



Board Report

File #: 2024-0337, File Type: Formula Allocation / Local Return

Agenda Number: 8.

FINANCE, BUDGET AND AUDIT COMMITTEE JUNE 20, 2024

SUBJECT: FISCAL YEAR 2024-25 TRANSIT FUND ALLOCATIONS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. APPROVING \$3.2 billion in fiscal year 2024-25 (FY25) Transit Fund Allocations for Los Angeles County jurisdictions, transit operators, and Metro Operations as shown in Attachment A. These allocations comply with federal, state, and local regulations and Metro Board approved policies and guidelines;
- B. APPROVING fund exchanges in the estimated amount of \$3,566,564 of Metro's Transportation Development Act (TDA) Article 4 allocation with Municipal Operators' shares of the Low Carbon Transit Operations Program. Funding will be adjusted based on LCTOP actual allocations;
- C. APPROVING fund exchanges in the estimated amount of \$1,056,205 of Metro's Proposition (Prop) C 40% allocation with Antelope Valley, Santa Clarita, Burbank, and Glendale's shares of the Low Carbon Transit Operations Program (LCTOP). Funding will be adjusted based on LCTOP actual allocations;
- D. APPROVING fund exchange in the amount of \$780,652 of Metro's TDA Article 4 allocations with Claremont's share of FY19-FY23 Federal Section 5307 funding;
- E. APPROVING fund exchange of Federal Section 5307 discretionary fund awarded to the Southern California Regional Transit Training Consortium (SCR TTC) through Long Beach Transit in the amount of \$360,000 with Metro's TDA Article 4 allocation, the second year of a three-year agreement;
- F. APPROVING fund exchanges in the amount totaling \$15.6 million of Metro's Federal Section 5307 share with Municipal Operators' shares of Federal Sections 5337 and 5339;
- G. APPROVING an additional \$422,893 to the previously approved amount for the City of Pasadena, to purchase nine buses for servicing lines 177 and 256 in a new amount not to exceed

\$4,546,716, as part of the NextGen Bus Plan;

- H. AUTHORIZING the Chief Executive Officer to adjust FY25 Federal Section 5307 (Urbanized Formula), Section 5339 (Bus and Bus Facilities), and Section 5337 (State of Good Repair) allocations upon receipt of final apportionments from the Federal Transit Administration and amend the FY25 Budget as necessary to reflect the adjustments;
- I. ADOPTING a resolution designating Transportation Development Act (TDA) and State Transit Assistance (STA) fund allocations are in compliance with the terms and conditions of the allocations (Attachment C); and
- J. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements and FY25 Budget amendments to implement the above funding programs.

ISSUE

Each year, transit operating and capital funds consisting of federal, state, and local revenues are allocated to Metro Operations, transit operators, and Los Angeles County local jurisdictions for programs, projects, and services according to federal guidelines, state laws, and established funding policies and procedures. The Board of Directors must approve allocations for FY25 prior to fund disbursement. As in prior years, the proposed transit allocations include fund exchanges of Metro funding for municipal and local transit operator shares of federal and State grant programs to enable them to draw down funding quickly with fewer requirements.

BACKGROUND

The Los Angeles County Metropolitan Transportation Authority (Metro), as the Regional Transportation Commission for Los Angeles County, is responsible for planning, programming, and allocating transportation funding to Los Angeles County jurisdictions, transit operators, and Metro Operations. The Metro Board approval will allow the continued funding of transportation projects, programs, and services in Los Angeles County.

The recommended FY25 Transit Fund Allocations are developed according to federal, state, and local requirements, as well as policies and guidelines previously approved by the Metro Board. Details of significant information, methodologies, and assumptions are described in Attachment B.

Staff has reviewed the recommended allocations, related methodologies, and assumptions with Metro Operations, transit operators, Los Angeles County local jurisdictions, Technical Advisory Committee (TAC), Bus Operations Subcommittee (BOS), and the Local Transit Systems Subcommittee (LTSS). The TAC, BOS, and LTSS have all formally adopted the recommended FY25 Transit Fund Allocations.

DISCUSSION

Fund Exchanges

Metro has been requested to facilitate fund exchanges with the municipal and local transit operators to help them access funding more rapidly and with fewer administrative requirements as follows:

- The Municipal operators are requesting fund exchanges of their Federal Sections 5339 and 5337 allocations with Metro's share of Federal Section 5307 allocation to minimize the impact on administrative processes associated with these funding programs.
- The Municipal operators, Burbank, and Glendale are requesting fund exchanges of their LCTOP allocations with Metro's TDA Article 4 and Prop C 40% fund allocations to minimize the impact on administrative processes associated with these funding programs.
- Claremont is requesting a fund exchange of their shares of FY19 - FY23 Federal Section 5307 allocations with Metro's TDA Article 4 to streamline the administrative processes associated with the federal grant program.
- Long Beach Transit is requesting a fund exchange of their share of Section 5307 15% Discretionary funds with Metro's TDA Article 4 funds for the Southern California Regional Transit Training Consortium (SCR TTC). In April 2023, BOS awarded \$360,000 a year for three years for the regional training program through an award to Long Beach Transit.
- Fifteen (15) Los Angeles County Low Carbon Transit Operations Program (LCTOP) recipients (Contributing Sponsors) have submitted "Letters of Intent" to transfer \$4,252,074 in PUC 99314 FY 2023-24 LCTOP funds to Metro which was approved by the Metro Board on April 25, 2024. Subsequent to the approval of the FY 2023-24 LCTOP funds, staff received a "Letter of Intent" from the City of Torrance to transfer an additional \$370,695 of PUC 99314 FY 2023-24 LCTOP funds to Metro to fund Metro's FY 2023-24 LCTOP E Line Operations Project.

Avalon Special Demonstration Project

Avalon's Prop A Incentive subsidy total remains unchanged. The City has requested that Metro adjust the Ferry and Land Transit subsidy from a \$700,000/\$300,000 split to an \$800,000/\$200,000 split, reflecting the increase in ferry fares. In the past, these services were grouped under a single funding amount, allowing Avalon to allocate funds between the two services as needed. This approach was later modified to assign specific amounts to each service. Staff updates the MOU with Avalon annually, adjusting these amounts in each agreement. The total subsidy has remained constant since 2020.

Pasadena NextGen Capital Grant

As part of the NextGen Bus Plan, Metro and the City of Pasadena are working to integrate service lines 177 & 256 into Pasadena's transit system within the period July 1, 2024, to June 30, 2029, with an option to extend it to June 30, 2031. In July 2023, the Metro Board approved operating and capital funding for this effort because Pasadena can operate these lines more cost-effectively than Metro's current contracted services. However, the amount approved for Pasadena's bus purchase costs was not the total amount now needed to meet Metro's commitment to cover 70% of the bus purchase costs. Therefore, Staff is requesting to increase the funding amount by \$422,893 from \$4,123,823 to \$4,546,716 so Pasadena can purchase the nine buses needed to operate the service.

DETERMINATION OF SAFETY IMPACT

Adoption of this item will provide funding for increased safety efforts.

FINANCIAL IMPACT

The FY25 Transit Fund Allocations are included in the FY25 Budget in multiple cost centers and multiple projects. Approval of these recommendations authorizes Metro to disburse these funds to the Los Angeles County jurisdictions and transit operators.

EQUITY PLATFORM

Under Board-adopted guidelines, this item enables the programming of funds to recipients to support the implementation of various transportation projects and improvements throughout the region. The FY25 Transit Fund Allocations referenced in Attachment A are intended to enhance mobility for pedestrians, cyclists, transit users, and individuals with disabilities. Through the process of public input and engagement, local decision-making, and project implementation, cities and unincorporated areas of the county and transit operators have control to appropriately and equitably address the needs of their communities.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the FY25 Transit Fund Allocations and instruct staff to use an alternative methodology for allocation. This alternative is not recommended as federal, state, and local requirements, as well as prior Metro Board policies and guidelines, require an annual allocation of funding to Los Angeles County jurisdictions, transit operators, and Metro Operations for programs, projects, and services. Allocation methodologies and assumptions comply with federal, state, and local requirements, as well as policies and guidelines previously approved by the Metro Board and have been agreed upon by affected operators and jurisdictions.

NEXT STEPS

Upon Board approval of the recommended allocations and adoption of the resolution, we will work with Los Angeles County jurisdictions, transit operators, Southern California Association of Governments (SCAG), and Metro Operations to ensure the proper disbursement of funds.

ATTACHMENTS

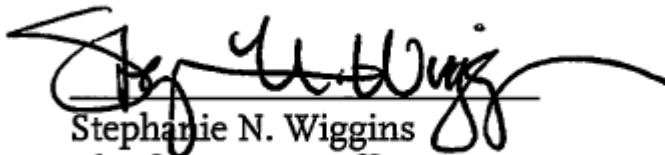
Attachment A - FY25 Transit Fund Allocations

Attachment B - TDA and STA Resolution

Attachment C - Summary of Significant Information, Methodologies and Assumptions

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