



NC Capital Area Metropolitan Planning Organization

Staff Report

One City Plaza
421 Fayetteville Street
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Raleigh, NC 27601

Agenda Date: 6/16/2021

Agenda Item: 5.3

To: Executive B

Sub-Allocation of American Rescue Plan Act Transit Formula Funds

Bret Martin, MPO Staff

In March of 2021, a total of \$32,723,559 in transit formula funding was made available for use in the Raleigh Urbanized Area (UZA) by the Federal Transit Administration (FTA) through the American Rescue Plan (ARP) Act. This funding was made available for use by eligible federal formula transit grant recipients to aid in their recovery from revenue and cost impacts associated with the COVID-19 pandemic and is in addition to prior funding made available under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). The eligible recipients for this funding in the Raleigh UZA are the City of Raleigh, Town of Cary, GoTriangle, and Wake County.

While the prior CARES Act and CRRSAA formula apportionments to the Raleigh UZA were distributed among the UZA's eligible recipients using the same percentage shares they each receive from the distribution of regular annual Section 5307 apportionments, the City of Raleigh (as the designated recipient of federal formula transit grants to the Raleigh UZA) and CAMPO (which must concur with the distribution of formula grant funding) proposed to use a portion of the funds to support the continued suspension of fares across transit services provided in the region through FY 2022. The eligible recipients of the funding concurred with this proposal, agreed to suspend fare collection through FY 22, and propose to use a portion of the total \$32,723,559 apportionment to backfill budget shortfalls that would manifest by removing an assumption of fare revenues from their respective FY 2022 budgets. The total funding made available to the eligible recipients for this purpose totals \$723,094, and the breakdown of those funds among the eligible recipients follows:

Agency	FY 22 Budgeted/Projected Fare Revenues
City of Raleigh	\$0 (Using prior CARES Act apportionment to cover FY 22 fare suspension)
Town of Cary	\$220,996
Wake County	\$82,098
GoTriangle	\$420,000
TOTAL	\$723,094

For the remaining \$32,000,465 of the total apportionment, CAMPO and the eligible funding recipients agreed to distribute the funds using the same percentage shares as the normal sub-allocation formula used to distribute the standard annual federal formula transit grant allocations to the Raleigh UZA, with one exception. If any of the eligible recipients could show that the particular recipient has experienced shortfalls of other normal and prevailing funding sources from the 4th quarter of FY 2020 projected through FY 2022 as a result of the pandemic that exceed the total amount of revenue the respective recipient has received from the CARES Act and CRRSAA and would otherwise receive from the ARP, additional funds could be made available through the ARP apportionment. In response to this proposal, GoTriangle made a request to receive additional funds from the ARP apportionment beyond what GoTriangle would otherwise receive. Through verification of the request, CAMPO staff found that GoTriangle's total shortfall of its other normal and prevailing funding sources during the referenced period exceeds the total amount of revenue GoTriangle would receive from the

aforementioned federal funding apportionments by \$1,939,587.

Accordingly, the proposed sub-allocation of funds makes this additional amount available to GoTriangle and distributes the remaining funds to the City of Raleigh, Town of Cary, and Wake County in accordance with the respective remaining percentage shares they each represent. A breakdown of the funding sub-allocation for the remaining \$32,000,465 of the ARP apportionment to each of the eligible recipients follows:

Agency	% Share from FFY 21 Apportionment	Typical Allocation of Residual Apportionment Amount	New % Share After Deducting GoTriangle Amount	Adjusted Residual Allocations	Final Residual Allocations
City of Raleigh	69.8227%	\$22,343,589	76.4667%	\$20,860,452	\$20,860,452
Town of Cary	12.7105%	\$4,067,419	13.9200%	\$3,797,429	\$3,797,429
Wake County	8.7781%	\$2,809,033	9.6134%	\$2,622,573	\$2,622,573
GoTriangle	8.6887%	\$2,780,424	--	--	\$4,720,011
TOTAL	100%	\$32,000,465	100%	\$27,280,454	\$32,000,465

Per FTA policy, the MPO must concur with the sub-allocation of UZA federal formula transit grants and the programming of projects that will make use of the funding and request that FTA disburse the requested funds to eligible direct recipients in accordance with the sub-allocation. The split letter to the FTA requesting distribution of the entire ARP apportionment to eligible recipients is provided as **Attachment 1**.

Requested Action: Approve the sub-allocation of American Rescue Plan Act transit formula funds in the amounts shown in the attached split letter to the Federal Transit Administration.