



## Board Report

File #: 2022-0447, File Type: Program

Agenda Number: 5.

### PLANNING AND PROGRAMMING COMMITTEE AUGUST 17, 2022

**SUBJECT: COUNTYWIDE CALL FOR PROJECTS**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

- A. RECERTIFYING \$16.6 million in existing Fiscal Year (FY) 2022-23 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 \$0.65 million of previously approved Call funding, as shown in Attachment B, and hold in RESERVE;
- C. AUTHORIZING the Chief Executive Officer (CEO) or their designee to:
  - 1. negotiate and execute all necessary agreements and/or amendments for previously awarded projects; and
  - 2. amend the FY 2022-23 budget, as necessary, to include the 2022 Countywide Call Recertification and Extension funding in the Subsidies budget;
- D. APPROVING changes to the scope of work for:
  - 1. City of Bell - Florence Avenue Pedestrian Improvements (#F7634); and
- E. RECEIVING AND FILING:
  - 1. time extensions for 69 projects shown in Attachment D; and
  - 2. reprogram for five projects shown in Attachment E.

#### **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. The background and discussion of each of these recommendations can be found in

Attachment C.

## **BACKGROUND**

The Call, an existing competitive grant program dating back to the early 1990s, programs transportation funds to local jurisdictions for regionally significant projects that are often beyond the fiscal capabilities of local sponsors. The latest Call cycle, including all funding commitments and project scopes of work, was approved by the Metro Board in September 2015.

The Call process implements Metro's multi-modal programming priorities and the adopted Long Range Transportation Plan (LRTP). The 2022 Call Recertification and Deobligation process reinforces the annual authorization and timely use of funds policies. Specifically, Board policy calls for the consideration of deobligation of funding from project sponsors who have not met lapsing deadlines or have formally notified Metro that they no longer wish to proceed with the project (cancellation).

## **DISCUSSION**

### Technical Advisory Committee (TAC) Appeals

On June 1, 2022, TAC heard sponsor appeals on the deobligation of funding from five projects (Attachment F). TAC recommended one-year or two-year extensions with certain reporting conditions. 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 to project cancellation requested by the project sponsors and would not be involuntarily deobligated by this proposed Board action, as further described in the attachment.

### Active Call for Projects as of June 30, 2022

In August 2020 and July 2021, Metro staff reported the completed assessments of the past and current recipient performance in project delivery (2007 to 2015 Call cycles). We updated the table as of June 30, 2022 (see below). There are approximately 178 active and/or upcoming Call projects totaling \$385.2 million yet to be fully implemented. Since July 2021, project sponsors have completed 42 projects with total expenditures of \$55.3 million. Staff will continue working with the project sponsors to expedite those projects' delivery.

Cycle	# of Awarded Projects	Original Programming Years	Total Prog Amount (\$000')	# of Active/Upcoming Projects	Remaining Balance (\$000')
2007 Call	169	FY08 - FY13	\$ 454,520	26	\$ 51,023
2009 Call	133	FY12 - FY15	337,551	26	70,226
2011 Call	72	FY15 - FY17	123,516	21	35,118
2013 Call	96	FY15 - FY19	199,390	43	91,682
2015 Call	88	FY17 - FY21	201,923	62	137,150
	<b>558</b>		<b>\$1,316,900</b>	<b>178</b>	<b>\$385,199</b>

**DETERMINATION OF SAFETY IMPACT**

The 2022 Call Recertification and Deobligation will not have any adverse safety impacts on Metro’s employees or patrons.

**FINANCIAL IMPACT**

The amount of \$55.6 million is included in the FY 2022-23 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 and Chief Planning 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. 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.

**EQUITY PLATFORM**

The projects (and scopes) included in this action predate the Equity Platform (adopted in 2018). As

such, Equity Platform criteria were not included in the evaluation of these projects. However, the third pillar of the Equity Platform, “Focus and Deliver” is applicable to these community-driven projects. Given that no equity analysis occurred during the initial grant process, staff is now working to evaluate the equity impacts to the existing grants. The Equity Focus Communities (“EFCs”, adopted as part of the 2020 Long Range Transportation Plan, updated in May 2022 for equity evaluation) are being applied to all current Call grants to support the first pillar of the Equity Platform “Define and Measure.” Specifically, the EFCs are a mapping tool that have been added to the Call administration database since July 2021. The analysis of the EFC layer to the Call grants (within a 1-mile radius) provides information about the make-up of the communities being served by these projects. See Attachment G for details regarding the 85.9% of the remaining 178 projects in EFCs and other demographic details.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The 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 2022-23 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 thus ensuring policy objectives are achieved in expending the funds as intended by the Call program.

### **NEXT STEPS**

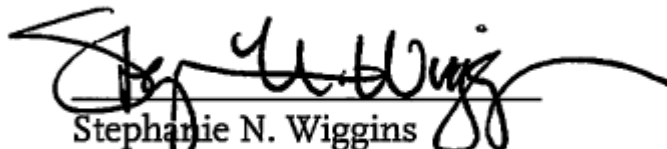
With Board approval of the 2022 Countywide Call Recertification, Deobligation and Extension process, project sponsors will be notified. Amendments to existing Funding Agreements and Letter of Agreements will be completed for those sponsors receiving time extensions. Project sponsors whose funds are being deobligated and those receiving date-certain time extension deadlines for executing their agreements will be formally notified of the Board action.

**ATTACHMENTS**

Attachment A - FY 2022-23 Countywide Call Recertification  
Attachment B - FY 2021-22 Countywide Call Deobligation  
Attachment C - Background/Discussion of Each Recommendation  
Attachment D - FY 2021-22 Countywide Call Extensions  
Attachment E - FY 2021-22 Countywide Call Reprogramming  
Attachment F - Result of TAC Appeals Process  
Attachment G - Call and Equity Focused Communities Map

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