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Agenda Number: 15.

REVISED
FINANCE, BUDGET AND AUDIT COMMITTEE
JUNE 15, 2022

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

**ACTION: ADOPT FINDINGS, RECOMMENDATIONS AND RESOLUTION FOR FY 2022-23
TDA ARTICLE 8 UNMET TRANSIT NEEDS**

RECOMMENDATION

ADOPT:

- A. Findings and Recommendations (Attachment A) for allocating fiscal year (FY) 2022-23 Transportation Development Act (TDA) Article 8 funds estimated at \$37,668,206 as follows:
- 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 \$220,402 may be used for street and road projects, or transit projects, as described in Attachment A;
 - 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 through using other existing funding sources. Therefore, the TDA Article 8 funds in the amount of \$8,952,102 and \$8,658,196 (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;
 - 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 \$12,291,694 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;
 - 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 \$7,545,812 may be used for street and road purposes and/or transit, as long as their transit needs continue to be met; and
- 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.

BACKGROUND

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 Metro adopts such a finding, then these needs must be met before TDA Article 8 funds can be used for street and road purposes. By law, Metro must adopt a resolution annually that states our findings regarding unmet transit needs. Attachment C is the FY 2022-23 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.

DISCUSSION

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 2021-22 (for the FY 2022-23 allocation estimates) and Attachment H is the proposed recommendations of the FY2022-23 SSTAC.

On May 11, 2022, 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 \$37,668,206 in TDA Article 8 funds to the recipient local jurisdictions.

DETERMINATION OF SAFETY IMPACT

Approval of this project will have no impact on Safety.

EQUITY PLATFORM

The definition of Unmet Transit Needs is any transportation need, identified through the public hearing process, which could be met through the implementation or improvement of transit or paratransit services. This process is set by the State and is approved by Caltrans prior to release of the funds. In April 2022, virtual public hearings were conducted in North County and Santa Clarita and an additional one in City of Avalon in conjunction with their council meeting. The public hearing notices were posted in the Daily News and La Opinión in each jurisdiction and the local papers in Antelope Valley, Santa Clarita, San Fernando Valley, Catalina Island, and Long Beach.

Additionally, staff sent flyers to all the businesses in the area. Santa Clarita Transit ran the notice on their system and had the notice posted in the public areas of the cities. Avalon included the posting in their social media outlets. Both hearings offered a Spanish interpreter.

At the conclusion of the comment period, staff convened the Social Service Transportation Advisory Council consisting of representatives from the senior (65 and older) and disability communities. Additionally, per law, staff included representatives from organizations/CBOs that assist seniors, people with low incomes, and people with disabilities. This meeting was a hybrid, with the option for attendees to participate in-person or online. A Spanish language translator was also on hand for this meeting.

Based on this public hearing process, no unmet transit needs were identified in the above jurisdictions. There are no equity impacts anticipated as a result of this action.

FINANCIAL IMPACT

The TDA Article 8 funds for FY 2022-23 are estimated at \$37,668,206 (Attachment B). The funding for this action is included in the FY23 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 them monthly, once each jurisdiction's claim form is received, reviewed and approved.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal 2 and 4. Per state requirement, the TDA funds are allotted to the municipal and Tier II operators to support the operation of their services countywide.

Also, under this project Metro function as the regional transportation planning agency was reviewed. The findings will assist in achieving Metro's Strategic Plan Goals number 2 and 4 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, Metro will receive TDA Article 8 funds to allocate to the recipient local jurisdictions.

ATTACHMENTS

- A. FY23 Proposed Findings and Recommended Actions
- B. TDA Article 8 Apportionments: Estimates for FY2022-23
- C. FY2022-23 TDA Article 8 Resolution
- D. History of TDA Article 8 and Definitions of Unmet Transit Needs
- E. TDA Article 8 Public Hearing Process
- F. FY23 Comment Summary Sheet - TDA Article 8 Unmet Transit Needs Public Testimony and Written Comments
- G. Summary of Recommendations and Actions Taken
- H. Proposed Recommendations of the FY2022-23 SSTAC

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