

TRANSPORTATION COMMITTEE REPORT relative to allocation of Federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) transportation funds.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the recommended appropriation of CRRSAA funds to the projects as detailed in Attachment 1 of the August 11, 2021 City Administrative Officer (CAO) report, attached to the Council File.
2. AUTHORIZE the General Manager, Los Angeles Department of Transportation (LADOT), the Director of the Bureau of Street Services and the Director of the Bureau of Engineering, and/or their designees, to execute and file any and all documents required to secure the CRRSAA funds, provide required reports associated with the CRRSAA funds and fulfill the intent of the Council and Mayor.
3. AUTHORIZE the LADOT, with the concurrence of the CAO, to make technical corrections to fulfill the intent of the Council and Mayor.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no General Fund impact. Approval of this report will result in the City receiving an additional \$12,752,630 in Federal Coronavirus Relief funding. Front-funding needs will need to be identified in future City budgets. These grants do not require a funding match and are 100 percent reimbursable.

Community Impact Statement: None submitted.

Summary:

On August 17, 2021, your Committee considered an August 11, 2021 CAO report relative to allocation of Federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) transportation funds. According to the CAO, with the adoption of the Fiscal Year (FY) 2021-22 Budget, Council and Mayor programmed \$6,000,000 (of \$18,752,630) of CRRSAA street repair funds provided to the City and instructed that the CAO to report back on the use of the remaining \$12,752,630 (Council File No. 21-0600. This report fulfills that instruction.

The CRRSAA, enacted in December 2020, provided:

- \$14 billion for additional transit program support.
- \$10 billion for highway programs.

As a result, on April 22, 2021, the Los Angeles County Metropolitan Transportation Authority (Metro) authorized a disbursement of funds to the City from both components of the CRRSAA money:

- \$19,594,099 to the City for Transit purposes. These funds will be placed in the Proposition A Fund.
- \$18,752,630 million to the City for Federal street projects. These funds will be provided on a reimbursement basis consistent with the existing Surface Transportation Program (STP), must be spent on streets within the Federal Street system (City's arterial streets, not residential or rural roadways) and must be committed by September 30, 2024.
- There is no match requirement and no competitive grant process.
- A City front-funding source will be required to access these funds.

As a result of the discussions among City staff, it is recommended that the City maximize the benefit to the City by prioritizing consideration to filling funding gaps in existing City projects or programs, especially those that already have federal money and have already met the requirements associated with use of Federal dollars. The reasons are as follows:

- Sufficient City projects with existing federal funds and with funding gaps exist to support this strategy.
- Adding federal funds to existing City projects that do not already have Federal funding can delay the project and/or potentially increase overall project costs.
- Filling existing funding gaps with CRRSAA funds will reduce the need to close those gaps with local funds (i.e. Measure M, Prop C, Measure R, Gas Tax, SB1) and allow the selected projects to advance to construction.
- The City has been very successful in the last couple of years in securing funding for street projects (\$476M) and is currently hoping for additional awards from existing grant applications (\$154M or more). With the impact of the recent hiring freeze and Separation Incentive Program, the City is being challenged to adjust staffing resources and project management strategies in order to quickly complete the existing projects. Therefore, using CRRSAA funding to start new projects at this time is not recommended.

The Metro has reviewed the proposed project allocations for consistency with the CRRSAA legislation and determined that the recommended projects are eligible for funding. The recommended project allocations in Attachment 1 of the CAO report show the FY when the CRRSAA funds are currently projected to require front funding. Even

though these projects are currently in progress, it is not anticipated that front funding associated with the recommended CRRSAA allocations will be required until FYs 2022-23 and 2023-24. There will be no need to adjust the current Fiscal Year budget. Therefore, it is recommended that the required front funding be identified through the annual budget process. After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the CAO report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Transportation Committee

COUNCILMEMBER VOTE

BONIN: YES
KORETZ: YES
BUSCAINO: YES

ARL
8/17/21

-NOT OFFICIAL UNTIL COUNCIL ACTS-