



Board Report

File #: 2019-0461, File Type: Program

Agenda Number: 13.

PLANNING AND PROGRAMMING COMMITTEE JULY 17, 2019

SUBJECT: COUNTYWIDE CALL FOR PROJECTS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECERTIFYING \$75.2 million in existing Fiscal Year (FY) 2019-20 commitments from previously approved Countywide Call for Projects (Call) and AUTHORIZING the expenditure of funds to meet these commitments as shown in Attachment A;
- B. DEOBLIGATING \$12.3 million of previously approved Call funding, as shown in Attachment B, ALLOCATING \$11 million to fulfill the countywide light rail yard cost allocation commitment and hold the remaining \$1.3 million in RESERVE;
- C. AUTHORIZING the CEO to:
 - 1. Negotiate and execute all necessary agreements and/or amendments for previously awarded projects; and
 - 2. Amend the FY 2019-20 budget, as necessary, to include the 2019 Countywide Call Recertification and Extension funding in the Subsidies budget;
- D. APPROVING changes to the scope of work for:
 - 1. City of Burbank - San Fernando Bikeway (#F1502);
 - 2. City of Los Angeles - LADOT Streets for People: Parklets and Plazas (#F7814);
 - 3. City of Long Beach - 1st Street Pedestrian Gallery (#F9628);
 - 4. City of San Fernando - San Fernando Pacoima Wash Bike Path (#F1505);
 - 5. City of South El Monte - Civic Center and Interjurisdictional Bicycle Lanes (#F5516); and
- E. RECEIVING AND FILING:
 - 1. Time extensions for 63 projects shown in Attachment D;
 - 2. Reprogramming for eight projects shown in Attachment E; and
 - 3. Update on future countywide Call considerations

ISSUE

Each year the Board must recertify funding for projects that were approved through prior Calls in

order to release the funds to the project sponsors. The Board must also approve the deobligation of lapsing project funds after providing project sponsors with the opportunity to appeal staff's preliminary deobligation recommendations to Metro's Technical Advisory Committee (TAC). The Board must also receive and file the extensions and reprogrammed funds granted through previously delegated Board authority.

DISCUSSION

The Call process implements Metro's multi-modal programming priorities and implements the adopted Long Range Transportation Plan (LRTP). The 2019 Call Recertification and Deobligation process reinforces the annual authorization and timely use of funds policies. Specifically, Board policy calls for consideration of deobligation of funding from project sponsors who have not met lapsing deadlines, have not used the entire grant amount to complete the project (project savings) or have formally notified Metro that they no longer wish to proceed with the project (cancellation).

Technical Advisory Committee (TAC) Appeals

On June 5, 2019, TAC heard sponsor appeals on the deobligation of funding from 13 projects (Attachment F). TAC recommended one-year extensions with certain reporting conditions on all appeals. Staff concurs with these recommendations. Therefore, no projects would involuntarily lose funding due to the lapsing schedule and would have the timeline to completion lengthened under this proposed Board action.

Additionally, all proposed deobligated funds included in Attachment B are due primarily to project savings or cancellation requested by the project sponsors and would not be involuntarily deobligated by this proposed Board action, as further described in the attachment. The TAC reviewed and concurs with this recommendation.

Future Countywide Call Considerations

The Call process was initiated in the early 1990s and has changed significantly in its policy emphasis over the years, as has the environment for transportation investments that were underwritten by Call-related funding in the past. Specifically, levels of anticipated available funding have markedly changed. In August 2016, any future Call programming was put on hold due to the pending outcome of the Measure M ballot initiative and the update of the LRTP.

The latest 2015 Call cycle programmed funding through FY 2020-21. These commitments remain. Metro staff completed assessments of the past and current recipient performance in project delivery (2007 to 2015 Call cycles), see table 1 below. There are approximately 289 active and/or upcoming Call projects totaling \$575 million, yet to be fully implemented. Staff believes the most prudent course is to continue deferring future considerations of the Call until completion of the next LRTP, to better align to the priorities set forth in the plan. Given that there are still more than half billion dollars of programmed funds not yet expended or obligated, staff will focus on working with the project sponsors in expediting the delivery of those projects.

Table 1 - Active and Upcoming Call for Projects as of May 31, 2019

Cycle	# of Awarded Projects	Programming Years	Total Programmed Amount (\$000')	# of Active/Upcoming Projects	Remaining Balance (\$000')
2007 Call	169	FY08 - FY13	\$ 454,520	40	\$ 65,459
2009 Call	133	FY12 - FY15	337,551	61	132,537
2011 Call	72	FY15 - FY17	123,516	41	56,686
2013 Call	96	FY15 - FY19	199,390	68	137,454
2015 Call	88	FY17 - FY21	201,923	79	183,099
	558		\$ 1,316,900	289	\$ 575,235

Equity Platform

Consistent with Metro's Equity Platform, projects funded under Call are inherently intended to improve equity by increasing access to opportunity. Metro staff will be actively working with the jurisdictions to ensure delivery of those projects.

DETERMINATION OF SAFETY IMPACT

The 2019 Call Recertification and Deobligation will not have any adverse safety impacts on Metro's employees or patrons.

FINANCIAL IMPACT

The amount of \$55.3 million is included in the FY 2019-20 Adopted Budget in Cost Centers 0441 (Subsidies to Others) and 0442 (Highway Subsidies) for the Countywide Call. Since these are multi-year projects, the cost center managers, Chief Planning Officer and Chief Program Management Officer will be responsible for budgeting in future years.

Impact to Budget

The sources of funds for these activities are Proposition C 25%, State Repayment of Capital Project Loan Funds, Congestion Mitigation and Air Quality (CMAQ), and Regional Surface Transportation Program (RSTP). The Proposition C 25% funds are not eligible for Metro bus and rail operating and capital expenditures.

CMAQ funds can be used for both transit operating and capital. However, there are no additional operating expenses that are eligible for CMAQ funding. Los Angeles County must strive to fully obligate its share of CMAQ funding by May 1 of each year, otherwise it risks its redirection to other California Regional Transportation Planning Agencies by Caltrans. Staff recommends the use of long

lead-time CMAQ funds as planned to insure utilizing Metro's federal funds.

RSTP funds in this action could be used for Metro's transit capital needs. Also, while these funds cannot be used directly for Metro's bus or rail operating needs, these funds could free up other such eligible funds by exchanging the funds used for Metro's paratransit provider, Access Services Incorporated. Since these RSTP funds originate in the Highway portion (Title 23) of MAP-21, they are among the most flexible funds available to Metro and are very useful in meeting Call projects' requirements.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports the following goals of the Metro Vision 2028 Strategic Plan:

Goal 1: Provide high-quality mobility options that enable people to spend less time traveling by alleviating the current operational deficiencies and improving mobility along the projects.

Goal 4: Transform LA County through regional collaboration with the subregions and local jurisdictions in implementation of the projects.

ALTERNATIVES CONSIDERED

The Board could cancel all or some of the FY 2019-20 funding commitments rather than authorize their continued expenditures. This would be a change to the previous Board-approved Countywide Calls programming commitments and would disrupt ongoing projects that received multi-year funding.

With respect to deobligations, the Board could choose to deobligate funds from one or more project sponsors whose projects are beyond the lapse dates and are not moving forward consistent with the adopted Revised Lapsing Policy rather than extending the deadlines. A much stricter interpretation of the Revised Lapsing Policy might encourage project sponsors in general to deliver them in a more timely fashion. However, this would be disruptive to the process of delivering the specific projects currently underway, many of which are now very close to being delivered. On balance, the appeals process between the project sponsors and the Metro TAC is a significant reminder to project sponsors that these funded projects should not be further delayed to ensure policy objectives are achieved in expending the funds as intended by the Call program.

NEXT STEPS

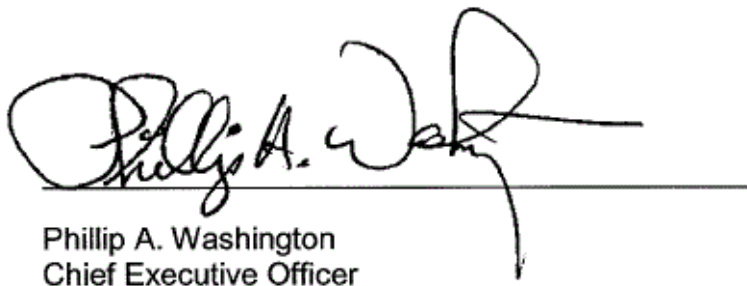
With Board approval of the 2019 Countywide Call Recertification, Deobligation and Extension process, project sponsors will be notified and Funding Agreements (FAs) and Letters of Agreement (LOAs) will be executed with those who have received their first year of funding through the Recertification process. Amendments to existing FAs and LOAs will be completed for those sponsors receiving time extensions. Project sponsors whose funds are being deobligated will be formally notified of the Board action as well as those receiving date certain time extension deadlines for executing their agreements.

ATTACHMENTS

- Attachment A - FY 2018-19 Countywide Call Recertification
- Attachment B - FY 2017-18 Countywide Call Deobligation
- Attachment C - Background/Discussion of Each Recommendation
- Attachment D - FY 2017-18 Countywide Call Extensions
- Attachment E - FY 2017-18 Countywide Call Reprogramming
- Attachment F - Result of TAC Appeals Process

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