



## 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.

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## **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

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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.

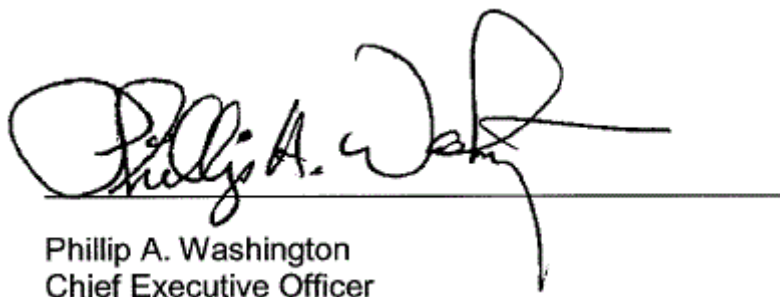
Staff will also continue to update the Board on the impacts of the COVID-19 pandemic on Metro and the region, as well as bring for approval the allocation of Los Angeles County's share of the funds from the American Rescue Plan Act that President Biden signed into law on March 11, 2021.

**ATTACHMENTS**

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

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## Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)

	Metro Board Adopted CARES Act Allocation	Distribution %	Adopted	Proposed	CRRSA Act Allocation Proposed Total
			CRRSA Act Allocation Round 1	CRRSA Act Allocation Round 2	
Metro Bus Ops	\$ 334,196,361	33.4838%	\$ 262,753,645	\$ 42,459,836	\$ 305,213,481
Metro Rail Ops	\$ 252,941,922	25.3428%	\$ 198,869,346	\$ 32,136,414	\$ 231,005,760
<b>Municipal Operators</b>					
Arcadia	\$ 413,118	0.0414%	\$ 324,804	\$ 52,487	\$ 377,291
Claremont	153,038	0.0153%	120,322	19,444	139,766
Commerce	834,418	0.0836%	656,041	106,013	762,054
Culver City	6,573,119	0.6586%	5,167,953	835,118	6,003,071
Foothill Transit	29,856,920	2.9914%	23,474,267	3,793,339	27,267,606
Gardena	6,650,248	0.6663%	5,228,594	844,918	6,073,511
La Mirada	123,098	0.0123%	96,783	15,640	112,423
Long Beach	29,203,837	2.9260%	22,960,796	3,710,364	26,671,160
Montebello	10,175,268	1.0195%	8,000,054	1,292,774	9,292,827
Norwalk	3,807,217	0.3815%	2,993,331	483,709	3,477,040
Redondo Beach	906,679	0.0908%	712,854	115,194	828,048
Santa Monica	24,360,412	2.4407%	19,152,773	3,095,004	22,247,777
Torrance	7,910,110	0.7925%	6,219,129	1,004,984	7,224,113
<b>Subtotal- Municipal Operators</b>	<b>\$ 120,967,484</b>	<b>12.1200%</b>	<b>\$ 95,107,700</b>	<b>\$ 15,368,987</b>	<b>\$ 110,476,687</b>
<b>Eligible Operators</b>					
Antelope Valley	\$ 4,239,043	0.4247%	\$ 3,332,843	\$ 538,573	\$ 3,871,415
LADOT	15,831,270	1.5862%	12,446,945	2,011,372	14,458,317
Santa Clarita	3,776,194	0.3783%	2,968,940	479,768	3,448,707
Foothill BSCP	3,160,600	0.3167%	2,484,944	401,556	2,886,500
<b>Subtotal - Eligible Operators</b>	<b>\$ 27,007,107</b>	<b>2.7059%</b>	<b>\$ 21,233,671</b>	<b>\$ 3,431,268</b>	<b>\$ 24,664,939</b>
<b>Tier 2 Operators</b>					
LADOT Community Dash	\$ 3,612,073	0.3619%	\$ 2,839,903	\$ 458,916	\$ 3,298,819
Glendale	524,420	0.0525%	412,312	66,628	478,940
Pasadena	305,610	0.0306%	240,278	38,828	279,106
Burbank	91,935	0.0092%	72,282	11,680	83,962
<b>Subtotal - Tier 2 Operators</b>	<b>\$ 4,534,038</b>	<b>0.4543%</b>	<b>\$ 3,564,775</b>	<b>\$ 576,052</b>	<b>\$ 4,140,828</b>
<b>Other Operators</b>					
Metrolink	\$ 56,432,000	5.6540%	\$ 44,368,268	\$ 7,169,717	\$ 51,537,985
Access Services	\$ 33,500,000	3.3564%	\$ 26,338,549	\$ 4,256,194	\$ 30,594,742
<b>Regional Transit Support</b>	<b>\$ 160,220,592</b>	<b>16.0528%</b>	<b>\$ 125,969,488</b>	<b>\$ 20,356,116</b>	<b>\$ 146,325,604</b>
<b>Regional Paratransit Operators</b>					
Agoura Hills	\$ 48,095	0.0048%	\$ 37,814	\$ 6,110	\$ 43,924
Antelope Valley, Elderly & Disabled	243,028	0.0243%	191,075	30,877	221,952
Beverly Hills Taxi & Lift Van	2,721	0.0003%	2,139	346	2,485
Culver City Community Transit and LA County	43,774	0.0044%	34,416	5,561	39,978
Gardena, Hawthorne and LA County	139,616	0.0140%	109,770	17,738	127,508
Glendale Paratransit and La Canada Flintridge	192,538	0.0193%	151,378	24,462	175,840
Inglewood Transit and LA County	151,856	0.0152%	119,393	19,293	138,686
LA County (Whittier et al)	151,691	0.0152%	119,263	19,272	138,535
LA County (Willowbrook)	31,049	0.0031%	24,411	3,945	28,356
Los Angeles Taxi & Lift Van, City Ride	290,748	0.0291%	228,594	36,940	265,533
Los Angeles Dial-a-Ride, City Ride	792,892	0.0794%	623,392	100,737	724,129
Monrovia D.A.R. and LA County	77,486	0.0078%	60,921	9,845	70,766
Palos Verdes PTA D.A.R.	30,357	0.0030%	23,867	3,857	27,724
Palos Verdes PTA - PV Transit	286,240	0.0287%	225,049	36,367	261,416
Pasadena Community Transit, San Marino and LA County	342,211	0.0343%	269,055	43,478	312,533
Pomona Valley TA - E&D (Get About)	574,519	0.0576%	451,702	72,993	524,695
Pomona Valley TA General Public (VC)	54,589	0.0055%	42,919	6,936	49,855
Redondo Beach Community Transit and Hermosa Beach	2,961	0.0003%	2,328	376	2,704
Santa Clarita D.A.R.	663,633	0.0665%	521,765	84,315	606,080
West Hollywood (DAR)	186,218	0.0187%	146,409	23,659	170,069
West Hollywood (Taxi)	10,038	0.0010%	7,892	1,275	9,167
Whittier (DAR)	208,253	0.0209%	163,733	26,459	190,192
<b>Subtotal - Regional Paratransit Operators</b>	<b>\$ 4,524,511</b>	<b>0.4533%</b>	<b>\$ 3,557,285</b>	<b>\$ 574,842</b>	<b>\$ 4,132,127</b>
<b>Voluntary Reporters</b>					
City of Alhambra (MB and DR)	\$ 84,471	0.0085%	\$ 66,413	\$ 10,732	\$ 77,146
City of Artesia (DR)	3,914	0.0004%	3,077	497	3,574
City of Azusa (DR)	29,336	0.0029%	23,065	3,727	26,792
City of Baldwin Park (MB and DR)	72,257	0.0072%	56,811	9,180	65,991
City of Bell (MB/DR)	17,398	0.0017%	13,679	2,210	15,889
City of Bell Gardens (MB and DR)	46,183	0.0046%	36,310	5,868	42,177
City of Bellflower (MB and DR)	30,034	0.0030%	23,613	3,816	27,429
City of Burbank (MB)*	82,583	0.0083%	64,929	10,492	75,421
City of Calabasas (MB and DR)	40,163	0.0040%	31,577	5,103	36,680
City of Carson (MB and DT)	137,089	0.0137%	107,783	17,417	125,200
City of Cerritos (MB)	74,555	0.0075%	58,617	9,472	68,089
City of Compton (MB)	40,566	0.0041%	31,894	5,154	37,048
City of Covina (DR)	19,094	0.0019%	15,012	2,426	17,438
City of Cudahy (MB and DR)	17,293	0.0017%	13,597	2,197	15,794
City of Downey (MB and DR)	62,640	0.0063%	49,249	7,958	57,208
City of Duarte (MB)	19,643	0.0020%	15,444	2,496	17,940
City of El Monte (MB and DR)	94,913	0.0095%	74,623	12,059	86,682

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	Metro Board Adopted CARES Act Allocation	Distribution %	Adopted	Proposed	CRRSA Act Allocation Proposed Total
			CRRSA Act Allocation Round 1	CRRSA Act Allocation Round 2	
City of Glendora (MB and DR)	57,825	0.0058%	45,464	7,347	52,810
City of Glendale (MB)*	207,050	0.0207%	162,788	26,306	189,094
City of Huntington Park (MB)	67,347	0.0067%	52,950	8,557	61,507
City of Los Angeles -- Community DASH* (MB)	803,714	0.0805%	631,900	102,112	734,012
City of Los Angeles -- Department of Aging (DR)	124,047	0.0124%	97,529	15,760	113,289
LA County Dept. of Public Works -- Avocado Heights (MB)	12,214	0.0012%	9,603	1,552	11,155
LA County Dept. of Public Works -- East Valinda (MB)	13,745	0.0014%	10,806	1,746	12,553
LA County Dept. of Public Works -- East LA (MB and DR)	99,948	0.0100%	78,582	12,698	91,280
LA County Dept. of Public Works -- Willowbrook (MB)	25,658	0.0026%	20,173	3,260	23,433
LA County Dept. of Public Works -- King Medical (MB)	11,017	0.0011%	8,662	1,400	10,062
LA County Dept. of Public Works -- Athens (MB)	11,502	0.0012%	9,043	1,461	10,505
LA County Dept. of Public Works -- Lennox (MB)	9,012	0.0009%	7,085	1,145	8,230
LA County Dept. of Public Works -- South Whittier (MB)	63,799	0.0064%	50,161	8,106	58,266
LA County Dept. of Public Works -- Florance/Firestone (MB)	15,080	0.0015%	11,856	1,916	13,772
City of Lakewood (DR)	19,546	0.0020%	15,368	2,483	17,851
City of Lawndale (MB)	24,480	0.0025%	19,247	3,110	22,357
City of Lynwood (MB)	42,490	0.0043%	33,407	5,398	38,805
City of Malibu (DT)	4,623	0.0005%	3,635	587	4,222
City of Manhattan Beach (DR)	15,286	0.0015%	12,018	1,942	13,961
City of Maywood (DR)	17,879	0.0018%	14,057	2,271	16,328
City of Monterey Park (MB and DR)	76,017	0.0076%	59,767	9,658	69,425
City of Pasadena (MB)*	205,942	0.0206%	161,917	26,165	188,082
City of Pico Rivera (DR)	6,470	0.0006%	5,087	822	5,909
City of Rosemead (MB and DR)	54,916	0.0055%	43,177	6,977	50,154
City of Santa fe Springs (DR)	6,262	0.0006%	4,923	796	5,719
City of South Gate (DT and MB)	110,407	0.0111%	86,804	14,027	100,832
City of South Pasadena (DR)	11,118	0.0011%	8,742	1,413	10,154
City of West Covina (MB and DR)	71,080	0.0071%	55,885	9,031	64,915
City of West Hollywood (MB)	35,696	0.0036%	28,065	4,535	32,600
<b>Subtotal - Voluntary Reporters</b>	<b>\$ 3,096,305</b>	<b>0.3102%</b>	<b>\$ 2,434,394</b>	<b>\$ 393,387</b>	<b>\$ 2,827,781</b>
<b>Other Special Projects</b>					
Avalon Ferry Subsidy	\$ 324,669	0.0325%	\$ 255,263	\$ 41,249	\$ 296,512
Avalon Transit Services (Jitney and Dial-a-Ride)	74,858	0.0075%	58,855	9,511	68,366
Hollywood Bowl Shuttle Service	263,750	0.0264%	207,367	33,510	240,877
<b>Subtotal - Other Special Projects</b>	<b>\$ 663,277</b>	<b>0.0665%</b>	<b>\$ 521,485</b>	<b>\$ 84,270</b>	<b>\$ 605,755</b>
<b>Grand Total</b>	<b>\$ 998,083,598</b>	<b>100.0000%</b>	<b>\$ 784,718,607</b>	<b>\$ 126,807,083</b>	<b>\$ 911,525,690</b>

Note: For comparison, the CARES Act Allocation excludes funds appropriated directly to agencies - \$69,924,688.