



ITEM ID: 2023-166-0

TRANSMITTAL DATE: April 7, 2023

MEETING DATE: April 14, 2023

TO: Audit and Finance Committee

FROM: Paul Hubler, Chief Strategy Officer

SUBJECT: Grants Update - April 2022 through December 2022

Issue

Staff is providing an update of grant acquisition, reprogramming and closeout activity for the past three quarters covering the period from April 1, 2022 to December 31, 2022.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing our over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. The grant program helps to ensure reliable funding sources for maintaining the railroad in a state of good repair and adding capacity for increased reliability and future growth while reducing reliance on Member Agency contributions.
- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California. The grant program also pursues grant opportunities to transition our technologies to lower or zero emissions technologies and to provide improved rider experiences that attract new ridership.

Background

The Authority applies for grants from federal, state, regional and local entities to assist in funding its rehabilitation and new capital programs. These programs are comprised of projects that rehabilitate, enhance and expand the Metrolink rail system.

This report focuses exclusively on federal, state and regional-level grant acquisition, reprogramming and closeout activities undertaken by staff for the purposes of supporting the rehabilitation and new capital programs. It discusses grants that the Authority has secured through a formal application process and for which the Authority has a direct reporting relationship to the federal, state or regional-level granting agency.

Discussion

Grant Activity Summary Since April 1, 2022

<i>Acquired</i>	<i>Reprogrammed</i>	<i>Closed</i>
(8)	(36)	(7)
\$88.2 million	\$11.1 million	\$163.5 million

With six federal grants of \$59.2 million and two state grants of \$29.0 million acquired, the Authority currently manages 33 federal grants totaling \$480.1 million, 24 state grants totaling \$1.27 billion and 2 regional grants, totaling \$52.0 million, for a total portfolio of \$1.8 billion.

- Federal grants are summarized on Appendix A
- State grants are summarized on Appendix B
- Regional grants are summarized on Appendix C

Grant Activity Discussion

Acquisition

The Authority acquired six Federal Grants, two State grants for a total of \$88.2 million.

1. \$4.4 million from the FTA under the CRRSAA pandemic relief bill for operating assistance.
2. \$23.0 million from the FTA under the American Rescue Plan Act pandemic relief bill for operating assistance.
3. \$20.2 million from the FTA federal formula fund programs for annual rehabilitation program activities.
4. \$10.1 million from the FTA federal formula fund programs for annual preventive maintenance activities.
5. \$0.1 million from the FRA under the Trespassing Enforcement Program for hot spot enforcement operations.
6. \$1.4 million from FEMA under the Transit Security Grant Program for cybersecurity enhancements and expansion of the secure data network.
7. \$4.0 million from Caltrans under the LCTOP program for extension of the low-income fare discount pilot program.
8. \$25.0 million from CalSTA under the TIRCP program for Perris Valley Line capacity improvements.

Reprogramming

Reprogramming of projects from previously approved Rehabilitation and Capital Program budgets occurs when projects are completed with savings or when deferred or cancelled projects cannot make use of grant funds in a timely manner. The \$11.1 million in reprogramming was primarily to reallocate and prioritize the use of funds from state programs expiring in the near term and to expedite the closure of older federal grants.

Closure

Grants are closed when all projects are completed within the work performance period allowed under the grant. Five state grants totaling \$52.7 million were closed. Three grants under the Proposition 1B California Transit Security Grant Program that funded several system safety and security projects were closed, one Caltrans grant funding a climate vulnerability study was closed, and one Proposition 1B Intercity Rail grant funding the Van Nuys Station Platform project was closed. Two regional grants totaling \$110.8 million funding the procurement of Tier 4 locomotives were also closed.

Fleet Modernization

Staff submitted a \$45 million RAISE grant application to the US Department of Transportation, as well as a \$46.5 million grant application to the CTC's SB-1 Solutions for Congested Corridors program seeking matching funds for the Carl Moyer Program award of \$51.7 million which funds eight Tier 4 replacement locomotives.

Note

A change was made to the presentation of state TIRCP awards. The report and its appendices now reflect the full award amount rather than showing only the amounts allocated by the California Transportation Commission to date. This more accurately reflects the total value of the portfolio of grants the agency is managing. This change resulted in an \$842.6 million increase to the value of the portfolio since the last report.

Next Steps

With the grants department now fully staffed, this reporting will resume on a regular quarterly schedule commencing in May.

Prepared by: Tom Schamber, Director, Grants

Approved by: Paul Hubler, Chief Strategy Officer

Attachment(s)

[Appendix A - Grant Activity Summary - Federal](#)

[Appendix B - Grant Activity Summary - State](#)

[Appendix C - Grant Activity Summary - Regional](#)