

# STAFF REPORT

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**DATE:** March 10, 2025  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Olga Sanchez-Ochoa, General Counsel  
**SUBJ:** AUTHORIZING SACRT'S GENERAL MANAGER/CEO TO CONCUR IN PARATRANSIT INC.'S REQUEST TO BECOME A DIRECT RECIPIENT OF FEDERAL 5307 FUNDING PROVIDED UNDER 49 U.S.C. 5307 AS REQUIRED UNDER FEDERAL CIRCULAR 9050.1A

## RECOMMENDATION

Adopt the Attached Resolution.

## RESULT OF RECOMMENDED ACTION

If the Board approves this action, the General Manager/CEO will be authorized to submit any required split letter/suballocation letters or any other documentation required to communicate the concurrence to the Federal Transit Administration (FTA) supporting Paratransit Inc.'s request to become a direct recipient of 5307 funds.

## FISCAL IMPACT

None at this time.

## DISCUSSION

On June 12, 2024, Paratransit Inc., sent an email to SacRT's General Manager/CEO, Henry Li requesting that SacRT, as the Designated Recipient for federal transit funding (49 U.S.C. Section 5307, 5310, 5337, 5339) for the Sacramento UZA, authorize Paratransit, Inc. to become a Direct Recipient (as defined in Federal Transit Administration Circular 9050.1A) of federal transit funds it is eligible to apply for and receive under FTA grant programs.

The email spurred an in-depth review and discussion regarding: (1) past, present and potential future federal transit funding by Paratransit, Inc. to ensure that SacRT was in compliance with its legal oversight responsibilities as the Designated Recipient; and (2) the respective roles and responsibilities of SacRT, the FTA, and the Sacramento Area Council of Governments (SACOG) in the federal transit funding process.

A pivotal issue in this discussion was whether Paratransit, Inc. meets the federal statutory definition of a "public entity" eligible to apply for and receive grants directly from the FTA.

Over the course of the past eight months, SacRT engaged in correspondence and conversations with SACOG and the FTA to review the relevant legal authority and supporting documentation to determine whether Paratransit Inc. meets the statutory definition of a public entity and, if so, whether it meets the statutory and regulatory requirements to become a Direct Recipient of federal transit funds. Taking place concurrently, there were discussions between and among SACOG, the FTA and Paratransit Inc., wherein SACOG and Paratransit Inc. provided information to the FTA supporting Paratransit Inc.'s position that it meets the statutory requirements to be considered a public entity for the purpose of becoming a Direct Recipient.

On December 16, 2024, the FTA Regional Administrator for Region 9 informed SACOG and SacRT by email that the FTA, as the regulatory oversight agency, has “determined that Paratransit, Inc., is a public entity for the purposes of becoming an FTA direct recipient” based on the documentation and positions advanced by SACOG and Paratransit, Inc.

SacRT staff recommends that the Board rely on the FTA's public entity determination for federal transit funding purposes and authorize Paratransit, Inc. to become a Direct Recipient of FTA funding for which Paratransit, Inc. is determined by the FTA to be eligible, and which may be awarded through the planning and programming process for the applicable funding.

While SacRT staff recommends that the Board of Directors authorize Paratransit Inc. to become a Direct Recipient, that designation does not guarantee that Paratransit Inc., meets specific statutory and programmatic requirements necessary to receive grants under the program.

As further specified in FTA Circular 9050.A, with respect to Section 5307 funds: “The amount of funds available to Direct Recipients is determined cooperatively in adherence with Federal planning requirements by public transit providers, the respective MPO, and the Designated Recipient(s) or State(s) for the UZA. The Designated Recipient or State informs FTA of the amount of funds available. FTA can only make grants to Direct Recipients after the Designated Recipient or State provides a split/suballocation letter or annual apportionment letter, respectively, to the FTA regional office.”

SacRT staff recommends that the Board agree to rely on the FTA's December 16, 2024, determination that Paratransit Inc., is a “public entity” for eligible to apply for and receive grants directly from the FTA and that it authorizes the General Manager/CEO to provide the necessary concurrence letter to the FTA and any other documentation required by the FTA to allow Paratransit Inc. to move forward with its request to become a Direct Recipient of FTA grant funds.

RESOLUTION NO. 2025-03-019

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

March 10, 2025

**AUTHORIZING SACRT'S GENERAL MANAGER/CEO TO CONCUR IN PARATRANSIT INC.'S REQUEST TO BECOME A DIRECT RECIPIENT OF FEDERAL 5307 FUNDING PROVIDED UNDER 49 U.S.C. 5307 AS REQUIRED UNDER FEDERAL CIRCULAR 9050.1A**

WHEREAS, on June 12, 2024, Paratransit Inc. submitted a request to SacRT that SacRT concur in its application with the US Department of Transportation, Federal Transit Administration (FTA) to become a Direct Recipient of 5307 Federal Funds;

WHEREAS, SacRT, as the Designated Recipient for the Sacramento Urbanized (UZA), SacRT must concur with Paratransit Inc.'s request to the FTA to be designated a Direct Recipient pursuant to Federal Circular 9050.1A;

WHEREAS, on December 16, 2024, the FTA notified SacRT that it had determined that Paratransit, Inc., was a "public entity" for purposes of becoming an FTA Direct Recipient.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, in reliance on the FTA's December 16, 2024, determination that Paratransit Inc., is a "public entity" for purposes of becoming an FTA Direct Recipient, the Board hereby authorizes the General Manager/CEO to concur with Paratransit Inc.'s request to the FTA to become a Direct Recipient of 5307 Federal Funds; and

THAT, the Board hereby authorizes and directs the General Manager/CEO to submit any required split letter/suballocation letters or any other documentation required to communicate the concurrence to the FTA as required under Federal Circular 9050.1A.

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RICK JENNINGS, Chair

A T T E S T:  
HENRY LI, Secretary

By: \_\_\_\_\_  
Tabetha Smith, Assistant Secretary