THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: June 9, 2020

Subject: Authorization to apply for and submit Fiscal Year (FY) 2020 CARES 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 2020 CARES 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 2020 Transit Multi-Year Fund (6510) budget by $4,936,900 to include that portion of the CARES Act revenue which will be passed on to the subrecipients.

Background:

- In March 2020, the Federal Transit Administration (FTA) published a Notice of Funding Availability for the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which is intended to provide additional supplemental funding to transit systems to prevent, prepare for, and respond to COVID-19.
- On April 9, 2020, the FTA announced availability of $25 billion apportioned to the transit industry under the CARES Act, including $8.6 million for the Asheville Urbanized Area (AUZA). The FTA announced that the CARES Act funds will be used for transit operating and capital expenses and all other expenses incurred on or after January 20, 2020 in response to economic or other conditions caused by COVID-19.
- At its April 28, 2020 special meeting, the French Broad River Metropolitan Planning Organization (FBRMPO) Board approved and adopted a resolution allocating the CARES Act funding to eligible AUZA transit systems. The chart on page 2 outlines the amount allocated to each transit system in the AZUA region.
- CARES Act funds will provide 100% of the Federal match of the anticipated funding and does not require any local match.
- Transportation Department staff is working with all subrecipients on how they will use the funds allocated to them and will submit an application to the FTA in the amount of $8.6 million by June 30, 2020 for approval.
- Transportation Department staff is recommending approving the CARES Act Subrecipient and Suballocation Agreement to be executed between the City of Asheville and subrecipients and approve Haywood County to become a formal subrecipient of the City of Asheville, instead of the non-profit transportation contractor.
- On May 1, 2020, the Transportation Department staff submitted the required Federal Split Letter to the FTA Region VI Office outlining the FBRMPO-approved allocation of CARES Act funds.
- The budget amendment will provide expenditure authorization for the $4.9 million in grant funds which will be passed on to the subrecipients.

FBRMPO ALLOCATED FY2020 CARES ACT (SECTION 5307) FUNDS		
	PROPOSED DISTRIBUTION/ PERCENT	**ESTIMATED DISTRIBUTION/AMOUNT**
Clty of Asheville	**42.63%**	**$3,668,469**
Buncombe County	**28.62%**	**$2,462,856**
Henderson County	**20.41%**	**$1,756,356**
Haywood County	**8.34%**	**$717,688**
SUB-RECIPIENTS TOTAL		**$4,936,900**
ALLOCATED TOTAL		**$8,605,369**

Council Goal(s):
- Transportation and Accessibility

Committee(s):
- N/A

Pro(s):
- CARES Act funds will enable the City of Asheville to use federal funds to help offset operational and capital expenses incurred on or after January 20, 2020 in response to economic or other conditions caused by COVID-19.

Con(s):
- N/A

Fiscal Impact:
- The CARES Act provides 100% of the funding with no local match required. As noted above, the budget amendment included with this staff report will appropriate the funding that will be passed on to the subrecipients. Council has already taken action at prior meetings to budget $1,462,000 in CARES Act funding for City of Asheville uses, including purchasing protective barriers for buses and contracting for supplemental operations support. The City will continue to utilize CARES Act funding to help offset operational and capital expenses associated with the COVID-19 response, and bring forward additional budget amendments as needed.

Suggested Motion:
- Motion to adopt a resolution authorizing the City Manager to apply for the FY 2020 CARES 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 2020 Transit Multi-Year Fund (6510) budget by $4,936,900 to include that portion of the CARES Act revenue which will be passed onto the subrecipients.

Attachment(s):
- Resolution
- Budget Amendment

RESOLUTION 20-_____

RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR THE FY2020 CARES ACT (SECTION 5307) GRANT FUNDS, AND TO SIGN ALL APPROPRIATE AGREEMENTS WITH THE FEDERAL TRANSIT ADMINISTRATION, FEDERAL AND STATE AGENCIES, EXECUTE SUBRECIPIENT AGREEMENTS, AND TO AMEND THE FISCAL YEAR 2020 TRANSIT OPERATIONS BUDGET TO INCLUDE THE CARES 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 2020 5307 under the Coronavirus Aid, Relief, and Economic Security (CARES) 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 CARES Act funding on April 13, 2020; and

WHEREAS, the 5307 Urban Transit Formula funding made available to the Asheville UZA through the CARES Act will be distributed to subrecipients via subrecipient agreements, based on the Adopted French Broad River MPO 5307 Suballocation Formula on April 28, 2020 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 CARES Act funding; and

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

City Council adopt a resolution authorizing the City Manager to adopt a resolution authorizing the City Manager to apply for the FY 2020 CARES 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 2020 Transit Operations budget to include the CARES Act revenue.

Read, approved, and adopted this 9th day of June 2020.

_____ _____

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 2019-20 Budget Ordinance be amended to provide an appropriation of $4,936,900 as a grant from Federal Transit Administration (FTA) CARES Act funds to execute subrecipient agreements and amend the Transit Multi-Year Fund as follows:

TRANSIT CAPITAL PROJECTS FUND

Revenues:

CARES Act Revenue	$4,936,900
Total Revenues	$4,936,900

Appropriations:

Transit Pass Through Grant	$4,936,900
Total Appropriations	$4,936,900

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

Read, approved, and adopted this the 9th day of June 2020.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney