



April 28, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Cooperative Agreement with the City of Laguna Beach for Public Transit Services

Overview

On June 11, 2018, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the City of Laguna Beach for the continued operation of public transit services. Board of Directors' approval is requested to amend the cooperative agreement to provide the City of Laguna Beach with additional funds from the American Rescue Plan Act of 2021.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-8-1679 between the Orange County Transportation Authority and the City of Laguna Beach, in the amount of \$430,821, for the pass through of American Rescue Plan Act funding. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$3,630,202.

Background

The City of Laguna Beach (City) and its municipally-owned Laguna Beach Municipal Transit Lines (LBMTL) are eligible to receive funding from the Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Program Funds, FTA Section 5339 Bus and Bus Facilities Program funds, State Transit Assistance funds, State of Good Repair funds provided through SB 1 (Chapter 5, Statutes of 2017), and Cap and Trade funds.

Based on the transportation services provided by LBMTL, additional federal grant funding is generated that can be utilized to support transportation services within Orange County. The Orange County Transportation Authority (OCTA), as the direct grant recipient, has the option to utilize the additional funds directly for

OCTA-related transportation services or to provide the additional funds to the City to support the services provided by LBMTL.

OCTA has historically utilized federal and state funds for OCTA-related projects and provided an equivalent amount of unrestricted local funds to the City to support the transportation services provided by the LBMTL. The amount of state funds can vary from year to year as funding program levels are determined by the state legislature as part of the annual state budget process. Federal funds are apportioned based on the service levels reported by the transit operators to the National Transit Database system and remain reasonably consistent with the funding levels identified in the long-term federal legislation. On June 11, 2018, the OCTA Board of Directors (Board) approved a cooperative agreement for the pass through of unrestricted local funds to the City for fiscal year (FY) 2018-19 through FY 2022-23.

On March 11, 2021, the American Rescue Plan Act of 2021 (ARP) was signed into law in response to the coronavirus (COVID-19) pandemic. The ARP provided OCTA with \$186,267,138 for economic relief caused by the pandemic. OCTA determined that the City, as a subrecipient, is eligible to receive a total of \$430,821 in additional economic relief funding.

Discussion

OCTA's current agreement with the City requires an amendment to accommodate the increased funding available from the ARP. OCTA calculated the amount of ARP funding available for the City to be \$430,821, utilizing the existing methodology used to determine the City's share of the annual apportionment of FTA Section 5307 funds.

The amount the City is to receive of ARP funds exceeds the maximum obligation in the existing cooperative agreement. This request will increase the maximum cumulative obligation from \$3,199,381 to \$3,630,202, to accommodate the passthrough of additional funds.

Fiscal Impact

There is no anticipated financial impact to OCTA. OCTA is the recipient and would pass through funds to the City.

Summary

Staff requests Board approval to authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-8-1679 between the OCTA and the City, in the amount of \$430,821, for the pass through of funding. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$3,630,202.

Attachment

- A. City of Laguna Beach Cooperative Agreement No. C-8-1679 Fact Sheet

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