



Board Report

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Agenda Number: 16.

**PLANNING AND PROGRAMMING COMMITTEE
JUNE 17, 2015**

SUBJECT: FUTURE CALL FOR PROJECTS PROCESS

ACTION: APPROVE RESTRUCTURING THE PROCESS

RECOMMENDATION

APPROVED the four recommendations detailed in Attachment A that address the following improvements to the **Call for Projects (Call) process for future Calls beyond 2015:**

- A. Strengthen Subregional Partnership in Countywide Call Process;
- B. Simplify and Improve the Call Process for Local Agencies;
- C. Strengthen Focus on Greenhouse Gas Reductions; and
- D. Maximize Funding Availability.

ISSUE

At its October 23, 2014 meeting, the Board directed staff to revise and improve future Calls and to return to the Board with an examination and recommendations on the possibility of converting the Call process into a new subregional, multi-modal subvention formula program (Motion 21, Attachment B). The motion further directed that as part of the examination and recommendations on changes to the Call process, that a survey be conducted to assess both the strengths and weaknesses of the process from cities, Council of Governments (COGs), and other stakeholders who both apply and do not apply for funding. Attachment C contains the survey results. This report recommends greater subregional involvement in the Call process to respond to the diversity of our subregions and their communities; a simplified and streamlined process for project applicants; a performance based, competitive, countywide process that meets Federal planning requirements, while aggressively working towards State greenhouse gas reduction targets; and leveraging other funding sources with the Call to the extent possible.

DISCUSSION

Background

The Call process was initiated in the early 1990s as a mechanism for programming federal funding sources created by the Intermodal Surface Transportation and Efficiency Act (ISTEA) and state sources created by the California Transportation Blueprint of 1990 which increased the state gas tax. Both state and federal programs provided a new flexibility that was not available in prior block grant programs. The Call established various program categories and appropriate fund sources were matched to those categories. The Call process instituted a countywide competitive process for local jurisdictions to compete for funding by proposing projects that respond to countywide Metro policy objectives established in our periodically updated planning documents. Agencies across the nation and around the world request copies of our application package to use as a model in developing their own competitive programming processes.

The Call is intrinsically linked to Metro's programming responsibilities. As the regional transportation planning agency for Los Angeles County, Metro has a statutory responsibility under state and federal laws for programming available local, state, and federal funding. The Call meets Metro's multi-modal programming responsibilities under State and Federal statutes, and projects approved by the Board are integrated, as appropriate into the Southern California Association of Governments' (SCAG) Regional Transportation Improvement Program (RTIP) and the California Transportation Commission's (CTC) State Transportation Improvement Program (STIP).

Policy Setting Advantages of the Call

The Call has changed significantly in its policy emphasis over the years. While in the early years of the Call, major highway projects were eligible for funding; this was discontinued as funding for specific highway projects was approved through the Long Range Transportation Plan. Over time, the Call has emphasized the development of various modal programs, including the countywide signal coordination program, the transportation demand management program, and in creating goods movement as a separate mode from the Regional Surface Transportation Improvements (RSTI) mode. Most recently, the Call has emphasized the active transportation program in response to the changing policies of the Board, SCAG, and the State and Federal Government.

For example, while bicycle and pedestrian projects were initially in one combined modal category, greater interest in these programs required separating bicycle and pedestrian projects into separate modes. Given greater project funding demands for a growing active transportation program, the Board directed that the Call increase bicycle funds by eight percent in the 2011 Call and pedestrian funding by 2.5 percent in the 2013 Call. This increase in Board support for active transportation modes has increased active transportation funding from 9.7 percent of Call funding in 1995 to 55.6 percent of Call funding in 2013. As such, the Call reflects the Board's support not only for mobility, but for projects that support the sustainability and the reduction of greenhouse gases, consistent with recent state legislation (AB 32, SB 375, and SB 743).

Call Process is a National Model

Today's Call is conducted every two years and consists of seven modes: RSTI, Goods Movement Improvements, Signal Synchronization & Bus Speed Improvements, Transportation Demand Management, Bicycle Improvements, Pedestrian Improvements and Transit Capital. The Call continues to be a competitive, countywide, needs based process based on evaluating six criteria:

regional significance and intermodal integration, first/last mile improvements, project need and benefit to the transportation system, local match, cost effectiveness, and land use and sustainability policies/principles.

Metro's Technical Advisory Committee (TAC) and Subcommittees play an instrumental role in the Call's initial application development and TAC serves as an Appeal panel making recommendations for staff's consideration in the review process. The Board established a reserve for TAC to consider funding worthy projects in addition to staff's recommendations. Recommendations on reserve projects come from TAC through the TAC Appeal process.

The 2015 Call currently underway has evolved from past Calls to underscore the Board's emphasis on complete street projects, active transportation, and first/last mile strategies. Future Calls will continue to enhance this direction and to integrate Metro's Complete Street Policy and other sustainability related plans and policies as adopted by the Board.

The Call is scrutinized for continual improvement and update through a "lessons learned" process. Upon the completion of each Call cycle, a survey is sent to the city managers, planning directors, and public works directors of each city; transit operators; TAC and its Subcommittees; and other transportation partners to look for areas of improvement in the process. This has been instrumental in improving the process, such as the introduction of on-line applications. The feedback that we have received in recent years has been very positive, with a 95 percent satisfaction rating.

An independent third-party audit of the 2013 Call process was conducted by Bazilio Cobb Associates (Certified Public Accountants) and was completed in June 2014. The report gave the Call process high marks, in particular, noting that the Call process is well organized, identifies clear goals (improve mobility, maximize person throughput, reduce vehicle miles traveled, and reduce greenhouse gas emissions), includes clear procedures, and has strong internal controls. The audit report states:

"These policies and procedures, combined with strong internal controls, a clearly defined organizational structure and roles, and common activity tracking tools provide for the efficient and effective distribution of Call funds.

As part of this audit, survey questionnaires were used to obtain feedback from grant recipients on the Call. The vast majority of grant recipients were satisfied with all aspects of the program."

Assessment of Call Process and Recommendations

The Board directed that as part of the examination and recommendations on changes to the Call process, that a survey be conducted to assess both the strengths and weaknesses of the process and that this information be considered the foundation for revising future Calls. Over 1000 surveys were sent in early November 2014 to city managers, public works directors, and city planning directors of each city and the county, as well as to transit agencies, subregional agencies/COGs, and other transportation partners. Out of the 1000 surveys distributed, only 34 responses were received.

From the few responses that were received, there was no clear recommendation to move from a countywide to a subregional Call process. Of the responses received from local jurisdictions, 12 local jurisdictions representing 55 percent of the county's population recommended keeping the current Call process, were neutral, or expressed no preference, while 13 local jurisdictions representing 11 percent of the county's population recommended a subregional Call process. Overall, 64 of 89 local jurisdictions provided no response.

While Motion 21 proposes converting the Call into a new subregional, multimodal subvention formula, federal planning regulations specifically do not allow formula subvention programs. The Federal Highway Administration previously notified Metro, in response to a similar past proposal, that a subregional subvention program is specifically prohibited by federal regulations and that "the planning process should be based on demonstrating needs and system performance, not on everyone getting a certain percentage of the funding." (see Attachment C). Staff has confirmed with FHWA that the requirements mentioned in their letter are still in force, remain unchanged in current federal planning regulations, and do not allow a subregional subvention program. This regulation applies to all Call modes. Other issues that create impediments to a subregional process include jurisdictions like the City and County of Los Angeles that would have to apply to multiple subregions for Call funding, and concerns that not all subregions have adequate staffing and expertise to execute the schedule-driven Call process in a timely and transparent manner.

While the limited survey responses did not demonstrate a significant demand for change of the overall Call process, the survey responses have led staff to recommend a significant restructuring of the countywide Call process as summarized in Attachment A. Attachment C also provides a detailed discussion of the Call assessment process and restructuring recommendations.

TAC CONSULTATION

At their June 3rd meeting, TAC met and was briefed on this future Call proposal. Considerable discussion ensued and comments by individual TAC members are summarized in Attachment D.

Much of TAC's discussion focused on Call implementation issues that would need to be addressed in parallel to any changes in the Call process adopted by the Board. The TAC adopted a motion to consider creating a sub-committee to further explore various Call technical implementation issues that will need to be addressed in a new Call process.

DETERMINATION OF SAFETY IMPACT

Modifying the future Call process will not have any adverse safety impacts on our employees and patrons.

FINANCIAL IMPACT

This action has no impact on Metro's adopted FY 2016 budget as it changes how applicants can compete in future Call processes. Funds for future Calls are included in the 2009 Long Range Transportation Plan and the 2014 Short Range Transportation Plan.

ALTERNATIVES CONSIDERED

The Board could choose to approve the recommended changes to the Call process, direct staff to develop an alternative Call process consistent with state and federal requirements, or discontinue the Call process and redirect funding to other regional priorities. The staff recommendations provide for a major restructuring of significant improvement to the Call process to respond to Motion 21 and the survey responses received by local agencies.

NEXT STEPS

Upon Board approval, staff will proceed with the development of the future Call process that reflects the recommendations outlined in the report.

ATTACHMENTS

Attachment A - Summary of Call Restructuring Recommendations

Attachment B - Motion 21

Attachment C - Assessment of Call Process

Attachment C1 - FHWA Response on Subregional Subvention

Attachment C2 - Summary of Survey Results

Attachment C3 - Survey Instrument

Attachment C4 - Compendium of Survey Responses

Attachment D - Summary of Comments from TAC Briefing - 6/3/15

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