

**INDIAN RIVER COUNTY, FLORIDA**

**M E M O R A N D U M**

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**TO:** Jason E. Brown; County Administrator

**THROUGH:** Phillip J. Matson, AICP; Community Development Director

**FROM:** Brian Freeman, AICP; MPO Staff Director

**DATE:** October 22, 2021

**SUBJECT:** Authorization to Submit an Application for a Federal Transit Administration Grant for American Rescue Plan (ARP) Operating Assistance (Section 5307)

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It is requested that the information herein presented be given formal consideration by the Board of County Commissioners at its regular meeting of November 2, 2021.

**DESCRIPTION & CONDITIONS**

As a result of the American Rescue Plan (ARP) Act, the Federal Transit Administration (FTA) has allocated \$973,815 in transit operating assistance to Indian River County through the Section 5307 (Urban Areas Formula Grant) program. No local match is required to receive the ARP funds.

The Section 5307 program provides funding assistance towards both the capital and operating costs associated with Indian River County's public transportation system, which consists of the GoLine (fixed route) and the Community Coach (demand response) transit services. Both the GoLine and the Community Coach are operated by the Senior Resource Association (SRA), the County's transit service provider. Because of the special ARP allocation, Indian River County will receive two separate Section 5307 program grants for FY 2021: a \$973,815 grant for operating assistance and a \$2,171,981 standard grant for capital assistance.

**ANALYSIS**

According to federal regulations, the ARP Section 5307 program grant may be used for normal public transportation operating expenses beginning January 20, 2020. The ARP funds are a one-time allocation, which are available to be used until the funds are expended.

Unlike the normal Section 5307 program, which requires a 50% nonfederal match for operating assistance, no local match is required for the ARP funds. When combined with the CARES Act funding received during 2020, the County has received over \$7 million dollars in federal transit operating assistance with no local match required. A local match will still be needed, however,

for other grants which support the operation of the transit system. Those other grants include the state's Block Grant, Service Development Grant, and Transportation Disadvantaged Trip Grant programs. Approximately \$500,000 is needed to match those grants during FY 21/22, and another \$800,000 will be needed in FY 22/23. While not eliminating the need for a local match altogether, the CARES and ARP funds enable the County to substantially reduce its local match while obtaining over \$7 million in new federal funds.

Under federal guidelines, the County is afforded great flexibility toward using the CARES/ARP funds over several years to supplement local operating funds. To that end, the County developed a plan last year for incorporating the CARES funds into the transit system's financial plan operating and capital expenses. Recently, that financial plan was updated to reflect the additional funds from ARP (see Attachment #3).

With the infusion of \$7 million in CARES/ARP funds, the County will be able to reduce its local match contribution by \$1.7 million over the next several years while also increasing capital funds from the Section 5307 program by over \$4 million. As a result, the regular Section 5307 grant application for FY 2021 is for capital assistance only (same as the application for FY 2020 last year). The additional capital funds will provide the opportunity to address long-standing capital needs such as a permanent home for the North County Transit Hub, providing transit infrastructure improvements on busier transit corridors such as 45<sup>th</sup> Street, and installing shelters at other busy transit stops.

Attached to this report is the County's proposed grant application for the Section 5307 ARP funds. As required by Federal Transit Administration (FTA) regulations, the grant application was prepared using FTA's Transit Award Management System (TrAMS) software. As it has in the past, FTA requires grantees to utilize its TrAMS software in the development, submittal, modification, and management of grants. Per FTA's direction, the ARP funds are in a separate application from the County's normal Section 5307 funds.

To apply for the ARP funds, the Board of County Commissioners must adopt the attached resolution (Attachment #2), authorizing staff to submit the attached grant application. The resolution has been reviewed and approved by the County Attorney's Office.

## **FUNDING**

Through this grant, the County will receive \$973,815 in federal transit operating assistance, with no local match required for the ARP funds.

## **RECOMMENDATION**

Staff recommends that the Board of County Commissioners adopt the proposed resolution authorizing the filing of the grant application for the ARP Section 5307 program.

## **ATTACHMENTS**

1. Application for ARP Section 5307 Public Transportation Operating Assistance
2. Resolution Authorizing the Filing of an Application for Grant Funding Assistance from the Federal Transit Administration
3. CARES/ARP Transit Funding Scenario
4. Grant Budget Form