



**Metro**

Metropolitan Transportation Authority

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Los Angeles, CA 90012-2952

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**PLANNING AND PROGRAMMING COMMITTEE  
JANUARY 18, 2006**

**SUBJECT: DESIGNATED RECIPIENT OF FEDERAL URBANIZED AREA  
FORMULA FUNDS FOR SANTA CLARITA URBANIZED AREA**

**ACTION: ADOPT RESOLUTION APPROVING METRO AS DESIGNATED  
RECIPIENT FOR SANTA CLARITA URBANIZED AREA**

**RECOMMENDATION**

Adopt the attached resolution approving the Los Angeles County Metropolitan Transportation Authority (Metro) as the designated recipient to receive and dispense federal Section 5307 Urbanized Area Formula Funds for the Santa Clarita Urbanized Area (UZA).

**ISSUE**

In previous federal funding authorizations, the State of California Department of Transportation (Caltrans), on behalf of the Governor, served as the designated recipient to receive and dispense federal Section 5307 Urbanized Area Formula Funds for the Santa Clarita UZA. However, Caltrans recently has notified the Federal Transit Administration (FTA) of its intent to permanently delegate this designated recipient status to the Southern California Association of Governments (SCAG). SCAG, in turn, has recommended that it would be more efficient for Metro to administer the program.

**POLICY IMPLICATIONS**

Designated recipients are authorized to program and disperse federal Section 5307 Urbanized Area Formula Funds. The role of designated recipient also includes preparing a Long Range Transportation Plan, a task that Metro already undertakes for Los Angeles County. To this end, the recommended action of identifying Metro as the designated recipient for the Santa Clarita UZA would continue to foster an effective planning process that ensures connectivity between modes, reduces access disadvantages experienced by modal systems, and promotes efficient overall transportation investment strategies.

## **OPTIONS**

The Board of Directors has two basic options available, as follows:

1. Adopt a resolution approving Metro as the designated recipient.
2. Decline to serve as the designated recipient.

Caltrans, SCAG and Metro are the only agencies that may reasonably be considered to serve as designated recipient for the Santa Clarita UZA. However, as Caltrans is disengaging from the Small-UZA Section 5307 program and SCAG, for reasons identified in the Background section of this report, has recommended that it would be more efficient for Metro to administer the program, Option 2 is not recommended. Further, as no Urbanized Area Formula Funds may be programmed or dispersed within a UZA until a designated recipient is in place, Option 2 is also undesirable as it could delay the delivery of services and programs to the Santa Clarita area. Thus, adopting a resolution approving Metro as the designated recipient for the Santa Clarita UZA remains the preferable alternative.

## **FINANCIAL IMPACT**

Approval of the recommended action would neither decrease Metro revenues nor increase Metro expenditures. As such, the recommended action would have no adverse financial impact on Metro or Los Angeles County. We will use existing staff and budgetary allocations to address all necessary activities for the recommended action.

## **BACKGROUND**

According to the provisions of 49 U.S.C. 5303-5306, in urbanized areas over 200,000 population, a designated recipient must be established by a consensus of the Governor, responsible elected officials, and publicly owned operators of mass transportation systems to receive and dispense federal Section 5307 Urbanized Area Formula Funds for the area. In Los Angeles County, SCAG has traditionally held this designation. For Small-UZA (under 200,000 population) areas, the Governor (i.e., Caltrans) is the designated recipient for federal Urbanized Areas Formula Funds throughout California.

On May 1, 2002, the Bureau of the Census released the UZA designations for the 2000 Census. The 2000 Census identified the Santa Clarita area as a Small-UZA for which Caltrans would serve as the designated recipient.

### **Caltrans Pilot Program**

At its October 2003, Section 5307 Small-UZA annual meeting, Caltrans announced a two-year pilot program to transfer designated recipient status to Transportation Planning Agencies (TPAs). Four TPAs participated in the pilot and became the designated recipients for Small-UZAs within their planning areas, as follows:

Transportation Planning Agency	Urbanized Area
Merced County Association of Governments	Merced
Metropolitan Transportation Commission	Fairfield, Gilroy/Morgan Hill, Livermore, Napa, Petaluma, Vacaville, Vallejo
San Joaquin Council of Governments	Manteca, Tracy
Ventura County Transportation Commission	Camarillo, Oxnard, Thousand Oaks, Simi Valley

A follow-up Caltrans survey of the pilot participants, both TPAs and transit operators, found that the pilot program streamlined the grant application process enough so as to recommend its continuation.

**BT&H Recommendation**

In June 2004, the State of California’s Business, Transportation and Housing Agency (BT&H) launched a Performance Improvement Initiative (PIT) to improve efficiency of operations for departments under its purview. One of the PIT recommendations for Caltrans was to delegate the administration of the Section 5307 Urban Area Formula Funds program for Small-UZAs. Consequently, BT&H declared that Caltrans should be delegating the administration of the Urbanized Area Formula Funds program for Small-UZAs to TPAs throughout the state to streamline the program.

Therefore, consistent with the PIT recommendation and subsequent success of the pilot program, Caltrans decided to permanently delegate the administration of its Section 5307 program for Small-UZAs to TPAs that are legislatively authorized to program and administer funds for public transportation projects. Caltrans anticipated that transferring the administration of the Section 5307 Governor’s apportionment for Small-UZAs would facilitate continuous, cooperative and comprehensive transit services to the regions.

**Caltrans and SCAG Developments**

Caltrans has notified the FTA of its intent to permanently delegate designated recipient status for its Small-UZAs Section 5307 program to TPAs. To begin this process for the Santa Clarita UZA, Caltrans initially sought to delegate designated recipient status to SCAG, the Metropolitan Planning Agency (MPO) for Los Angeles County. However, subsequent to receiving this request, SCAG determined that it would be more conducive for Metro to assume the role.

The SCAG position on this matter is predicated on the fact that Metro is the only other eligible regional transportation planning and programming agency within Los Angeles County with the expertise and resources to administer Section 5307 Urbanized Area Formula Funds. Metro also is already monitoring all Urbanized Area Formula Funds within Los Angeles County and reviewing all transit operator FTA grant applications in cooperation with the FTA. In Fiscal Year 2005, this entailed the monitoring of \$197 million for the

Los Angeles UZA and \$2.5 million for the Santa Clarita UZA. Additionally, we have contacted Santa Clarita Transit officials regarding SCAG's position and they have not objected. Accordingly, SCAG has recommended that Metro serve as designated recipient for the Santa Clarita UZA.

Considering the planning requirements contained within 49 U.S.C. 5303-5306, as well as the rationale that Caltrans and SCAG have established for delegation, we concur that Metro should be named designated recipient for the Santa Clarita UZA. To facilitate this, we have drafted the attached resolution for the Board of Directors to consider, approve and adopt.

#### NEXT STEPS

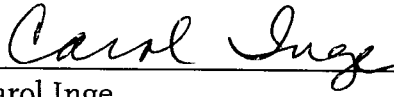
1. Upon Board approval and adoption of the accompanying resolution, we will submit the required documentation to Caltrans to implement the Board's action.

#### ATTACHMENTS

- A. Board Resolution Approving Metro as Designated Recipient
- B. SCAG Letter of Support

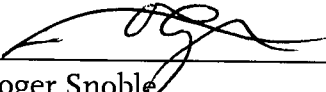
Prepared by: Steve Henley/Gladys Lowe, Regional Program Management

Frank Flores, Deputy Executive Officer  
Programming and Policy Analysis



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Carol Inge  
Interim Chief Planning Officer



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Roger Snoble  
Chief Executive Officer



Resolution No. \_\_\_\_\_

**RESOLUTION APPROVING THAT THE  
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BE  
IDENTIFIED AS THE DESIGNATED RECIPIENT OF FEDERAL URBANIZED AREA  
FORMULA FUNDS FOR THE SANTA CLARITA URBANIZED AREA**

**WHEREAS**, On May 1, 2002, the Bureau of the Census released the urbanized area (UZA) designations for the 2000 Census; and

**WHEREAS**, the Federal Transit Administration (FTA) uses this data to allocate federal funds from its Section 5307 Urbanized Area Formula Fund program; and

**WHEREAS**, the Santa Clarita area, under the 2000 Census, was identified as a Small-UZA of 200,000 population; and

**WHEREAS**, Caltrans, on behalf of the Governor, serves as the designated recipient for the purposes of receiving and dispensing FTA Section 5307 Urbanized Area Formula Funds; and

**WHEREAS**, in an effort to streamline the administration of the Small-UZA Section 5307 program, Caltrans is permanently delegating the administration of the program to Transportation Planning Agencies (TPAs); and

**WHEREAS**, federal regulations require that a statewide or regional agency responsible under state law for financing, construction, or operating directly, by lease, contract, or otherwise of public transit services be named as the designated recipient for the purposes of receiving and dispensing FTA Section 5307 Urbanized Area Formula Funds in accordance with the provisions of 49 U.S.C. 5303-5306; and

**WHEREAS**, the Southern California Association of Governments (SCAG) and the Los Angeles County Metropolitan Transportation Authority (Metro) are currently the only agencies within Los Angeles County qualified to serve as the designated recipient for FTA Section 5307 Urbanized Area Formula Funds for the areas of Los Angeles County; and

**WHEREAS**, SCAG and Metro have agreed that it would be more practical and efficient for Metro to serve as the designated recipient for the Santa Clarita UZA; and

**WHEREAS**, the naming of Metro as the designated recipient of FTA Section 5307 Urbanized Area Formula Funds for the Santa Clarita UZA would ensure the continued delivery of service to the Santa Clarita areas and foster an effective planning process that ensures connectivity between modes, reduces access disadvantages experienced by modal systems, and the promotion of efficient overall transportation investment strategies.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority that:

1. The Board of Directors approves Metro to be declared the designated recipient for FTA Section 5307 Urbanized Area Formula Funds for the Santa Clarita UZA.
2. The Chief Executive Officer or the Chief Executive Officer's Designee is authorized to execute and file FTA grant applications, agreements and contracts on behalf of Metro to fulfill the responsibilities of designated recipient, hereunder.

### **CERTIFICATION**

The undersigned, duly qualified and acting as the Board Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on Thursday, January 26, 2006.

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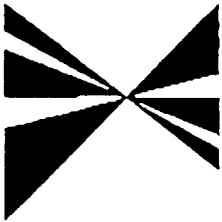
MICHELE JACKSON  
Metro Board Secretary

DATED:

(SEAL)

ATTACHMENT B

SOUTHERN CALIFORNIA



ASSOCIATION of GOVERNMENTS

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Brea - Lou Burke, Tustin - Ari Brown, Buena Park  
- Richard Chavez, Anaheim - Debbie Cook,  
Huntington Beach - Cathryn DeYoung, Laguna  
Niguel - Richard Dixon, Lake Forest - Marilyn  
Poe, Los Alamitos - Tod Ruzemny, Newport  
Beach

Riverside County: Jeff Stone, Riverside County -  
Thomas Buckley, Lake Elsinore - Bonnie  
Flukinger, Moreno Valley - Ron Lovelidge,  
Riverside - Greg Pettis, Cathedral City - Ron  
Roberts, Temecula

San Bernardino County: Gary Ovit, San  
Bernardino County - Lawrence Dahn, Burbank -  
Paul Calton, Montclair - Lee Ann Garcia, Grand  
Terrace - Tim Jasper, Town of Apple Valley - Jerry  
McCullon, Highland - Deborah Robertson, Rialto  
- Alan Wapner, Ontario

Ventura County: Judy Milkeis, Ventura County -  
Glen Herrera, Simi Valley - Carl Morehouse, San  
Juan Bautista - Toni Young, Port Hueneme

Orange County Transportation Authority: Lou  
Correa, County of Orange

Riverside County Transportation Commission:  
Robert Lowe, Hemet

Ventura County Transportation Commission:  
Keith Millhouse, Moorpark

November 14, 2005

Ms. LaKeda Johnson  
Department of Transportation  
Division of Mass Transportation  
P.O. Box 942874  
Sacramento, CA 94274-0001

RE: Letter of Support

Dear Ms. Johnson:

The Southern California Association of Governments (SCAG), as the  
Metropolitan Planning Organization for the SCAG region, supports the  
permanent delegation of designated recipient status to the agency identified  
below to administer the Federal Transit Administration Section 5307  
Program for the specified small urbanized area in their planning area:

**Los Angeles County Metropolitan Transportation Authority- Santa  
Clarita Urbanized Area**

Should you require additional information, please contact Rosemary Ayala of  
my staff at (213) 236-1927.

Sincerely,

Mark A. Pisano  
Executive Director

cc: Roger Snoble, Metro  
Gladys Lowe, Metro

