

# STAFF REPORT



|                       |                                                                                                                                                 |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>MEETING DATE:</b>  | <b>October 20, 2020</b>                                                                                                                         |
| <b>SUBJECT:</b>       | <b>Approve Federal Transit Administration Section 5311 CARES Act Phase 2 Grant Application and Subsequent CARES or HEROES Acts Applications</b> |
| <b>AGENDA ITEM:</b>   | <b>5-7</b>                                                                                                                                      |
| <b>STAFF CONTACT:</b> | <b>Kathy Urlie, Senior Transportation Planner</b>                                                                                               |

## **SUMMARY:**

The Federal Transit Administration (FTA) has provided additional funding for rural transit operations for expenditures incurred due to COVID-19 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. For rural services, in places like Shasta County, these funds are passed through Caltrans, Division of Rail and Mass Transportation (Caltrans). In August, SRTA applied for \$250,806 of CARES Act funding through Caltrans for general public rural transit, provided through Dignity Health Connected Living (DHCL). In addition to the CARES Act, the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act was passed by Congress in the beginning of October.

## **STAFF RECOMMENDATION:**

It is recommended that the board of directors authorize the executive director to apply for the FTA 5311 CARES Act Phase 2 funding and future FTA CARES Act or HEROES Act funding, pursuant to the attached resolution.

## **DISCUSSION:**

In March 2020, Congress provided emergency monies under the CARES Act which included funding to transit operators to help compensate for the impacts of COVID-19. One of these fund sources, FTA 5311, is for rural, general public transportation. A first phase of FTA 5311 CARES Act funding was distributed by formula earlier this year only to transit operators who had previously received FTA 5311 funds. As a result, Shasta County Department of Public Works has a contract with Caltrans for \$424,404 of CARES Act Phase 1 funding. In mid-July, Caltrans solicited applications for a second phase of FTA 5311 CARES Act funding open to all eligible transit operators. Due to the desire to get projects reviewed, selected, and funds into the hands of eligible operators as quickly as possible, applications were due in August.

SRTA distributed the grant funding solicitation to the cities of Anderson, Redding and Shasta Lake, Shasta County, the Social Services Transportation Advisory Council, and the region's two federally recognized tribal governments. For the Shasta Region, \$723,711 of FTA 5311 CARES Act Phase 2 funding was allocated. Shasta County applied for \$472,905 of the available funding for Burney Express operations after consultation with SRTA. SRTA applied for \$250,806 for rural operations contracted through DHCL. Other than Shasta County and SRTA/DHCL, no other entities applied for this funding.

To-date, Caltrans requested multiple items from SRTA and DHCL in consideration of eligibility, which have been provided. In mid-September, Caltrans conditionally approved all FTA 5311 CARES Act Phase 2

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applications they received in order for FTA to be able to obligate the funds. However, Caltrans made clear that their approval was only conditional, subject to the outcome of future eligibility review. Caltrans has assured SRTA staff, in writing, that if SRTA/DHCL are not deemed eligible for FTA 5311 CARES Act Phase 2 funding, that the funding would be retained within the Shasta Region for reallocation--not redistribution to the state.

On October 1, 2020, the HEROES Act was passed by Congress, providing \$32 billion in COVID-19 related relief to transit operators, including \$750 million for rural transit. SRTA staff expects that Caltrans will be providing additional FTA 5311 grant funding opportunities under the HEROES Act.

**ALTERNATIVES:**

The board of directors may alter the staff recommendations to not provide for future applications approval and/or disapprove the recently submitted application.

**OTHER AGENCY INVOLVEMENT:**

FTA 5311 CARES Act Phase 2 funding applications were solicited among local agencies, social services transportation providers, and tribal governments. Applications were coordinated among Shasta County Department of Public Works, DHCL, and SRTA.

**FISCAL IMPACT:**

If found eligible and approved for funding, FTA 5311 CARES Act funding would be made available to DHCL to offset increased expenses due to the COVID-19 pandemic. Future funding applications under the CARES or HEROES Act may provide the same.

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**Daniel S. Little, AICP, Executive Director**

Attachment:

Resolution 20-13: Authorize Federal Transit Administration Section 5311 Funding

# RESOLUTION



|                           |                                                                      |
|---------------------------|----------------------------------------------------------------------|
| <b>RESOLUTION NUMBER:</b> | <b>20-13</b>                                                         |
| <b>SUBJECT:</b>           | <b>Authorize Federal Transit Administration Section 5311 Funding</b> |

**WHEREAS**, the U.S. Department of Transportation is authorized to make grants available to states through the Federal Transit Administration (FTA) to support capital/operating assistance projects for non-urbanized public transportation systems under Section 5311 of the Federal Transit Act (Circular 9040.1G); and

**WHEREAS**, the California Department of Transportation (Caltrans) has been designated by the Governor of the State of California to administer Section 5311 grants for transportation projects for the general public for rural transit and intercity bus; and

**WHEREAS**, the Shasta Regional Transportation Agency desires to apply for said financial assistance to permit operation of services and purchase of capital equipment in the Shasta region (Shasta County); and

**WHEREAS**, the Shasta Regional Transportation Agency has, to the maximum extent feasible, coordinated with other transportation providers and users in the region (including social service agencies).

**NOW, THEREFORE, BE IT RESOLVED** that the Shasta Regional Transportation Agency authorizes the Executive Director to:

1. file and execute applications on behalf of the agency with Caltrans to aid in the financing of capital/operating assistance projects pursuant to Section 5311 of the Federal Transit Act (FTA C 9040.1G), as amended;
2. execute and submit all certification of assurances, contracts or agreements or any other document required by Caltrans ;
3. provide additional information as Caltrans may require in connection with applications for Section 5311 projects; and
4. submit and approve request for reimbursement of funds from Caltrans for Section 5311 project(s).

**PASSED AND ADOPTED** this 20<sup>th</sup> day of October 2020, by the Shasta Regional Transportation Agency.

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**Leonard Moty, Chair**  
Shasta Regional Transportation Agency