

INDIAN RIVER COUNTY, FLORIDA

M E M O R A N D U M

TO: Jason E. Brown; County Administrator

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

FROM: Brian Freeman, AICP; MPO Staff Director

DATE: June 8, 2020

SUBJECT: Authorization to Submit an Application for a Federal Transit Administration Grant for CARES Act Operating Assistance (Section 5307)

It is requested that the information herein presented be given formal consideration by the Board of County Commissioners at its regular meeting of June 16, 2020.

DESCRIPTION & CONDITIONS

As a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Federal Transit Administration (FTA) has allocated \$6,316,645 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 CARES Act 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 CARES Act allocation, Indian River County will receive two separate Section 5307 program grants for FY 2020: a \$6,316,645 CARES Act grant for operating assistance and a \$2,169,322 standard grant for capital assistance.

ANALYSIS

According to federal regulations, the CARES Act Section 5307 program grant may be used for normal public transportation operating expenses beginning January 20, 2020. The CARES Act 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 CARES Act funds. 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 per year is needed to match those grants. While not eliminating the need for local match altogether, provisions of the CARES Act enable the County to substantially reduce its local match while obtaining over \$6 million in new federal funds. As a result, the proposed local match for the upcoming FY 20/21 is \$500,000, less than 50% of the current fiscal year's match.

Under federal guidelines, the County is afforded great flexibility toward using the new funds over several years to supplement local operating funds. To that end, the County has developed the attached plan for incorporating the CARES funds into the transit system's financial plan operating and capital expenses (see Attachment #3). With the one-time infusion of \$6.3 million in CARES 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 2020 is for capital assistance only (and the applications for FYs 2021 and 2022 will likely be similar). 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 45th Street, and installing shelters at other busy transit stops.

Attached to this report is the County's proposed grant application for the Section 5307 CARES Act 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 CARES Act funds are in a separate application from the County's normal Section 5307 funds.

To apply for the CARES Act 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.

In addition to the \$6,316,645 in CARES Act Section 5307 funds, the County has also been awarded \$246,951 in transit operating assistance through the Section 5311 (Rural Areas) program. At its June 2, 2020 meeting, the BCC approved the grant agreement for the Section 5311 CARES Act funds.

FUNDING

Through this grant, the County will receive \$6,316,645 in federal transit operating assistance, with no local match required for the CARES Act funds.

RECOMMENDATION

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

ATTACHMENTS

1. Application for CARES Act 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 Act Transit Funding Scenario
4. Grant Budget Form