



Transit & Intercity Rail Capital Program

GENERAL FUND AUGMENTATION

Cycle 6 (FY 2022-23)



Metro

Executive Management Committee

November 17, 2022

AB 180/SB 198: An Unprecedented TIRCP Grant Opportunity

Combined, AB 180 and SB 198 provide potentially \$8 B statewide for TIRCP and other related programs.

Focus for this presentation: TIRCP Cycle 6, which provides one-time supplemental funding for Existing TIRCP Projects Leveraging Federal and Local Funds.

Cycle 6 Funding Capacity:

- \$900 M - \$1.35 B for "Existing TIRCP Projects" in Southern California
 - This is CalSTA's published target range – could go as high as \$1.68 B

SB 198 funds, if approved, could provide another **\$1 B** in funds for LA Metro to include in our cashflow assumptions for Cycle 6 programmatic application.

Potential total funding opportunity of **\$2.68 B** for Metro projects that have already received TIRCP funds and require supplemental funds to be implemented.

CalSTA FY 22-23 TIRCP Cycle 6

TIRCP Cycle 6 is an unprecedented program – first time CalSTA is providing supplemental TIRCP funding for projects previously awarded a grant in Cycles 1-4.

Purpose: to (a) **maintain** or (b) **leverage** an identified source of significant local or federal funds.

- **“Maintaining” funding:** Projects that are under construction and will lose access to committed federal funds unless additional non-federal funds are identified. Also includes retaining access to local funds committed to a portion of the project not yet fully funded.
- **“Leveraging” funding:** Projects that need additional state funds to receive a **future** federal or local funding commitment.

****Funds must be fully encumbered and liquidated by June 30, 2027.****

Guidelines: Other Key Elements

- Applicants for “Existing TIRCP Projects” must be the same as those that submitted the original TIRCP application.
- Applicants submitting multiple applications or a program of projects for the "Existing TIRCP Projects" category must prioritize their projects.
- Only cost estimates approved by the Chief Executive Officer or other authorized officer of the implementing agency should be used.
- TIRCP funds cannot be used to supplant other committed funds.
- Construction readiness is vital. Most highly rated projects will have an approved environmental document.
- Applicants encouraged to identify role potential FY 2023-24/2024-25 SB 198 funding could play to address a portion of funding request.

Metro's Nov. 7th Comments on the TIRCP Cycle 6 Guidelines

- 1) **Allow Metro to include multi-cycle funding plans for Cycle 6 that also include TIRCP formula funding to be appropriated (potentially) in FY 23-24 and FY 24-25.**
 - Language included that CalSTA encourages the identification of “what role the expected FY23-24 and FY24-25 funding identified in SB 198...could play in addressing a portion of the need for existing project funding, and how the use of such funds would apply to the funding proposal”.
- 2) **For “Existing TIRCP Projects” seeking to leverage federal or local funds, expand eligibility from only projects seeking to leverage future federal or local funds to include projects with previous funding commitments for prior segments of the overall project from local revenue measures adopted by Self-Help Counties.**
 - New language added that “maintaining funding also includes retaining access to local funds committed to a portion of the project that is not yet fully funded”.

Metro's Nov. 7th Comments on the TIRCP Cycle 6 Guidelines

- 3) **Allow as much flexibility as is needed to encumber and liquidate awarded Cycle 6 TIRCP funds before the June 30, 2027, statutory deadline.**
 - New language added that allows cash flow proposals to “include re-timing the already awarded TIRCP funds to enable prompt use of General Fund monies” that could allow for “match funding or non-General Fund TIRCP funding” to be utilized after the 2027 deadline.
- 4) **Prioritize applicants for TIRCP Cycle 6 awards that demonstrate a commitment to workforce development and small business opportunities by identifying inclusive procurement programs.**
 - While new language was not added, the guidelines recognize as a competitive evaluation criterion under project benefits the way in which a project will “provide employment and workforce development and training benefits to the community, particularly to priority populations.”

Funding Opportunity available for LA County

| Source | Set-Aside Funding Categories | Funding Capacity | Application Deadline |
|--------|---|--|-------------------------|
| AB 180 | Existing TIRCP Projects Leveraging Federal and Local Funds Reserve (FY 2022-23) <i>*Remaining funds not allocated to “Existing” TIRCP Projects will be available for “New” TIRCP Projects.</i> | Up to \$1.68 B* Minimum \$900 M (So. Cal.) | Dec. 6, 2022 |
| | New TIRCP Projects (FY 2022-23) | Up to \$931 M (So. Cal.) | Feb. 10, 2023 |
| | Major Projects – Project Development Reserve (FY 2022-23) | Up to \$150 M (Statewide) | Feb. 10, 2023 |
| | High Priority Grade Crossing Improvement and Separation Projects (FY 2022-23) | \$350 M (Statewide) | Feb. 10, 2023 |
| SB 198 | FY 2023-24 TIRCP Formula (not guaranteed) | \$500 M (LA County) | <i>TBD</i> |
| | FY 2024-25 TIRCP Formula (not guaranteed) | \$500 M (LA County) | <i>TBD</i> |

Next Steps

For Existing TIRCP Projects

2022-23

- | | |
|---|-------------|
| • Applicant Submittal of Preliminary Information to CalSTA: | December 6 |
| • CalSTA Transmittal of Follow-Up Questions to Applicants: | December 20 |
| • Applicant Submittal of Answers to CalSTA Questions: | January 13 |
| • CalSTA Anticipated Announcement of Awards: | January 31 |

Additional AB 180 Programs – for future Board discussion and staff development

- ✓ New TIRCP Projects
- ✓ Major Projects – Project Development Reserve
- ✓ High Priority Grade Crossing Improvement & Separation Projects

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|--|-------------|
| • Project Applications Due: | February 10 |
| • CalSTA Anticipated Announcement of Awards: | April 24 |