providing explanatory statements; important information should not be omitted for the sake of brevity.
- When revising text from a prior submittal, clearly identify all changes including new or updated information with bold type, highlights, or in “track changes,” so that FTA can easily identify what has changed.

IV.6. Economic Development

The economic development criterion is based on a qualitative analysis of plans and policies to focus future development in the corridor.

Elements of the economic development submission include:

- The economic development portion of the Supplemental Land Use and Economic Development Information and Supporting Documentation Templates; and
- Supporting documentation.

The Supplemental Land Use and Economic Development Information and Supporting Documentation Templates allow project sponsors to provide written statements to summarize, highlight or expand upon information for specific factors. Sponsors may also provide specific references to existing maps, plans, or other attached documentation that address the specific factor and type of information requested by FTA.

The supporting documentation should consist of full or relevant portions of the documentation referenced in the Supplemental Land Use and Economic Development Information and Supporting Documentation Templates. Some examples from which to provide either full documents or relevant excerpts include:

- Local comprehensive plans, small-area or station area plans, zoning ordinances, and design guidelines relevant to station areas;
- Station area planning documents (conceptual plans, inventories of developable land, real estate market studies);
- Local affordable housing plans (or sections of other local plans that concern affordable housing) that affect station areas;

- Analysis of land development trends and market potential for transit supportive development within the region and station areas;
- Descriptions of other tools and incentives available for influencing development; and
- Site plans or descriptions of station area development proposals, with emphasis on the character and features of the development.

Visual aids, such as maps, photographs, and illustrations, can also be useful as supporting documentation to help communicate the impact of planned future development. Examples include:

- Maps of station areas showing the street network, planned land uses and zoning; and
- Photographs or illustrations of recent development that has taken place around any existing transit stations or corridors in the region.

In addition, project sponsors may provide an optional quantitative economic development submittal that forecasts future economic growth scenarios for the proposed station areas. This analysis should demonstrate how the project would produce changes in population and employment and estimate the effect those changes would have on VMT. FTA does not specify a methodology for the optional economic development scenario. Initially, FTA intends to examine any optional analyses prepared by project sponsors and assign ratings based on FTA's qualitative assessment of the reasonableness of the analysis and the magnitude of the numbers presented.

Although it is not used to develop the economic development rating, project sponsors should report their estimate of the number of U.S. jobs related to design, construction, operation and maintenance of the project on page 3 of the Project Description Template.

Documentation of Information for Economic Development Effects

FTA requests that project sponsors submit the following information:

Information Requested	Documentation
<p>I. Transit Supportive Plans and Policies a. Transit Supportive Corridor Policies</p>	
<p>Plans and policies to increase corridor and station area development</p>	<ul style="list-style-type: none"> • For each station area (or group of adjacent station areas where similar provisions apply), identify applicable city, town, county, and campus/institutional plans and policies, and report the following: <ul style="list-style-type: none"> ○ Recommended land uses and development densities ○ Any recommendations or policies for high density development in the corridor and station areas, and/or policies that support changes to zoning in the corridor and station areas ○ Status of the plans (i.e., adopted or under development). For plans that are under development, indicate the remaining steps and expected timeframe for adoption • Include links to or electronic copies of the plans with the submittal. Note that plans may include general plans, specific plans (subarea, station area, etc.), redevelopment project plans, or other district plans
<p>Plans and policies to enhance transit-friendly character of station area development</p>	<ul style="list-style-type: none"> • For each station area (or group of adjacent station areas where similar provisions apply), report the following: <ul style="list-style-type: none"> ○ Recommendations for development character or form from the plans identified above ○ Any recommendations or policies to promote pedestrian- and transit-friendly development (e.g., mixed uses, vertical zoning, buildings oriented toward the street)
<p>Plans to develop pedestrian facilities and enhance disabled access</p>	<ul style="list-style-type: none"> • Policies for sidewalks, connected street or walkway networks, and other pedestrian facility development plans that apply to project station areas • Capital improvement programs to enhance pedestrian facilities in station areas • Curb ramp transition plans and milestones required under CFR 35.150(d)(2), and other plans for retrofitting existing pedestrian infrastructure to accommodate persons with disabilities in station areas • Street design guidelines or manuals addressing pedestrian and transit-oriented street design that apply to

Information Requested	Documentation
	station areas
Parking policies (allowances for reductions in parking and traffic mitigation for development near station areas, plans for park-and-ride lots, parking management)	<ul style="list-style-type: none"> • Recommended parking provisions (e.g., proposed minimum and maximum ratios, shared parking allowances, changes in the amount of land occupied by parking facilities, policies to encourage structured parking) for all station areas per plans and policies • Mandatory minimum cost for parking in areas served by transit or policies to encourage “unbundling” of parking costs from rents • Parking taxes
<p>I. Transit Supportive Plans and Policies</p> <p>b. Supportive Zoning Regulations Near Transit Stations</p>	
Zoning ordinances that support increased development density in transit station areas	<ul style="list-style-type: none"> • For each station area (or group of adjacent station areas where similar provisions apply), report the following: <ul style="list-style-type: none"> ○ Allowable uses and prescribed minimum and/or maximum densities or floor area ratios. Include applicable overlay zones. Identify approximate floor area ratios if these are not identified in the zoning (for instance, under form-based codes) ○ Any recently adopted or drafted changes to zoning ordinances to allow or encourage development with transit supportive densities and uses • Include links to or electronic copies of zoning maps and relevant portions of zoning ordinances with the submittal.
Zoning ordinances that enhance transit-oriented character of station area development and pedestrian access	<ul style="list-style-type: none"> • For each station area (or group of adjacent station areas where similar provisions apply), report the following: <ul style="list-style-type: none"> ○ Zoning regulations that allow mixed-use development ○ Zoning regulations addressing lot coverage, placement of building footprints and parking, pedestrian facilities, façade treatments, etc. ○ Architectural design guidelines and mechanisms for implementation/enforcement of these guidelines
Zoning allowances for reduced parking	<ul style="list-style-type: none"> • Residential and commercial parking requirements (minimums and/or maximums) in all station areas under existing zoning • Any zoning provisions that reduce parking requirements for development near project stations

Information Requested	Documentation
<p>I. Transit Supportive Plans and Policies c. Tools to Implement Transit-Supportive Policies</p>	
<p>Outreach to government agencies and the community in support of transit-supportive planning (specifically land use planning, as opposed to outreach or support for the transit project itself)</p>	<ul style="list-style-type: none"> • Promotion and outreach activities by the transit agency, local jurisdictions, and/or regional agencies specifically in support of station area planning, growth management, and transit-oriented development • Description of the public involvement process for land use planning in project station areas and the level of participation • Inter-local agreements, resolutions, or letters of endorsement from other government agencies in support of coordinating their land use planning with transit investment, as available • Any actions of other groups, including Chambers of Commerce, professional development groups, citizen coalitions, as well as the private/commercial sector, in support of transit-oriented development in project station areas
<p>Regulatory and financial incentives to promote transit-supportive development</p>	<ul style="list-style-type: none"> • Regulatory incentives (e.g., density bonuses, streamlined processing of development applications) for developments near transit • Zoning requirements for traffic mitigation (e.g., fees and in-kind contributions) and citations of how such requirements can be waived or reduced for locations near transit stations • Programs that promote or provide incentives for transit-oriented development such as grants for planning or implementation, tax increment financing zones, tax abatement programs, and transit-oriented loan support programs • Other economic development and revitalization strategies for station areas or within the corridor
<p>Efforts to engage the development community in station-area planning and transit-supportive development</p>	<ul style="list-style-type: none"> • Project corridor-focused outreach, education, and involvement activities targeted at the development community (including developers, property owners, and financial institutions) • Joint development programs and proposals • Letters of endorsement or other indicators of support from the local development community
<p>II. Performance and Impacts of Policies a. Performance of Transit-Supportive Plans and Policies</p>	
<p>Demonstrated cases of</p>	<ul style="list-style-type: none"> • Characterization of the quantity and transit-

Information Requested	Documentation
developments affected by transit supportive policies	<p>supportiveness (in terms of uses, scale and design) of recently built developments within existing and planned transit station areas</p> <ul style="list-style-type: none"> • Descriptions and/or pictures of any projects that have recently been built consistent with transit-oriented design principles (higher density, orientation toward street, provision of pedestrian access from transit, mix of uses, etc.). Include the locations of these projects
Station area development proposals and status	<ul style="list-style-type: none"> • Characterization of the quantity and nature of proposed developments within project station areas (including any joint development proposals) • More detailed descriptions of a representative sample of proposed developments in project station areas. Include renderings as available and identify the location of the development. Descriptions should indicate the size, development character (e.g., setbacks, façade treatments, amount and location of parking), types of uses, and expected dates of start of construction and completion
<p>II. Performance and Impacts of Policies</p> <p>b. Potential Impact of Transit Investment on Regional Development</p>	
Adaptability of station area land for transit-supportive development	<ul style="list-style-type: none"> • Description or inventory of land near project stations that is vacant or available for redevelopment • Assessment of the amount of development anticipated for these parcels • Assessment of the amount of development allowed at station area build-out compared to existing amount of development
Corridor economic environment	<ul style="list-style-type: none"> • Information that indicates the level of market support for transit-oriented development in station areas, which may include: <ul style="list-style-type: none"> ○ Regional and corridor economic conditions and growth projections ○ Development market trends in existing corridors and station areas (for areas with existing transit) ○ Real estate market study examining prospects for higher-density and transit/pedestrian-oriented development in the corridor ○ Permitting and construction data from local governments ○ Locations of major employment centers in the corridor, and expected growth in these centers ○ Projected population, employment, and growth rates in corridor or station areas compared to region

Information Requested	Documentation
III. Tools to Maintain or Increase the Share of Affordable Housing in the Project Corridor	
Evaluation of corridor-specific affordable housing needs and supply	<ul style="list-style-type: none"> • Regional and/or corridor-specific needs assessment that evaluates the demand for affordable housing and compares it to the supply of affordable housing
Plans and policies to preserve and increase affordable housing in region and/or corridor	<ul style="list-style-type: none"> • Inclusionary zoning or housing programs that require or provide incentives for developers to set aside a percentage of units for income-qualified buyers/renters • Density bonuses or reduction of parking requirements for the provision of units made available for income-qualified buyers or renters • Employer assisted housing policies, using tax credits, partnerships, matching funds, and/or other mechanisms to encourage employers to help employees to buy or rent homes close to work or transit • Rent controls or condominium conversion controls on existing units to maintain affordability for renters • Zoning to promote housing diversity, such as zoning that permits accessory or “in-law” units, and residential zoning based on floor area ratio rather than dwelling units to reduce the disincentive to build smaller units • Tenant “right of first refusal” laws, which require an owner provide the tenants with an opportunity to purchase the property at the same price as a third-party • Affordability covenants, which limit appreciation of rents and/or sales values for units rented or sold to income-qualified tenants for a given length of time

Information Requested	Documentation
<p>Adopted financing tools and strategies targeted to preserve and increase affordable housing in the region and/or corridor</p>	<ul style="list-style-type: none"> • Funding (particularly State, regional or local) for targeted property acquisition, rehabilitation, and development of low-income housing, including direct funding for public and nonprofit development authorities, low-income housing tax credits (including criteria that favor application of credits in transit station areas), and local tax abatements for low-income/senior housing • Land banking programs to support the assembly of land for new affordable housing development by public, private, or nonprofit developers • Financial assistance (particularly State, regional or local) to housing owners/tenants through mechanisms, including affordable housing operating subsidies, weatherization and utilities support programs, tax abatement or mortgage or other home ownership assistance for lower-income/senior households • State, local or regional affordable housing trust funds to provide a source of low-interest loans for affordable housing developers • Targeted tax increment financing, other value-capture strategies, or transfer tax programs to generate revenue that can be directed toward low-income housing programs
<p>Evidence of developer activity to preserve and increase affordable housing in the corridor</p>	<ul style="list-style-type: none"> • Examples of the provision of affordable housing in planned or recent developments, including number of units, specific affordability restrictions, length of time restrictions apply, etc.
<p>Extent to which local plans and policies account for long-term affordability and the needs of very- and extremely-low income households in the corridor</p>	<ul style="list-style-type: none"> • Documentation of evidence that legal affordability restrictions in the transit corridor will be continued over the long-term following the project’s opening. Examples include commitments tied to the receipt of Low-Income Housing Tax Credits, HOME or other HUD funds, payment in lieu of taxes (PILOT) agreements, and other legal instruments tied to the receipt of Federal, state, local and/or private funds/financing • Documentation of how plans, policies, tools, etc. address needs of very- and extremely low income households

Importance of an Organized, Comprehensive Submittal

Ratings assigned by FTA will be directly related to the ability of FTA to readily identify, locate, review, and assess the provided documentation. Thus, project sponsors should strive to produce well-organized submittals.

Additional Guidance

- Provide a table of contents at the beginning of the submittal summarizing all materials that are being provided to FTA.
- Project sponsors should provide documentation to substantiate qualitative information rather than rely solely upon reference.
- Submissions should be brief and precise, but thorough, in providing explanatory statements; important information should not be omitted for the sake of brevity.
- Rather than repeating identical information in the template (for example, certain zoning provisions that apply to multiple station areas or groups of station areas), refer to the first instance of the information.
- Identify all supporting documents included with the submittal in your narrative in the Supplemental Land Use and Economic Development Information and Supporting Documentation Templates.
- Project sponsors should identify plan and policy recommendations, as well as zoning provisions, for all project station areas. The information provided should not be limited to recommendations and provisions that might be considered transit-supportive.
- Brief descriptions of anticipated development and implemented projects, rather than simply a list, are helpful. In lieu of written descriptions of developments, you may provide links to websites that include photographs or renderings.
- Submissions should include explanations of the impact of transit-supportive policies and how implementation would be achieved, particularly when significant changes are anticipated.
- When revising narrative text from a prior submittal, clearly identify all changes including new or updated information with bold type, highlights, or “track changes,” so that FTA can easily identify what has changed.

IV.7. Environmental Benefits

Environmental benefits are evaluated based on the change in VMT resulting from implementation of the proposed project. The estimated environmental benefits are then monetized automatically in the Environmental Benefits Template and compared to the annualized federal share of the proposed project.

VMT data is entered in the VMT section of the Travel Forecasts Template (described in Section III.2 Travel Forecasts). Annualized federal share is entered in the Mobility, Cost Effectiveness

and Congestion Relief Template. The excel workbook containing the templates automatically transfers this information into the Environmental Benefits Template.

Project sponsors must enter the following information into the Environmental Benefits Template:

- the Environmental Protection Agency's (EPA) air quality designation for four air quality criteria pollutants for the metropolitan area in which the proposed project is located (lines 1 through 4). This information can be found in EPA's [Green Book](#); and
- if the project is seeking to be warranted, the existing annual transit ridership in the corridor today (line A) and the percentage change in corridor annual transit vehicle hours that would result from implementation of the proposed project (line B).

V. Local Financial Commitment Criteria

Streamlined Financial Evaluation

A streamlined financial evaluation is possible for Small Starts when a when a Small Starts project sponsor can demonstrate the following:

- A reasonable plan to secure funding for the non-CIG share of capital costs or sufficient available funds for the non-CIG capital share (all non-CIG funding must be committed before receiving a Small Starts construction grant agreement);
- The additional operating and maintenance cost of the proposed Small Starts project is less than five percent of the project sponsor's current year approved system-wide operating budget; and
- The project sponsor is in reasonably good financial condition.

Project sponsors shall submit the following items to demonstrate that they meet these conditions:

- A completed Small Starts Finance Template, described below;
- A detailed plan to secure funding for the local share of project costs that includes the sources, amount, and steps needed to secure funding commitments;
- A detailed operating and maintenance cost estimate;
- The current year approved budget documenting that the project's operating and maintenance costs would constitute no greater than five percent of current system-wide operating and maintenance costs; and
- Three years of audited financial statements documenting the financial health of the project sponsor.

Standard Financial Evaluation

If a Small Starts project sponsor does not meet the criteria for a streamlined financial evaluation, FTA requires submittal of:

- a completed Small Starts Project Finance Template;
- a comprehensive financial plan, including a 20-year cash flow model submitted electronically in excel format with formulas included rather than just hardcoded numbers;
- supporting documentation; and
- a completed financial submittal checklist.

These items are described in detail in the next sections.

Project sponsors that cannot qualify for the streamlined approach must provide all information requested in the *Guidance for Transit Financial Plans*. Failure to include any of the elements required for the financial review will adversely impact the project's financial rating.

FTA understands the challenges transit agencies are facing due to the COVID-19 public health emergency and the current difficulty of predicting future revenue and costs in a 20-year financial plan. FTA examines the reasonableness of future projections of costs and revenues included in a project sponsor's financial plan based on an examination of recent historical experience for those costs and revenues, typically the compound average growth rate over the past five to ten years. Due to the unusual circumstances in calendar years 2020 and 2021 due to the COVID-19 public health emergency, FTA is allowing project sponsors to exclude 2020 data and use historical experience from 2015 through 2019 (reflecting pre-pandemic levels) when estimating reasonable future growth rates. FTA is not specifying the timing project sponsors should use for a "return to normal" in the financial plan and cash flow. Rather, project sponsors should use their preferred approach and best estimates. FTA requests only that the rationale be explained clearly in the written financial plan submitted.

Small Starts Project Finance Template

All Small Starts project sponsors – regardless of whether the project qualifies for a streamlined financial evaluation approach or not – must complete the Finance Template. The Finance Template is designed to provide a uniform reporting method for the basic financial information and transit system characteristics necessary for FTA to assess the local financial commitment for the proposed Small Starts project. It is not intended as a substitute for a financial plan. A written explanation should be provided for not submitting any requested or current data. Failure to adequately justify any non-compliance will adversely impact the project's financial rating.

Project sponsors should ensure that information reported in the Finance Template matches that reported in other documentation. FTA recommends that project sponsors perform the following quality control checks on data entered in the Finance Template:

- The capital costs reported on this template should match what is reported in the Build Main Worksheet of the SCCs. The capital cost estimate must include project development activities.
- Finance charges must be included in the capital cost estimate of all Small Starts projects. Specifically, only finance charges that are expected to occur prior to either the revenue operations date or the fulfillment of the CIG funding commitment in the Small Starts construction grant agreement, whichever occurs later in time, should be included.
- If the capital cost of the project has changed significantly from last year, please provide an explanation.
- Total Federal funding for the project (CIG funding plus other Federal sources) should not exceed 80 percent.
- The sum of all proposed sources of operating funds reported on the Small Starts Project Finance Template should equal the total transit system annual operating cost in the first full year of project operation.
- The type of funding sources should be identified for each capital and operating revenue source.

Financial Plan

Small Starts projects that do not qualify for the streamlined financial evaluation approach must submit a 20-year financial plan to FTA. In accordance with FAST, FTA evaluates the financial plan to ensure that the agency has the financial capacity to construct and operate the proposed Small Starts project while continuing to operate and maintain the existing transit system without requiring a reduction in existing services. FTA has developed guidance on the content and format of financial plans for transit agencies in FTA's [Guidance for Transit Financial Plans](#). All project sponsors submitting information for evaluation and rating are required to submit financial plans that adhere to these guidelines. Failure to provide a complete financial plan will adversely impact a project's financial rating.

For Small Starts project sponsors opting to prepare horizon year estimates of benefits, the financial plan should include any additional expenses needed to meet horizon year service plans that serve as inputs to the horizon year estimates of benefits. For example, if additional vehicles are needed to meet increased service frequency projected for the horizon year, then the financial plan must include the cost associated with additional vehicles and demonstrate that the sponsor has sufficient funding to pay for them.

Supporting Documentation

Documentation demonstrating the level of commitment for each of the funding sources included in the financial plan must be provided. FTA uses the following definitions to classify the level of commitment for each capital funding source:

Committed: Committed sources are programmed capital funds that have all the necessary approvals to be used to fund the proposed project without any additional action. These capital funds have all legislative and/or voter approvals needed, and have been formally programmed in the MPO's TIP and/or any related local, regional, or state documents such as an approved annual budget or multi-year Capital Improvement Program (CIP). Examples include dedicated or approved tax revenues, state capital grants that have been approved by all required legislative bodies, cash reserves that have been dedicated to the proposed project, and debt capacity that requires no further approvals and has been dedicated to the proposed project.

Budgeted: This category is for funds that have been budgeted and/or programmed for use on the proposed project but are not yet fully committed, i.e., the funds have not yet received statutory approval. Examples include debt financing in an agency-adopted CIP that has yet to receive final legislative approval, or state capital grants that have been included in the state budget, but are still awaiting final legislative appropriations. These funds are almost certain to be committed in the near future. Funds will be classified as budgeted where available funding cannot be committed until the construction grant agreement is executed, or due to local practices outside of the project sponsor's control (e.g., the project development schedule extends beyond the TIP or CIP period).

Planned: This category is for funds that are identified and have a reasonable chance of being committed, but are neither committed nor budgeted. Examples include proposed sources that require a scheduled referendum, reasonable requests for state/local capital grants that are not yet approved, and proposed debt financing that has not yet been fully approved.

Uncertain: This category is applied when it is unclear from the agency's submission whether or not a funding source is committed, budgeted, or unavailable. Instances where the plan to secure committed funds is deemed to be unreasonable may be classified as uncertain. This category applies to funding sources that the project sponsor may describe as committed or budgeted but for which no supporting documentation is provided to FTA. Also, funding proposals that have repeatedly failed (more than once), such as failed local referendums or repeated denial of state grants, will be classified as uncertain.

Unspecified: This category is applied when the proposed non-CIG funding sources are not sufficient or have not been clearly identified.

Documentation describing and justifying all assumptions included in the financial plan must be provided. All underlying financial assumptions should be identified in the project finance plan and reflect capital financing strategies, projected State of Good Repair costs for the existing system, operations and maintenance costs for the proposed project and the existing system, revenue stream assumptions, and cash flow projections.

Table 1 on the following page provides a checklist of information that must be provided for Small Starts financial plans. The ratings assigned by FTA are directly related to the ability of reviewers to readily identify, locate, review, and assess the provided documentation. Therefore, a concise, well-organized submittal is to the advantage of the project sponsor.

Financial Submittal Checklist

Table 1 below presents a checklist of information that should be submitted to FTA if the Small Starts project does not qualify for the streamlined financial evaluation. The project sponsor must complete the checklist and include it with the financial submittal. If the checklist is not provided, the submittal will be considered incomplete.

Table 1: Local Financial Commitment Checklist

LOCAL FINANCIAL COMMITMENT CHECKLIST	Included (check one)		Reason Why Information Has Not Been Provided
	Yes	No	
20-year cash flow statement (in year of expenditure dollars) including capital and operating financial plans (provide both electronically and in hardcopy). The 20-year cash flow must begin with the current year, and clearly show: revenues and expenses for the project separated from those for the remainder of the transit system; level of service assumptions; and the debt service schedule for all existing and planned debt.			
Detailed written description/discussion of all assumptions used in the financial plan including: <ul style="list-style-type: none"> • Federal, state, local, and debt proceed assumptions for all capital and operating revenue sources for the project and overall transit system • Fare revenue assumptions, including average fares, the frequency and amount of fare increases, and fare elasticities applied to account for ridership losses when fares are raised • Average weekday ridership assumptions for the project and annual ridership assumptions for the overall transit system used in the financial plan to predict various costs and revenues (these should match the ridership estimates used in the rest of the submittal to FTA) • Debt coverage requirements/assumptions • Assumptions used in the calculation of operating expenses for each mode (i.e. -- vehicle miles, vehicle hours of service provided, etc.) • System-wide State of Good Repair cost and revenue assumptions • Assumptions regarding cash balances or reserve accounts included in the financial plan • Regional economic forecast assumptions and their implications for the project and transit system 			
Project Description and Small Starts Project Finance Template			
Capital cost estimate for the proposed project (in year of expenditure dollars) in the FTA standardized cost category worksheet format			
Sensitivity Analysis (spreadsheet calculations as well as narrative summary), including a description of a plan for covering unexpected funding shortfalls or cost increases on the project, e.g., access to funds via cash reserves, additional debt capacity, or other available funds.			
Supporting Documentation Including:			
Background information and description of the Small Starts project, including project status			
Historical revenue and expense data (minimum of five years required for all data, and at least 10 years required for major funding sources that comprise more than 25 percent of the capital funding for the project or the overall transit system operation). At a minimum, all sponsors should submit historical revenue and expense data for the period 2015 through 2019. While FTA will not base its evaluation of the reasonableness of future growth rates on 2020 historical data given the unusual circumstances surrounding the COVID-19 public health emergency, FTA still requests that it be submitted for informational purposes.			

LOCAL FINANCIAL COMMITMENT CHECKLIST	Included (check one)		Reason Why Information Has Not Been Provided
	Yes	No	
Documents demonstrating the commitment level of all non-CIG funding sources for the project. Examples include: completed, final, and signed third-party agreements with relevant sections identified; copies of Board-approved budgets or CIPs specifying funding amounts for the project; a capital program or budget approved by the state legislature specifying state funding for the project, etc.			
Enacting legislation for tax referenda, with relevant sections identified			
Joint development agreements, or description and supporting documentation of other innovative financing techniques, if applicable			
Annual Operating and Capital Budgets for the past 3 years including 2020			
Audited Financial Statements and Compliance Reports for the past 3 years including 2020			
Annual Reports/Comprehensive Annual Financial Reports (CAFR) for the past 3 years including 2020			
Background information and description of the transit agency, including organizational structure and enabling legislation			
TIP/STIP (please provide only relevant pages of these documents showing the project listing)			
Regional Long Range Transportation Plan (please provide only relevant pages showing the project listing)			
Capital Improvement Program Documents			
Bus and Rail Fleet Management Plans including fleet replacement schedules			
Latest bonding prospectus/credit facility documents (credit lines, commercial paper, etc.)			
Local development, demographic and economic studies used in preparing the financial plan, plus documentation supporting efficiency or productivity gain assumptions			
Transit Asset Management Plan			
Other materials (if any), please describe:			

Appendix A: Sample Methodology for Estimating Station Area Socio-Economic Statistics

A sample approach follows for computing the station-area population, household and employment statistics requested in the *Quantitative Land Use Information Template*. Figure A and Table A provide examples of the approach applied to a hypothetical project.

Figure A: Sketch of Station Areas for a Hypothetical Project

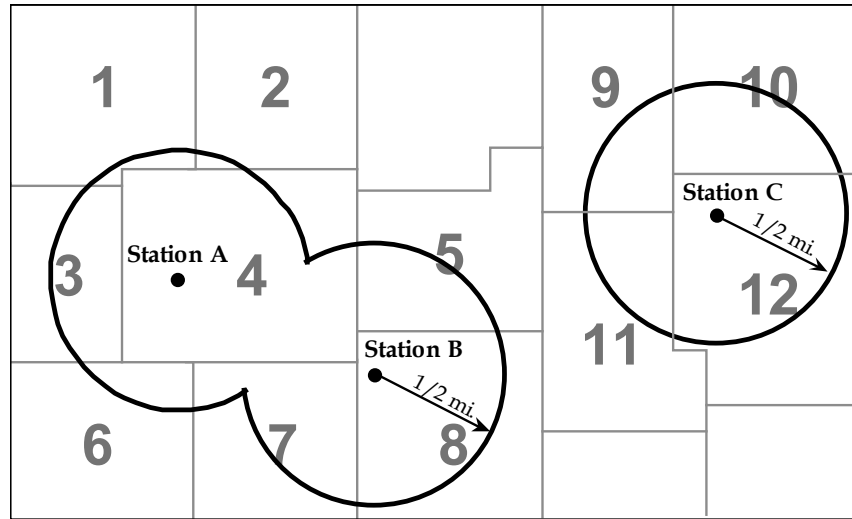


Table A: Calculation of Station-Area Statistics for a Hypothetical Project

	Census Tract Total				Fraction of Tract Land Area within 1/2 Mile of Station	Within 1/2 Mile of Station			
	Land Area (sq. mi.)	Population	Households	Employment		Land Area (sq. mi.)	Population	Households	Employment
Stations A and B									
Tract 1	0.452	2,309	987	1,654	0.08	0.036	185	79	132
Tract 2	0.362	133	58	611	0.06	0.022	8	4	37
Tract 3	0.294	398	145	1,254	0.52	0.153	207	76	652
Tract 4	0.655	2,634	1,154	2,719	0.85	0.557	2,239	981	2,311
Tract 5	0.429	1,038	393	858	0.41	0.176	425	161	352
Tract 6	0.416	2,412	887	1,477	0.19	0.079	458	168	281
Tract 7	0.380	2,088	856	2,785	0.54	0.205	1,127	462	1,504
Tract 8	0.434	2,344	991	2,031	0.68	0.295	1,720	720	1,349
Subtotal	3.422	13,542	5,541	13,342		1.523	6,370	2,652	6,618

Station C									
Tract 9	0.355	1,816	722	610	0.24	0.085	436	173	146
Tract 10	0.462	70	31	1,569	0.40	0.185	28	12	628
Tract 11	0.504	2,645	1,156	760	0.33	0.166	873	381	251
Tract 12	0.540	2,573	1,010	1,873	0.65	0.351	1,730	687	67
Subtotal	1.860	7,192	2,966	3,041		0.787	3,066	1,254	1,091
Total	5.282	20,734	8,507	16,384		2.310	9,437	3,906	7,709

1. Plot each station location on a map showing census tracts or, alternatively, TAZs.
2. Draw a circle of ½-mile radius around each station.
3. Obtain data on total land area, population, households, employment, and housing units for the tracts or zones that fall partially or completely within the station areas. Land area, population, and households can be obtained from the census (for census tracts) or from a regional land use database used for travel forecasting modeling (for TAZs). The regional Metropolitan Planning Organization (MPO) should have these data available. Employment data at the tract or TAZ level may be obtained from the MPO. Total residential housing unit data can be obtained from the latest American Community Survey five-year estimates at the county and census tract levels. Data on legally binding affordability restricted housing can be obtained by contacting area housing authorities. In addition, some statistics on affordable housing can be found in the National Housing Preservation Database (<http://www.preservationdatabase.org/>). This database includes an address-level inventory of federally assisted rental housing. It does not contain information on affordable units supported only by state and local programs.
4. Estimate the total land area, population, households, and employment contained within each ½ mile station radius by summing the data for each tract or zone that falls within the ½ mile station radius. For tracts or TAZs that partially fall within the ½ mile station radius, station-area population, households, and employment should be estimated by multiplying the total for the zone by the proportion of the zone estimated to fall within the ½ mile radius. The proportion of the zone falling within the ½ mile radius can be estimated either visually or using GIS.
5. Avoid double counting of population and employment for stations that are less than 1 mile apart. This can be done in two ways: (a) draw a line dividing the area enclosed by the overlapping circles into two parts; or, (b) group stations that are less than 1 mile apart into clusters and report total data for each cluster (as shown for Stations A and B in the table above). In either case, please report the total land area encompassed by the overlapping circles. (Total land area for individual stations not grouped together should be roughly the area enclosed by a circle of ½-mile radius, i.e., $3.1415 \times (0.5)^2 = 0.785$ sq. mi.)

6. If possible, attach a map showing station locations, ½ mile radii, and census tracts or traffic analysis zones, along with a Table listing the tracts or zones, estimated proportion of each within ½ mile of the station, and population, households, and/or employment for the tract.