FTA SECTION 5307 TRANSIT FUNDING

Presented by

William High, Lead Transportation Planner

Planning and Development Department – Community Development

January 6, 2026

Board Briefing

OVERVIEW

1. 5307 Funding Overview
2. Transit Budget Comparison
3. Triennial Review: FTA Direction to the City of Asheville
4. FY 2026 Rescission
5. FY 2027 Funds at Risk & Rescission Consideration

5307 FUNDING OVERVIEW

Funding for urban area transit and which can support:

- Capital
- Operating
- Planning

Funding allocations are divided from the annual apportionment:

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

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

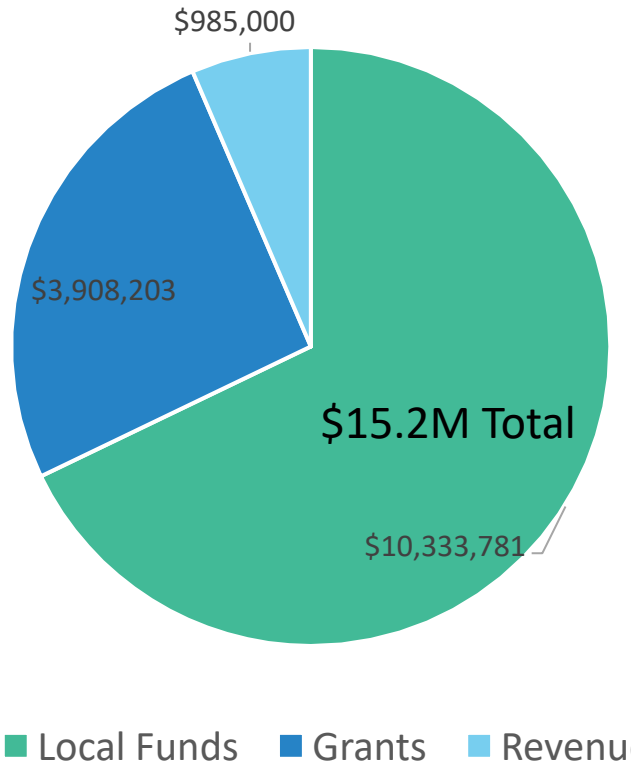
5307 SPEND RATE

- Allocations > Eligible Operating Expenses
  - Allocations Currently >$1M Annually
  - Eligible Operating Expenses Currently ≈ $500K Annually

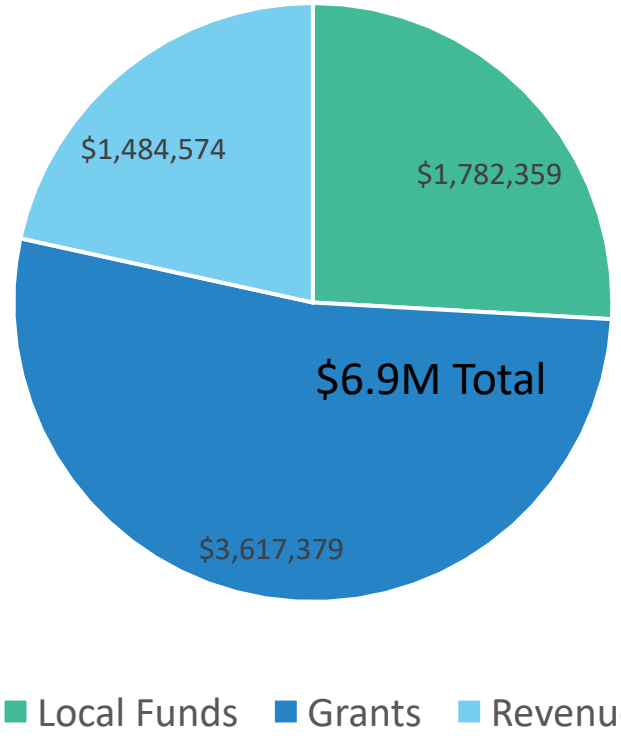
- Allocation amount increases > Eligible Operating Expenses amount increases

TRANSIT BUDGET COMPARISON

Asheville Transit Budget - FY26



Buncombe County Transit Budget - FY26



City of Asheville has the capacity to absorb Section 5307 funding to offset local budget commitment.

Buncombe County is, at present, fully leveraging urban transit grant funding given other grants received.

TRIENNIAL REVIEW: FTA DIRECTION TO THE CITY OF ASHEVILLE

1. Reduce Open Grants
   - Spend funds in older grants and close those grants
   - Close older grants and rescind funds to FTA
2. Program Unallocated Funds

FY2026 RESCISSION

- In January 2025, Buncombe County rescinded $864K in 5307 funds to the City of Asheville with the following requests:
  - Accepting the funds under the expectation that no additional funds will be requested for the continued operation of the New Leicester Highway Extension & Route 170 in FY2026 (Complete);
  - Do not apply for FY2026 5310 funding (Complete);
  - Evaluating WE2 Route changes to improve safer connection to Buncombe County's Enka-Candler Trailblazer Route (Complete); and
  - Evaluating increased trip frequency for the S3 and S6 routes serving south Asheville (Complete).

FY 2027 5307 FUNDS AT RISK

FFY 2021 5307 ANNUAL ALLOCATION = $801,836

FY2027 RESCISSION CONSIDERATION

- Consider rescinding funds to the City to prevent return of funds to FTA
- Rescission conditions should include:
  - The City not requesting additional funds for the continued operation of the New Leicester Highway Extension & Route 170 in FY2027;
  - The City not requesting additional funds for any expansion of service recommended by its recent transit study in FY2027;
  - The City not applying for Section 5310 Traditional funds for FY2027 so that Buncombe County can compete for a larger share of funds that directly support County transportation for older adults and individuals with disabilities; and
  - The City coordinating any service modifications to the New Leicester Highway Extension, Route 170, as well as City routes that provide a direct connection and transfer to any Buncombe County Mountain Mobility Trailblazer route.
- The Board may also consider any conditions that advance transit and transportation with the City of Asheville and Buncombe County.

NEXT STEPS

- Request for Board Action – January 20th BOCC Regular Meeting
  - Consideration of rescission conditions
  - Consideration and approval of rescission

QUESTIONS