



Metro


Los Angeles County
Metropolitan Transportation Authority


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JULY 28, 2020

TO: BOARD OF DIRECTORS

THROUGH: PHILLIP A. WASHINGTON 
CHIEF EXECUTIVE OFFICER

FROM: JAMES DE LA LOZA 
CHIEF PLANNING OFFICER

**SUBJECT: UPDATE ON REVENUE GENERATION ACTIVITIES
DURING CORONAVIRUS DISEASE 2019 (COVID-19) –
CARES ACT GRANT EXECUTION**

ISSUE

As the COVID-19 public health crisis continues, LA Metro continues its critical efforts to offset COVID-19 related revenue losses by generating new grant funding. This report provides an update on a major milestone, execution of Metro's Federal Transit Administration (FTA) Coronavirus Aid, Relief, and Economic Security Act (CARES Act) grant. Yesterday I was notified by Ray Tellis, FTA Region 9 Regional Administrator, that our grant application had been approved and was ready for my execution. The total grant amount is \$861,910,265 and represents new federal revenue to help fight the funding shortfalls caused by COVID-19. These funds will be used to pay for bus and rail operations and maintenance expenses incurred since January 20, 2020. This additional revenue is much needed and will help alleviate the reduction in sales tax and fare revenue resulting from measures implemented in response to the pandemic.

BACKGROUND

On March 27, 2020, the CARES Act was signed into law and provided \$25 billion for transit infrastructure grants to transit agencies for operating expenses to "prevent, prepare for and respond to coronavirus." Metro was allocated \$862 million of those funds and a grant application was formerly submitted for approval in early July after working closely with FTA staff. FTA and the US Department of Labor acted quickly to review and approve the grant application sending it back to Metro for execution about one month earlier than was expected based on the typical approval process. As in all major grant revenue efforts, this was a

collaborative process across the agency. Staff, particularly The Office of Management and Budget and Countywide Planning, worked brilliantly in putting our package together and working with our many stakeholders, i.e., the Municipal Operators, Metrolink, Access Services, etc., to get this done and done right.

NEXT STEPS

Staff is working to draw down about \$600 million in CARES Act funding to cover eligible expenses incurred to date by the end of this week. Staff projects that the entire grant will be fully drawn by early September at the latest. Updates will be provided to inform the Board when Metro completes additional major milestones including receipt of reimbursements.