

**Metropolitan Transportation Commission
Policy Advisory Council**

April 14, 2021

Agenda Item 8

COVID Relief Package—American Rescue Plan

- Subject:** Overview of the American Rescue Plan and its impact on the region.
- Background:** On March 11, 2021 President Biden signed into law the American Rescue Plan Act of 2021, a wide-ranging \$1.9 trillion coronavirus relief package that includes a new infusion of state and local aid, another round of much-needed transit emergency relief, and additional housing assistance. The transportation, housing and local assistance provisions of the package are described in the attachments to this memo.
- Staff will provide an overview of the relief package at your April 14, 2021 meeting, with a focus on Bay Area impacts.
- Attachments:** Attachment A: Coronavirus Relief Package as of March 1, 2021
Attachment B: American Rescue Plan Act of 2021 - MTC Staff Summary of Transit Provisions

**Coronavirus Relief Package
American Rescue Plan Act Summary
As of March 1, 2021**

Yesterday Congress approved the American Rescue Plan Act of 2021, a wide-ranging \$1.9 trillion coronavirus relief package that includes a new infusion of state and local aid, another round of much-needed transit emergency relief, and additional housing assistance. President Biden signed the bill into law today, March 11.

The transportation, housing and local assistance provisions of the package are described below.

State and Local Assistance

The American Rescue Plan Act of 2021 includes \$350 billion in direct state and local aid, of which California’s share is an estimated \$42 billion (\$26 billion in state aid and \$15 billion for local governments). As shown in the chart below, Bay Area cities and counties would receive an estimated \$3.3 billion in local assistance, which would be distributed via population to counties and to cities and towns via a modified Community Development Block Grant formula. Of note, the House proposal would address the concerns raised by smaller local governments following the 2020 CARES Act – every local government, regardless of size, would receive local assistance via formula; and fund eligibility would be very broad, including uses to replace revenue lost, delayed or decreased as a result of the pandemic. Additionally, the bill provides states \$10 billion to cover COVID-related capital expenses to enable work, education and health monitoring.

Individual Bay Area city and county aid estimates are listed in Attachment A.

Bay Area Local Assistance Estimated Aid from 2021 House Coronavirus Relief Package (\$ in millions)	
Counties	\$ 1,501
Cities over 50,000 in Population	\$ 1,477
Cities and Towns Under 50,000 in Population	\$ 293
Total*	\$ 3,272

Source: MTC analysis of House Oversight and Reform Committee allocation estimates

*Totals may not add up due to rounding.

Transit Emergency Relief

Another influx of transit relief — \$30.5 billion — is included in the American Rescue Plan of 2021, which would bring the federal transit COVID relief total to \$69.5 billion, nearly 15 percent more than the entire transit budget from the 5-year FAST Act. This indicates just how devastating the pandemic has been to transit operators’ budgets and the importance Congress is placing on preserving transit service through the rest of the pandemic and into the economic recovery. We estimate that the proposal would provide the Bay Area with approximately \$1.7 billion in formula funding, a portion of which is expected to flow to every urbanized area in the region. In addition, the package would provide an estimated \$162 million for Caltrain Electrification (\$52 million), BART Transbay Core Capacity (\$87 million), and the Central Subway (\$23 million), and would include the opportunity to apply for \$2.2 billion in other emergency relief funds.¹

¹ Project-specific funding amounts are unofficial estimates from Eno Transportation Weekly’s Week of March 1, 2021 publication. Official Federal Transit Administration runs are pending.

Formula Funds

We estimate that each Bay Area urbanized area would receive funds under the large formula pot, which comprises \$26 billion of the total amount. As a reminder, the last coronavirus relief bill capped COVID relief funding to urbanized areas at the equivalent of 75 percent of their 2018 operating expenses, which limited the Bay Area’s qualifying urbanized areas to San Francisco-Oakland, San Jose and Santa Rosa. This bill would raise that cap from 75 percent of 2018 operating costs to 132 percent, which would be a substantial boost for most of the region’s urbanized areas. Even urbanized areas that already exceed the cap (Vacaville, Gilroy-Morgan Hill and Livermore), would receive a boost equal to 25 percent of 2018 operating costs.

Bay Area Transit Emergency Relief Estimated Aid from 2021 House Coronavirus Relief Package (\$ in millions)	
Urbanized Area	New Funds
San Francisco-Oakland, CA	\$1,250
San Jose, CA	\$259
Concord, CA	\$96
Santa Rosa, CA	\$28
Antioch, CA	\$26
Vallejo, CA	\$7
Napa, CA	\$4
Fairfield, CA	\$3
Petaluma, CA	\$2
Vacaville, CA	\$0.8
Gilroy-Morgan Hill, CA	\$0.7
Livermore, CA	\$0.5
Total*	\$1,677

*Totals may not add up due to rounding

Housing and Homelessness

With regard to housing, the coronavirus aid package includes \$40 billion in relief for renters, people who are experiencing homelessness, and homeowners. These funds would be distributed as follows:

- \$27.4 billion to provide emergency rental and utility assistance. The vast majority of this funding (\$21.6 billion) would be allocated by the Department of Treasury to states and local governments to help stabilize renters during the pandemic and to help rental property owners of all sizes continue covering their costs.
- \$5 billion in homelessness assistance to be distributed to state and local governments through the HOME program formula.
- \$10 billion in homeowner assistance funding for states, territories and tribes to provide direct assistance with mortgage payments, property taxes and insurance, utilities and other housing-related costs.

American Rescue Plan Act of 2021 - MTC Staff Summary of Transit Provisions
American Rescue Plan Act Summary
March 16, 2021

On March 11th President Biden signed into law the American Rescue Plan Act of 2021 (ARP), a wide-ranging \$1.9 trillion coronavirus relief package that includes a new infusion of state and local aid, another round of much-needed transit emergency relief, and additional housing assistance, among other provisions. The transit components of the package are described below.

Transit Emergency Relief

Another influx of transit relief — \$30.5 billion — is included in the American Rescue Plan of 2021, which would bring the federal transit COVID relief total to \$69.5 billion, nearly 15 percent more than the entire transit budget from the 5-year FAST Act. This indicates just how devastating the pandemic has been to transit operators’ budgets and the importance Congress is placing on preserving transit service through the rest of the pandemic and into the economic recovery. As shown in the chart below, the package provides the Bay Area with approximately \$1.7 billion in formula funding, a portion of which is expected to flow to every urbanized area (UZA) in the region. In addition, the package provides \$162 million for Caltrain Electrification (\$52 million), BART Transbay Core Capacity (\$87 million), and the Central Subway (\$23 million), and includes the opportunity to apply for \$2.2 billion in other emergency relief funds.¹ Additional details are provided on the following page.

Bay Area’s Share of ARP Transit Funds (\$ in millions)			
Funding Category	National	Bay Area	Notes
Urban Formula Funds (5307)	\$26,087	\$1,677	See page 2 for details.
Capital Investment Grants New Starts/Core Capacity	\$1,425	\$162	See above for project list.
Capital Investment Grants Small Starts	\$250	\$ -	No Bay Area projects qualify
Rural Formula Funds (5311)	\$317	\$1.5 (estimated)	Estimate assumes Bay Area would receive 5.4% of the state's \$27 million share, consistent with previous year’s 5311 allocations
Enhanced Mobility of Seniors & Individuals with Disabilities (5310)	\$50	\$1 (estimated)	Large UZAs to receive about \$1 million, small UZAs and non-UZAs will receive portion of state's \$1.4 million.
Operating Assistance Grants	\$2,207	TBD	Funds awarded based on level of additional financial need.
Other (private bus, planning)	\$125	TBD	\$25 million reserved for service restoration planning
Total	\$30,461	\$1,842	

Source: MTC staff analysis of [Federal Transit Administration American Rescue Plan Act of 2021 Apportionments and Allocations](#)

¹ Project-specific funding amounts are unofficial estimates from Eno Transportation Weekly’s Week of March 1, 2021 publication. Official Federal Transit Administration runs are pending.

Formula Funds

We estimate that each Bay Area urbanized area would receive funds under the large urbanized area formula pot, which comprises \$26 billion of the total amount. As a reminder, the last coronavirus relief bill capped COVID relief funding to urbanized areas at the equivalent of 75 percent of their 2018 operating expenses, which limited the Bay Area’s qualifying urbanized areas to San Francisco-Oakland, San Jose and Santa Rosa. This bill would raise that cap from 75 percent of 2018 operating costs to 132 percent, which would be a substantial boost for most of the region’s urbanized areas. Even urbanized areas that already exceed the cap (Vacaville, Gilroy-Morgan Hill and Livermore), would receive a boost equal to 25 percent of 2018 operating costs.

Bay Area Urbanized Area Formula Aid (\$ in millions)	
Urbanized Area	ARP Funds
San Francisco-Oakland, CA	\$1,250
San Jose, CA	\$259
Concord, CA	\$96
Santa Rosa, CA	\$27
Antioch, CA	\$26
Vallejo, CA	\$7
Napa, CA	\$4
Fairfield, CA	\$3
Petaluma, CA	\$2
Vacaville, CA	\$0.8
Gilroy-Morgan Hill, CA	\$0.7
Livermore, CA	\$0.5
Total*	\$1,677

*Totals may not add due to rounding

The bill provides \$317 million nationwide for rural area formula grants and \$50 million in Enhanced Mobility for Seniors and Individuals with Disabilities (Section 5310) formula grants; we estimate Bay Area transit operators’ shares will be approximately \$1.5 million and \$1 million, respectively.

Discretionary Operating Assistance Grants

The Federal Transit Administration (FTA) is authorized to award an additional \$2.21 billion in operating assistance grants to transit operators who, because of COVID-19, require additional assistance for costs related to operations, personnel, cleaning, sanitization, and debt service payments incurred to maintain operations and avoid layoffs and furloughs. Applicants must provide:

- 1) Estimates of financial need;
- 2) Data on reductions in farebox or other local revenue;
- 3) A spending plan for such funds; and
- 4) Demonstration of expenditure of more than 90 percent of COVID-19 funds available to the applicant in fiscal year 2020 (i.e., the CARES Act).

FTA must evaluate grant requests based on the level of demonstrated financial need, including future financial need to maintain service as a percentage of 2018 operating costs that has not been replaced by the emergency COVID aid operators received via formula (ARP, CARES Act and CRRSAA). The bill requires FTA to issue a Notice of Funding Opportunity for these operating assistance grants by mid-September, 2021 (within 180 days of the date of enactment of the bill, which was March 11th) and issue awards no later than January 2022.