THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: August 24, 2021

Subject: Authorization to Apply for and Submit Fiscal Year FY 2021 American Rescue Plan (ARP) Act (Section 5307) Funds Grant Application and authorization for the City Manager to execute subrecipient agreements with regional transit agencies.

Staff Resource(s): Ken Putnam, PE., Transportation Department Director
Jessica Morriss, AICP, Assistant Transportation Department Director
Eunice Lovi, Transit Planning Manager

Action Requested: Adopt a resolution authorizing the City Manager to apply for the FY 2021 American Rescue Plan Act (Section 5307) grant funds and to sign all appropriate agreements with the Federal Transit Administration (FTA), Federal and State agencies, execute subrecipient agreements; and a budget amendment in the amount of $4,252,528 in the FY 2022 Transit Multi-Year Fund (6510) to include the American Rescue Plan Act revenue.

Background:

- On March 11, 2021, the American Rescue Plan (ARP) Act of 2021 was signed into law, which includes $30.46 billion for Public Transportation.
- The total funds apportioned to the transit industry under the ARP Act also include $4.25 million for the Asheville Urbanized Area (UZA).
- On April 12, 2021, the FTA announced the availability of the ARP Act to support the nation's public transportation systems to continue responding to the COVID-19 pandemic and support President Biden's call to vaccinate the U.S population.
- Additionally, the FTA directed that ARP Act funds be used for payroll and operations unless recipients certify that it has not furloughed any of its employees.
- Similar to the 2020 CARES Act, operating costs of public transit during the public health emergency, including purchase of personal protective equipment, administrative leave for operations, or contractor personnel due to reductions in service are all eligible expenses for ARP funds.
- The FTA has indicated that all ARP Act funds must be obligated by September 30, 2024, and disbursed by September 30, 2029.
- At its May 27, 2021, monthly meeting, the French Broad River Metropolitan Planning Organization (FBRMPO) Board approved and adopted a resolution allocating the American Rescue Plan Act funding to eligible transit systems in the Asheville Urbanized Area (AUZA).
- The chart on page 2 highlights the amount allocated to each transit system in the AUZA region.
- ARP Act funds will provide 100% of the Federal match of the anticipated funding and do not require any local match.
- Transportation Department staff is working with all sub-recipients on how they will use the funds allocated to them and will submit an application to the FTA in the amount of $4.25 million by September 30, 2021, for approval.
- Transportation Department staff is recommending approving the ARP Act Subrecipient and Suballocation Agreement to be executed between the City of Asheville and sub-recipients.
- Transportation Department staff submitted the required Federal Split Letter to the FTA Region VI Office outlining the MPO-approved allocation of ARP Act funds on August 3, 2021.
- The budget amendment will provide expenditure authorization for the $4.25 million in grant funds.
- The City's portion of the funds will be used for transit operations including service improvements to be implemented in October 2021, and other expenses incurred in response to COVID-19.

FBRMPO ALLOCATED FY2021 ARP ACT (SECTION 5307) FUNDS		
	PROPOSED DISTRIBUTION/PERCENT	**ESTIMATED DISTRIBUTION/AMOUNT**
CIty of Asheville	**42.6%**	**$1,812,935**
Buncombe County	**28.6%**	**$1,217,130**
Henderson County	**20.4%**	**$867,774**
Haywood County	**8.3%**	**$354,689**
	TOTAL	**$4,252,528**

Council Goal(s):
- Transportation and Accessibility

Committee(s):
- None.

Pro(s):
- ARP Act funds will enable the City of Asheville to use federal funds to help offset operational expenses incurred on or after January 20, 2020, in response to the continued support of the COVID-19 pandemic, and respond to the President's call to vaccinate the U.S. population.

Con(s):
- None.

Fiscal Impact:
- The ARP Act funds provide 100% of the funding with no local match required.

Suggested Motion:
- Motion to adopt a resolution authorizing the City Manager to apply for the FY 2021 ARP Act (Section 5307) grant funds, and to sign all appropriate agreements with the Federal Transit Administration (FTA), Federal and State agencies, execute subrecipient agreements; and a budget amendment in the amount of $4,252,528 in the FY 2022 Transit Multi-Year Fund (6510) to include the American Rescue Plan Act revenue.

Attachment(s):
- Resolution
- Budget Amendment

RESOLUTION 21-

RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR THE FY2021 ARP ACT (SECTION 5307) GRANT FUNDS, AND TO SIGN ALL APPROPRIATE AGREEMENTS WITH THE FEDERAL TRANSIT ADMINISTRATION (FTA), FEDERAL AND STATE AGENCIES, EXECUTE SUBRECIPIENT AGREEMENTS, AND TO AMEND THE FISCAL YEAR 2022 TRANSIT OPERATIONS BUDGET TO INCLUDE THE ARP ACT REVENUE

WHEREAS, pursuant to N.C.G.S.§ 160A-17.1, the City is authorized to make contracts for and accept grants and loans from the federal and state governments and their agencies; and

WHEREAS, the Federal Transit Administration (FTA), has announced Notice for Supplemental FY 2021 5307 under the American Rescue Plan (ARP) Act for funding transit operations and capital projects that help transit systems to prevent, prepare for, and respond to COVID-19; and

WHEREAS, the French Broad River Metropolitan Planning Organization Board has reviewed the recommendations provided by the current recipients of Section 5307 FTA Urban Transit Formula funds including the City of Asheville, Buncombe County, Haywood County, and Henderson County, who convened and discussed ARP Act funding on May 3, 2021; and

WHEREAS, the 5307 Urban Transit Formula funding made available to the Asheville UZA through the CARES Act will be distributed to subrecipients via sub-recipient agreements, based on the Adopted French Broad River MPO 5307 Suballocation Formula on May 27, 2021, without a 10% set aside for regional Job Access Reverse Commute Activities; and

WHEREAS, the FTA will reimburse grant applicants for up to 100% of operating and capital cost of projects implemented with the ARP Act funding; and

WHEREAS, there is no local match required under the ARP Act funds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT;

City Council adopts a resolution authorizing the City Manager to adopt a resolution authorizing the City Manager to apply for the FY 2021 ARP Act (Section 5307) grant funds and to sign all appropriate agreements with the Federal Transit Administration (FTA), Federal and State agencies, execute subrecipient agreements, and amend the FY 2022 Transit Multi-Year Fund (6510) budget to include the ARP Act revenue.

Read, approved, and adopted this 24th day of August 2021.

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City Clerk Mayor

Approved as to form:

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City Attorney

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That the City of Asheville Fiscal Year 2021-22 Budget Ordinance be amended to include ARPA revenue in the Transit Multi-Year Fund (6510) budget, as follows:

TRANSIT MULTI-YEAR FUND

Revenues:

Restricted Intergovernmental Federal Grants	$4,252,528
Total Revenues	$4,252,528

Appropriations:

Transit Pass Through Grant	$2,439,593
Transfer to Transit Operating Fund	$1,812,935
Total Appropriations	$4,252,528

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved, and adopted this 24th day of August 2021.

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City Clerk Mayor

Approved as to form:

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City Attorney