



Board Report

File #: 2021-0204, File Type: Budget

Agenda Number: 7.

FINANCE, BUDGET & AUDIT COMMITTEE APRIL 14, 2021

SUBJECT: ALLOCATION OF FUNDING BALANCE FROM THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS (CRRSA) ACT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. APPROVING the allocation of the balance of \$126,807,083 from Los Angeles County's share of Federal Transit Administration (FTA) Section 5307/ Section 5337 funds from the CRRSA Act to transit operators, as described in Attachment A, for operating expenses;

B. APPROVING exchanges of CRRSA Act funding allocations, as appropriate, with other local or eligible State or Federal funds to accelerate grant approval and disbursement of funds by the FTA; and

C. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements to implement Board approved support of transit programs in Los Angeles County.

ISSUE

On April 1, 2021, the Regional Council and Transportation Committee of the Southern California Association of Governments (SCAG) unanimously approved to allocate to Los Angeles County \$126,807,083 the balance from the \$954,900,781 in Section 5307/ Section 5337 funds that the FTA apportioned to the Los Angeles- Long Beach- Anaheim Urbanized Area (UZA) from the CRRSA Act. SCAG's "Round 2" allocation is in addition to its March 2021 partial ("Round 1") allocation. SCAG's action formalizes the inter-county allocation methodology its staff had recommended on February 1, 2021. It also formalizes the agreement that the CEO reached with the Orange County Transportation Authority (OCTA), San Bernardino County Transportation Authority (SBCTA) and Riverside County Transportation Commission (RCTC). These agencies had disputed SCAG's methodology and proposed using a different approach that would have resulted in Los Angeles County not receiving \$126,807,083 from the "Round 2" balance that remained to be allocated by SCAG.

BACKGROUND

The CRRSA Act, signed into law on December 27, 2020, appropriated \$14 billion for transit nationwide, to remain available until expended, for eligible expenses incurred starting on January 20, 2020. These funds are in addition to the \$25 billion that were appropriated by the “Coronavirus Aid, Relief, and Economic Security Act” (CARES Act) that was signed into law on March 27, 2020. The Metro Board of Directors approved the allocation of Los Angeles County’s share of CARES Act funds totaling about \$1.069 billion at its May 28, 2020 regular meeting. Also, the Metro Board of Directors approved the allocation of Los Angeles County’s share of \$784,942,958 at its March 25, 2021 meeting based on SCAG’s “Round 1” inter-county distribution that was included in the agenda of the Regional Council’s March 4, 2021 meeting.

The dispute by OCTA, SBCTA and RCTC of SCAG’s delayed the allocation of much needed funding for transit operators in Los Angeles County. It also created a precedent for SCAG staff to take their recommended inter-county allocation methodology for approval through its committees and the Regional Council instead of handling such approvals administratively as has been the case in prior years with the inter-county allocation of federal funds that Congress appropriates and the FTA apportions to UZAs each year.

DISCUSSION

Staff discussed options for Metro and Los Angeles County to pursue should: i) OCTA, SBCTA and RCTC continued disputing SCAG’s staff recommended inter-county allocation methodology, and ii) SCAG’s standing committees and Regional Council voted against the staff recommendation and supported the distribution methodology that these three agencies proposed. This inter-departmental effort also included reaching out to elected officials, transit operators, cities, Councils of governments and other stakeholders throughout Los Angeles County to explain the issue and seek their support for SCAG’s staff recommended inter-county allocation methodology. Over 70 stakeholder representatives, including Board Offices, participated in a call that staff organized for this purpose. These efforts and the support of the Metro Board of Directors resulted in the positive action we had envisioned. The inter-county methodology that SCAG approved is fair, transparent, and implements the intent of the CRRSA Act.

Funding Allocations

The balance of \$126,807,083 allocated to Los Angeles County (“Round 2”) follows the same methodology as the “Round 1” CRRSA Act fund allocations that the Metro Board of Directors approved at its March 2021. Los Angeles County’s CRRSA Act funding allocations are shown for each transit operator/agency in Attachment A. Metro, the Municipal Operators, Metrolink, Access Services, as well as local and regional small operators and countywide transit programs, receive “Round 2” funding allocations.

Equity Platform

The recommendation supports access to opportunities, particularly the third pillar (“Focus and Deliver”) of Metro’s Equity Platform. The additional funding that was secured from the CRRSA Act is

proposed to be allocated to transit operators throughout Los Angeles County. The third pillar calls for investments to operate the existing transportation system. Overall, the recommendation supports the ability of communities throughout Los Angeles County to access that transportation system.

DETERMINATION OF SAFETY IMPACT

Adoption of this item will provide funding for increased safety efforts by providing continued supplemental relief funding to Los Angeles County transit operators impacted by the coronavirus pandemic, ensuring resources are available to continue enhanced cleaning routines and access to personal protective equipment, and maintaining service levels.

FINANCIAL IMPACT

A total of \$126,807,083 in CRRSA Act “Round 2” funding will be distributed to transit agencies throughout Los Angeles County as shown in Attachment A. Los Angeles County’s overall share of CRRSA Act Section 5307/ Section 5337 funds, including SCAG’s partial “Round 1” allocation, is \$911,750,041. Taking into consideration allocations to support the mobility of seniors and persons with disabilities (Section 5310) and for rural areas (Section 5311), Los Angeles County’s share of CRRSA Act funds apportioned by the FTA is \$914,322,718.

Impact to Budget

Use of the CRRSA Act funds will continue to help mitigate, but not eliminate the funding gaps experienced by transit operators throughout Los Angeles County.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports achieving all of the goals outlined in the Vision 2028 Plan.

ALTERNATIVES CONSIDERED

The Board of Directors may choose not to approve the allocation of “Round 2” CRRSA Act funding as shown in Attachment A and instruct staff to allocate funds through some other Board directed process. This is not recommended, as this will cause significant delays in the receipt of funds for all transit operators and agencies in Los Angeles County.

NEXT STEPS

Should the Board of Directors approve the staff recommendation:

- Staff will work with transit operators and agencies on final administrative requirements and fund distribution details;
- Staff will combine “Round 1” and “Round 2” allocations by transit operator/agency, after any funding exchanges with Metro, and notify SCAG of the allocation of Los Angeles County’s share of the CRRSA Act funds for inclusion in its “split letter” to the FTA; and
- SCAG will send the “split letter” to the FTA to allow the designated recipients of the funds to submit grant applications to the FTA for approval and begin drawing down the funds.

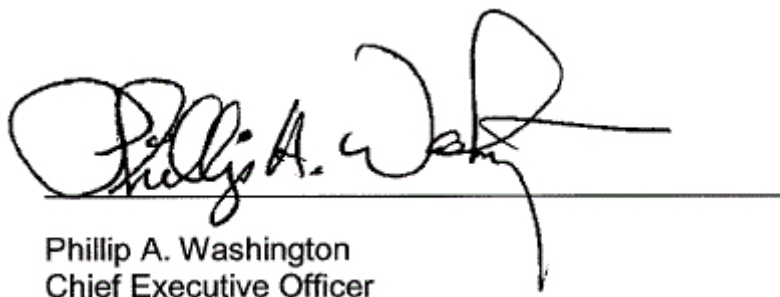
Staff will also continue to update the Board on the impacts of the COVID-19 pandemic on Metro and the region, as well as bring for approval the allocation of Los Angeles County's share of the funds from the American Rescue Plan Act that President Biden signed into law on March 11, 2021.

ATTACHMENTS

Attachment A - CRRSA Act Funding Allocation by Transit Operator/Agency

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