



## Board Report

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**FINANCE, BUDGET AND AUDIT COMMITTEE  
JUNE 19, 2019**

**SUBJECT: TRANSPORTATION DEVELOPMENT ACT (TDA) ARTICLE 8 FUND PROGRAM**

**ACTION: ADOPT FINDINGS**

**RECOMMENDATION**

ADOPT:

- A. Findings and Recommendations (Attachment A) for allocating fiscal year (FY) 2019-20 Transportation Development Act (TDA) Article 8 funds estimated at \$28,747,096 as follows:
1. In the City of Avalon, there are no unmet transit needs that are reasonable to meet, therefore TDA Article 8 funds (Attachment B) in the amount of \$164,382 may be used for street and road projects, or transit projects, as described in Attachment A;
  2. In the Cities of Lancaster and Palmdale, there are no unmet transit needs that are reasonable to meet. In the Cities of Lancaster and Palmdale and the unincorporated portions of North County transit needs can be met using other existing funding sources. Therefore, the TDA Article 8 funds in the amount of \$6,862,652 and \$6,756,613 (Lancaster and Palmdale, respectively) may be used for street and road purposes and/or transit, as long as their transit needs continue to be met;
  3. In the City of Santa Clarita, there are no unmet transit needs that are reasonable to meet. In the City of Santa Clarita and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds in the amount of \$9,170,814 for the City of Santa Clarita may be used for street and road and/or transit, as long as their transit needs continue to be met;
  4. In the Los Angeles County Unincorporated areas of North County, the areas encompassing both the Antelope Valley and the Santa Clarita Valley, transit needs are met with other funding sources, such as Proposition A and Proposition C Local Return. Therefore, TDA Article 8 funds in the amount of \$5,792,635 may be used for street and road purposes and/or transit, as long as their transit needs continue to be met; and

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B. A resolution (Attachment C) making a determination of unmet public transportation needs in the areas of Los Angeles County outside the Metro service area.

## **ISSUE**

State law requires that the Los Angeles County Metropolitan Transportation Authority (LACMTA) make findings regarding unmet transit needs in areas outside Metro's service area. If there are unmet transit needs that are reasonable to meet, then these needs must be met before TDA Article 8 funds may be allocated for street and road purposes.

## **DISCUSSION**

Under the State of California TDA Article 8 statute, state transportation funds are allocated to the portions of Los Angeles County outside Metro's service area. These funds are for "unmet transit needs that may be reasonable to meet". However, if no such needs exist, the funds can be spent for street and road purposes. See Attachment D for a brief summary of the history of TDA Article 8 and definitions of unmet transit needs.

Before allocating TDA Article 8 funds, the Act requires Metro to conduct a public hearing process (Attachment E). If there are determinations that there are unmet transit needs, which are reasonable to meet and we adopt such a finding, then these needs must be met before TDA Article 8 funds can be used for street and road purposes. By law, we must adopt a resolution annually that states our findings regarding unmet transit needs. Attachment C is the FY 2019-20 resolution. The proposed findings and recommendations are based on public testimony (Attachment F) and the recommendations of the Social Service Transportation Advisory Council (SSTAC) and the Hearing Board.

## **POLICY IMPLICATION**

Staff has followed state law in conducting public hearings and obtaining input from the SSTAC regarding unmet transit needs. The SSTAC is comprised of social service providers and other interested parties in the North County areas. Attachment G summarizes the recommendations made and actions taken during FY 2018-19 (for the FY 2019-20 allocation estimates) and Attachment H is the proposed recommendations of the FY19-20 SSTAC.

On April 16, 2019, the TDA Article 8 Hearing Board was convened on behalf of the Board of Directors to conduct the required public hearing process. The Hearing Board developed findings and made recommendations for using TDA Article 8 funds based on the input from the SSTAC and the public hearing process.

Upon transmittal of the Board-adopted findings and documentation of the hearings process to Caltrans Headquarters, and upon Caltrans approval, funds will be released for allocation to the eligible jurisdictions. Delay in adopting the findings, recommendations and the resolution contained in Attachments A and C would delay the allocation of \$28,747,096 in TDA Article 8 funds to the recipient local jurisdictions.

## **DETERMINATION OF SAFETY IMPACT**

Approval of this project will have no impact on Safety.

### **FINANCIAL IMPACT**

The TDA Article 8 funds for FY 2019-20 are estimated at \$28,747,096 (Attachment B). The funding for this action is included in the FY18 Proposed Budget in cost center 0443, project number 410059 TDA Subsidies - Article 8.

TDA Article 8 funds are state sales tax revenues that state law designates for use by Los Angeles County local jurisdictions outside of Metro's service area. Metro allocates TDA Article 8 funds based on population and disburse monthly, once each jurisdiction's claim form is received, reviewed and approved.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Recommendation supports strategic plan goals 1 and 2. Per state requirement, the TDA funds are allotted to the five jurisdictions to support their transit or street and roads improvements. The jurisdictions have determined improvement projects that assist in achieving Metro's Strategic Plan Goals number 1 and 2 by improving mobility, ease of travel and safety.

### **ALTERNATIVES CONSIDERED**

The Board of Directors could adopt findings or conditions other than those developed in consultation with the Hearing Board, with input from the state-required SSTAC (Attachment H) and through the public hearing process. However, this is not recommended because adopting the proposed findings and recommendations made by the SSTAC and adopted by the Hearing Board have been developed through a public hearing process, as described in Attachment E, and in accordance with the TDA statutory requirements.

### **NEXT STEPS**


Once Caltrans reviews and approves the Board-adopted resolution and documentation of the hearing process, we will receive TDA Article 8 funds to allocate to the recipient local jurisdictions.

### **ATTACHMENTS**

Attachment A - FY20 Proposed Findings and Recommended Actions  
Attachment B - TDA Article 8 Apportionments: Estimates for FY2019-20  
Attachment C - FY2019-20 TDA Article 8 Resolution  
Attachment D - History of TDA Article 8 and Definitions of Unmet Transit Needs  
Attachment E - TDA Article 8 Public Hearing Process  
Attachment F - FY20 Comment Summary Sheet - TDA Article 8 Unmet Transit Needs Public Testimony and Written Comments  
Attachment G - Summary of Recommendations and Actions Taken  
Attachment H - Proposed Recommendations of the FY2019-20 SSTAC

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